



COUNTY OF SAN LUIS OBISPO DEPARTMENT OF AIRPORTS

2022 STRATEGIC PLAN



COUNTY
of SAN LUIS
OBISPO

Mead&Hunt

IN ASSOCIATION WITH

THE CENTRE FOR ORGANIZATION EFFECTIVENESS
COFFMAN ASSOCIATES



From the Director of Airports,
County of San Luis Obispo

COURTNEY JOHNSON

The San Luis Obispo County Regional Airport (SBP) began as one man's dream. Earl Thomson, along with his brothers-in-law, William "Chris" and David Hoover, talked county officials into leasing them the land. In April 1939, the airport opened with a single hangar and dirt runways. Airport facilities now include a terminal building, restaurant, hangars, and numerous other businesses.

"My priorities are to develop a strong nexus between government, industry, and the community while continuing to foster the strategic partnerships within the region as we collectively move forward together."

The County is committed to ensuring that the San Luis County Regional Airport (SBP) and Oceano Airport (L52) meet the needs of the region. The County has developed this Strategic Plan to provide the community, public officials, airport tenants, and users with guidance for future development of the airports.

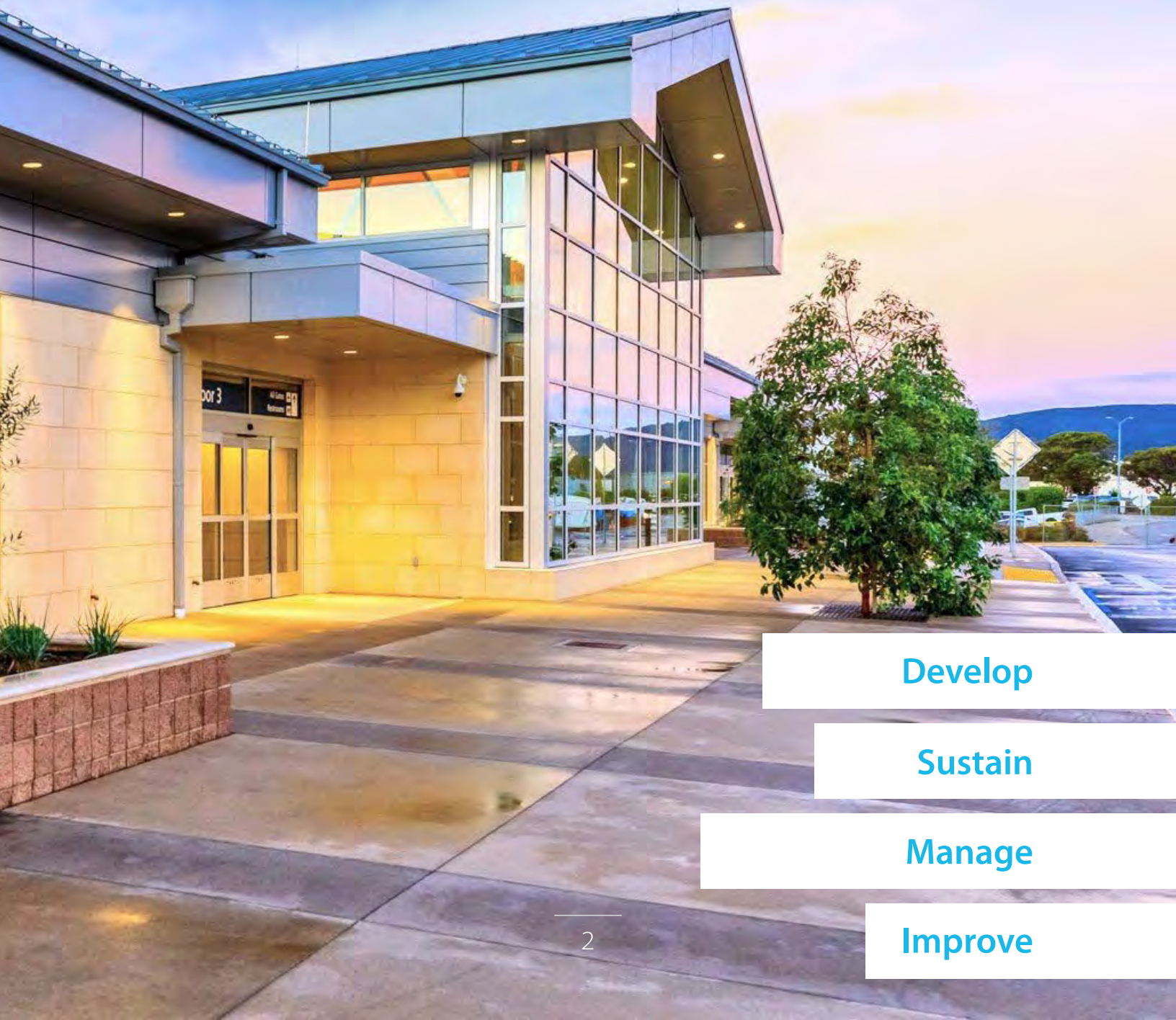
SBP and L52 are critical elements of the economy of San Luis Obispo County, both in terms of direct on-airport employment and the volume of visitors brought to the County.

