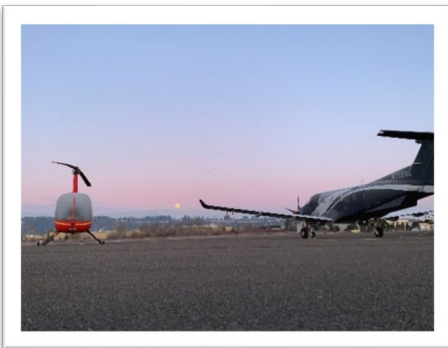


EXHIBIT A



2021-2024

STRATEGIC BUSINESS PLAN



Auburn Municipal Airport

City of Auburn, Washington

Adopted via Resolution No. 5577 (February 16, 2021)

AUBURN
MUNICIPAL
AIRPORT

AUBURN, WASHINGTON



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EXECUTIVE SUMMARY

In 2016, the Airport Advisory Board completed its first Strategic Business Plan and recommended adoption to the City Council of Resolution 5264, which was adopted on December 19, 2016. The original plan was for a 4-year period from 2017 to 2020. In 2019, the Board began working on an update of the plan for the next 4-year period of 2021 to 2024. This included a Strength, Weaknesses, Opportunities and Threats (SWOT) analysis to assess opportunities that the Airport is positioned now or in the future to capitalize on and to manage and/or eliminate threats that could limit current or future successes. From the SWOT analysis, the Board identified key result areas (KRA's) on which to focus the updated plan and developed the specific goals and priorities of that plan. The goals within each KRA are intended to be specific work projects or programs that can be implemented within the time frame of the Strategic Plan. This helps guide the Board, City Council and staff in strategic decision-making for current and future development and operations of the Airport.

The Key Result Area's (KRA's) for this plan are as follows:

1. Facility and Infrastructure

The Facility and Infrastructure KRA is focused on maintaining and developing sustainable facility and infrastructure improvements that maintain and enhance airport operations, strengthen the airport's economic vitality and ensure fiscal stewardship. In addition, this area provides for a balancing of new construction with the ability to effectively maintain and operate current assets in a cost effective and safe manner. This includes goals such as continued hangar development, identifying potential emerging technologies, and development potential of the middle ramp.

2. Economic/Community Development

The Economic/Community Development KRA is focused on planning for ongoing and enhanced sustainable economic development at the Auburn Municipal Airport through understanding the market needs and opportunities and how to maximize development of available space on the Airport. This includes goals such as completing the zoning regulation update, updating the marketing plan as needed, pursuing partnerships and preliminary work to expand the Airport and pursuing relationships with aviation educational programs.

3. Operations Enhancement/Expansion

The Operations Enhancement/Expansion KRA is focused on planning for sustainable airport business operations through optimal and cost-effective airport management and development and implementation of airport marketing and branding plans. This includes goals such as changing the night restrictions, identifying a viable instrument approach, implementing on-Airport wayfinding, exploring broadband services, and continuing to pursue the next phase of the runway extension.

GUIDING PLAN PRINCIPLES

The development and implementation of the Auburn Municipal Airport Strategic Business Plan is guided by the following City of Auburn principles pertaining to the governance and operation of the City of Auburn:

CITY VISION STATEMENT

Your Premier Community with Vibrant Opportunities

CITY MISSION STATEMENT

To provide a service-oriented government that meets the needs of our residents, citizens and business community.

CITY CORE VALUES

- Innovative
- Respectful
- Dedicated
- Hard-Working
- Ethical; Fair
- Environmentally Sensitive
- Trustworthy
- Financially Responsible
- Charitable
- Safe
- Transparent
- Engaged
- Responsive
- Supportive of the Arts
- Supportive of Life-Long Learning
- Embrace Diversity (Pluralistic)

AIRPORT VISION STATEMENT

Provide our community superior aviation facilities, custom solutions, and continued and sustainable economic development as judged by our customers and community.

AIRPORT MISSION STATEMENT

Our Mission is to:

- Be a gateway to Auburn and the Puget Sound Region (1)
- Promote Aviation at the airport and within the community (2)
- Provide a high level of operational excellence (3)
- Be environmentally and economically responsible (4)
- Provide safe and secure aviation facilities (5)

*Note: the numbering provided above is not by order of priority but to provide a reference within the KRA goals to the Airport mission.

STRATEGIC PLAN ANALYSIS

This Strategic Business Plan is intended to be a “living document.” While working within a four(4)-year planning horizon, it is anticipated and expected that all parties will have the opportunity to utilize, assess and modify the Plan as needed to ensure that it is providing valuable guidance on policies, strategies, actions and expenditures relating to the growth and operation of the Airport.

The Plan covers a four(4)-year period from 2021 to 2024 that aligns with the City of Auburn’s biennial budget cycle. This alignment is purposeful and is intended to allow City Council, the Airport Advisory Board and City staff to address needed actions and desired expenditures within the framework of the adopted budget for the Airport Enterprise Fund. The Airport Enterprise Fund within the City of Auburn’s governmental financial model is a type of proprietary fund in which the direct beneficiaries pay for all costs of the fund through fees and leases. The Public Works Department, which is responsible for the management