I am proud to present the roadmap to our mutual success, and I am excited for our future.

California's Central Coast

“Airports of Choice”

for all Connoisseurs of
Comfort, Class, and Convenience.



Develop

Sustain

Manage

Improve

Plan Purpose

We have prepared this Strategic Plan to develop a better understanding of the key challenges, opportunities, and constraints facing SBP and L52.

Our Plan is a strategy for the Department as a whole. We evaluated:

- Our workforce,
- Our management approach
- Our revenue generation opportunities, and
- Our leadership in sustainability.

Our Plan addresses how to grow and develop each airport, focusing on:

- Building on our strengths,
- Addressing our weaknesses,
- Mitigating threats, and
- Capitalizing on opportunities.



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Mission

Your Airports **CARE**

The Department’s mission establishes a road map to determine where efforts to achieve their vision should be focused, leading management to develop a strategic approach to critical issues and inspiring employees to work more productively by focusing on common goals.

- C**ollaborate with and empower our employees
- A**tttract tenants and travelers with our quality service
- R**un safe and efficient facilities
- E**ncourage economic growth and environmental stewardship



Vision

Your Airports **LEAD**

The vision captures the future functionality and composition of the Department by establishing a framework for ethical behavior, optimized employee decision-making, and definition performance standards.

- L**ead in sustainability for aviation in California’s Central Coast
- E**nsure a customer and employee-centric airport
- A**dvance community synergy
- D**eliver high-quality services



Positioning

Our positioning statement is an ongoing process of attracting users and tenants, developing services, managing community relations, and positioning our airports competitively.

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Analysis

The core theme of our analysis was sustainability. Our stakeholders identified areas of the airports' operations that will require foresight to implement innovative plans to ensure future success. The key themes that were observed include sustainability of the environment, staffing, revenue generation, infrastructure, air service, and competition for the Department and our airports. These focus areas led to the formulation of our mission, vision, positioning, and goals.

Process

Our plan was completed in seven months between May and November 2021. It was a highly collaborative process and involved multiple meetings with internal and external stakeholders. The result is a strategy that focuses on sustainable growth, workforce development, financial resiliency, and leadership in environmental stewardship.

Stakeholder Engagement

Plan stakeholders were organized into three groups based on their level of involvement with the Department. The stakeholders were tasked with providing information and input to the Consultant Team, reviewing plan components, and helping guide the planning process.

STAKEHOLDER GROUPS



Airport Stakeholder Group (ASG): Airport staff who led strategy implementation and whose jobs are most directly related to and affected by recommendations in the Plan.

External Stakeholder Group (ESG): Tenants, organizations, and businesses that conduct business or are associated with the airports, such as the City of San Luis Obispo, economic and tourism development organizations, California Polytechnic State University (Cal Poly), airlines, and car rental companies.

County Stakeholder Group (CSG): Elected officials and county entities that are not considered airport staff. These members' jobs are not directly related to the daily operations of the airports.



Research & Analysis

Our research and analysis included peer benchmarking, industry role evaluation, and a SWOT analysis looking at our Strengths, Weaknesses, Opportunities, and Threats. These efforts provided data that helped us identify what we were doing well and where we can next focus our attention.



Benchmarking

Our airport peers serve as references for how we can address the challenges faced by our airports, which may include:

- Best management practices (BMPs),
- Technology improvements,
- Staff development, or
- A combination of approaches.

The situational analysis framed the existing conditions at SBP in the context of our peer airports across the country. L52 was not included in this analysis because it does not have commercial service. The benchmarking results (right) show the key takeaways from the analysis. Compared to similar-sized airports, SBP:

- Operates with fewer staff,
- Sits on fewer acres (1/3 of average),
- Books a similar number of airlines,
- Serves a similar community size,
- Spends less on each passenger, and
- Earns similar revenue on each passenger.

This analysis suggests that there is room to increase revenues and passenger experience by adjusting rates and charges to be more in line with other nearby airports.

Benchmarking Results



Innovation

Stewardship

Sustainability

Efficiency

WATCH YOUR STEP

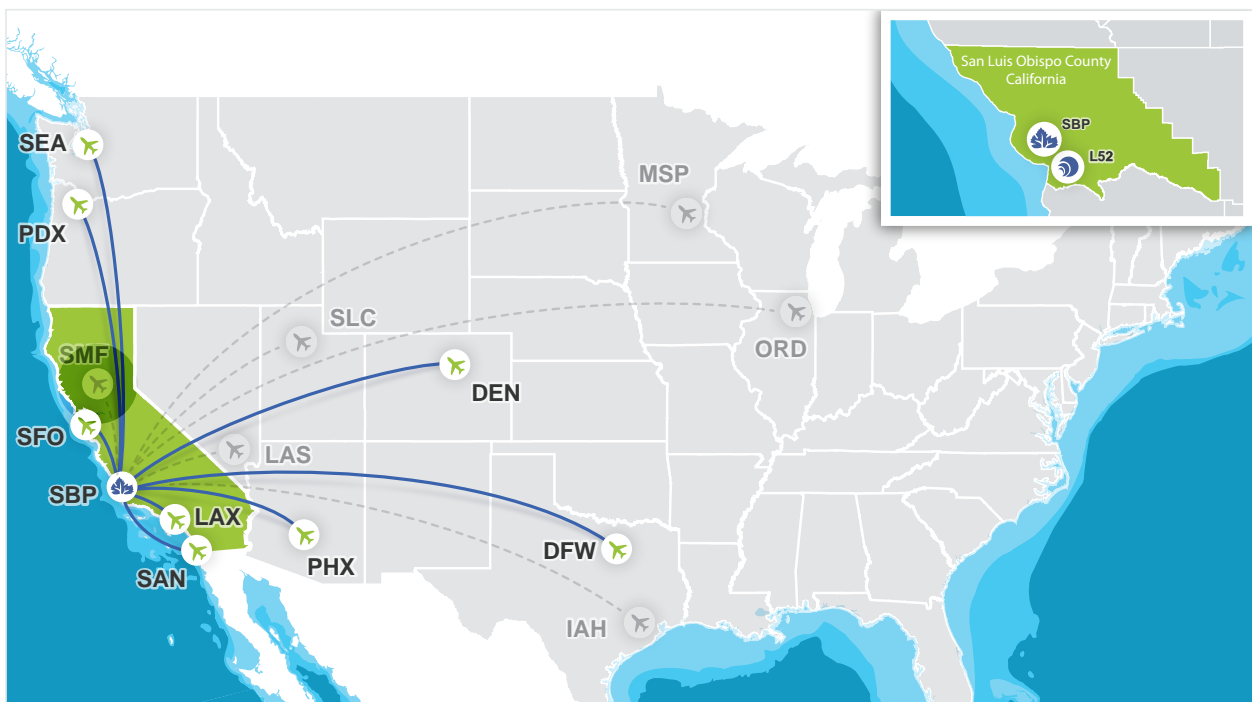
FIND
YOUR SLO LIFE
@ **SBP**

Airport Roles

SBP supports scheduled passenger air cargo air service, on-demand charters, business and private general aviation, flight instruction, and operations by the U.S. Department of Defense and local first responders. SBP's fixed base operator provides fueling services, pilot resources, and maintenance, and is one of the premier facilities in California. SBP is served by three airlines: Alaska Airlines, American Airlines, and United Airlines.

ALASKA AIRLINES	AMERICAN AIRLINES	UNITED AIRLINES
SEA - Seattle PDX - Portland SAN - San Diego	DFW - Dallas PHX - Phoenix	SFO - San Francisco DEN - Denver LAX - Los Angeles

L52 supports the smaller end of the general aviation fleet and is used by several companies that use aircraft as part of their research and development activities. It has an on-site campground and its proximity to Oceano and Pismo Beach could be leveraged to attract more visitors.



Existing Conditions



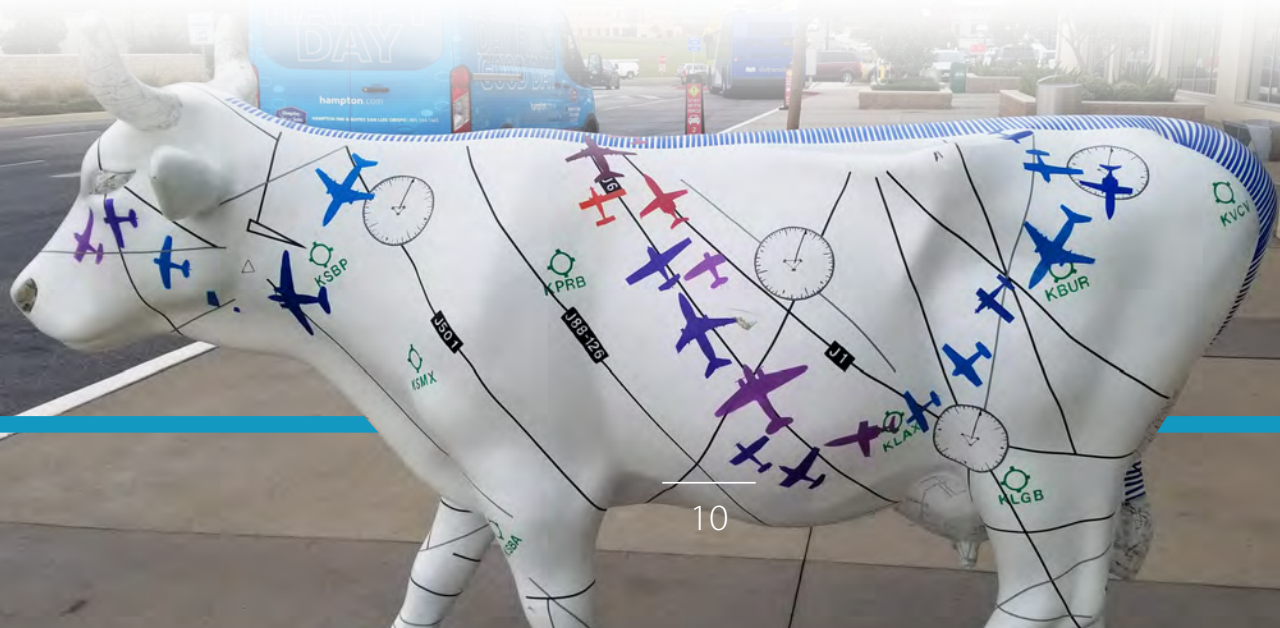
San Luis Obispo County Regional Airport

- Non-hub commercial service airport
- Three miles south of downtown San Luis Obispo
- 340 acres of property
- Two runways (7/25 and 11/29)
- Statistics (2019)
 - 512,000 airline passengers
 - 80,000 takeoffs and landings
 - 271 based aircraft



Oceano County Airport

- General aviation airport
- One mile west of Oceano, near Pismo Beach
- 58 acres of property
- One runway (11/29)
- Statistics (2019)
 - 0 airline passengers (no scheduled service)
 - 10,000 takeoffs and landings
 - 12 based aircraft



Plan Goals

Our goals for the Strategic Plan align with our Vision and Mission. They are prioritized based on need, required investment, and staff workload. A key element of all goals is to identify what needs to happen for work to begin on the achievement. Some goals can be acted on now, and others need to wait for other tasks to be completed before they can begin. Goals are arranged into four subject categories based on content and three temporal categories based on when they are expected to be achieved.

The common theme of our goals is sustainability, or the ability to maintain something at a certain rate or level for perpetuity. Our stakeholders have identified areas of the airports' operations that will require foresight to implement innovative plans to ensure our future success.

For planning purposes, the projects outlined in this plan are anticipated to begin in 2022 and continue through 2028 and beyond as strategies are updated and enhanced. To meet realistic funding expectations, it may be necessary to weigh each project in a thoughtful and economical manner through selective implementation. Knowing the full scope of development opportunities enables us to capitalize on opportunities, respond to financial realities, and select projects that are in accord with the overall strategic vision.



Environment

We wish to be a leader in airport environmental stewardship and sustainability by developing a logical program to complete projects that will lessen our environmental impact.

1. Develop a sustainability vision and road maps that reference priority sustainability focus areas using the economic vitality, operational efficiency, natural resources, and social responsibility (EONS) approach.
2. Prepare and enforce a climate action and adaptation plan to address greenhouse gas emissions.
3. Prioritize and implement the individual sustainability road maps.

“It is necessary to weigh each project in a thoughtful and economical manner”

Staffing

Our staff are highly skilled and highly specialized. Key strategic initiatives focus on staff training, retention, and making sure that the right number and type of staff are hired and promoted as the Department grows.

1. Provide adequate staffing coverage to meet day to day needs while allowing time for staff to focus on other goals.
2. Improve employee retention by providing better defined pathways to advancement.

Air Service Competition

While passenger growth is one of our primary revenue drivers, it must be done in a way that preserves the positioning of our airports as a premier destinations on California’s Central Coast; the easy, friendly, and convenient places to catch a flight.

1. Maintain positioning as the “Airports of Choice” for residents and visitors to the Central Coast.
2. Sustainably grow air service with new and existing carriers and routes.
3. Boost revenue at Oceano (L52) by attracting more users.



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Revenue Generation and Infrastructure

SBP and L52 properties are considered space constrained in comparison to peer airports with similar levels of activity. To fund many of the initiatives included in this plan, we need to promote revenue generation. The SBP Master Plan is running concurrently with the Strategic Plan. Key areas of focus for both plans include FAA airfield design compliance, the future of Runway 7/25, passenger terminal and auto parking expansion, and provision of facilities to support general aviation at both SBP and L52.

Revenue Generation

- 1. Improve aeronautical revenue generation by adjusting fees on airlines and general aviation to bring them closer to what peer airports are charging.
- 2. Reduce reliance on automobile parking as a source of revenue.
- 3. Improve parking revenues by providing additional services or facilities.

NEAR-TERM GOALS
1-3 YEARS

Infrastructure

- 1. Complete SBP Airport Master Plan.
- 2. Expand passenger terminal building, automobile parking, apron. Consider tower relocation.
- 3. Provide the facilities to support a strong and resilient general aviation community at SBP.
- 4. Modernize L52 so that it is an asset to general aviation and the community of Oceano.
- 5. (OPTIONAL) - Close Runway 7/25 to support aeronautical and non-aeronautical growth.

LONG-TERM GOALS
3-5 YEARS

ULTIMATE GOALS
5+ YEARS

Your Airports

ENGAGE
ANALYZE
CARE
FOCUS
GROW

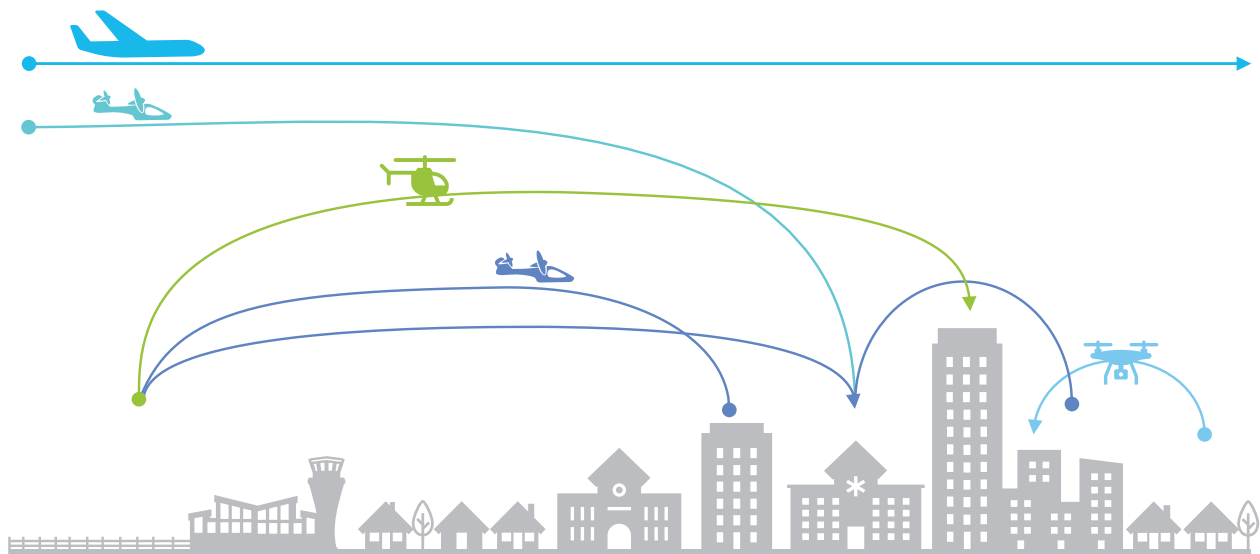


Emerging Trends

Emerging trends in the aviation industry focus on sustainability. Sustainability approaches may require extensive collaboration and development, but the results are beneficial and long lasting. We plan to explore and pursue incentives, guidance, and investments in emerging trends that will offer us opportunities for growth and innovation that will ensure passenger, employee, and community safety. These trends include, but are not limited to, electric aircraft and advanced air mobility, green airports, and technology.

Electric Aircraft and Advanced Air Mobility (AAM)

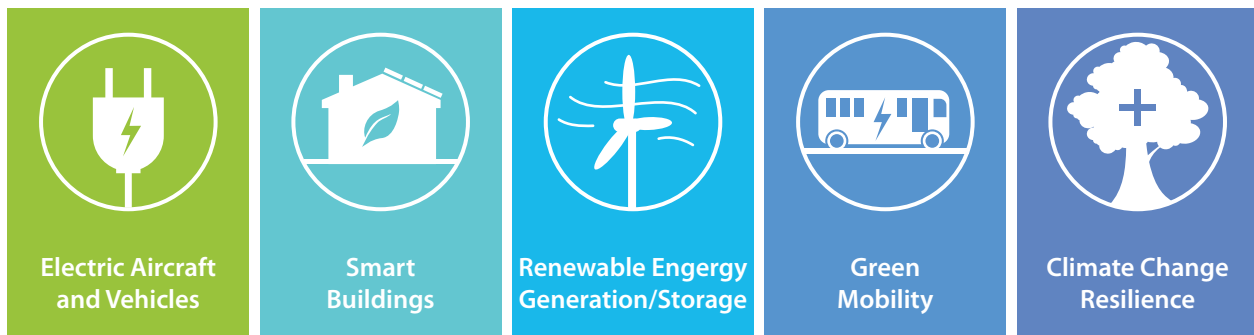
AAM is an aviation system that uses electric vertical takeoff and landing (eVTOL) aircraft to transport cargo and passengers at low altitudes. It is a system of transport for passengers and products, and it provides “last mile” connectivity between transport companies and end-users. Our opportunities surrounding AAM and electric aircraft include attracting research, development, and manufacturing businesses and providing services for users of electric aircraft, such as vertiports and charging stations. With passenger and cargo airlines, the U.S. military, and general aviation all investing in electric aircraft, provision of a capable support system is vital for long-term airport competitiveness.



Green Airports

We wish to be a leader in airport environmental stewardship, and several of this plan's goals focus on improving sustainability at both airports. We are responsible for our impact to the community and the perception of our efforts to be environmentally sustainable. Investing in the latest technological, operational, and policy advancements with an environmental focus will decrease greenhouse gas emissions and promote more sustainable operations. Emerging trends associated with environmental include electric vehicle charging stations, smart buildings, renewable energy generation and storage, green mobility, and climate change resilience. This change requires investment; however, green technology costs are declining and efficiency and reliability are improving as this market matures.

EMERGING TRENDS



Technology

Strategic implementation of the latest technology is a key method for maximizing safety, communication, efficiency, and growth. Improvements to the parking revenue management system, new badging software, and infrastructure advances focused on minimizing resource consumption and will help improve efficiency and increase revenues.

While technological innovation will improve efficiency and increase revenues, we will evaluate the risks as well. As illustrated by recent systems failures in the airline and information technology industries, over-reliance on a single system can expose the Department to new risks.



Engage

Analyze

Focus

Grow

Your Airports **LEAD** Your Airports **CARE**

The Future Beckons

We are positioning ourselves to have an opportunity to become more competitive on the pricing of our services, the number of airlines available to our passengers, and the number of non-stop routes we provide. We feel that we must focus on customer service and ease of use to stand out.

Employee well-being and job satisfaction are the most critical components of any service-oriented business, and we are no exception. Ensuring the proper staffing levels is synergistic for employees and operations. Adequate staffing levels will allow employees to be more focused and efficient, which is the cornerstone of our focus areas.

“Employee well-being and job satisfaction are the most critical components”

“A strong financial position will allow us to invest in improvements and innovation”

Infrastructure constraints force careful consideration of air service development; however, growth supports our continued expansion. Economic development and air service are highly interrelated, and we have several regional partners for this effort. A strong financial position will allow us to invest in the improvements and innovations that will keep the airports as the premier gateways to California's Central Coast.



What Does the Future Hold?

For planning purposes, the projects outlined in this plan are anticipated to begin in 2022 and continue through 2028 and beyond as strategies are updated and enhanced. To meet realistic funding expectations, it will be necessary to weigh each project in a thoughtful and economical manner through selective implementation. Knowing the full scope of development opportunities enables us to capitalize on opportunities, respond to financial realities, and select projects that are in accord with the overall strategic vision.

Establishing goals such as carbon neutrality, minimizing waste generation, and pursuing energy efficiency illustrate our dedication to our environmental priorities and will lead to meaningful change.



This is our “flight plan” for implementing our goals, and we are excited for the future of our airports.







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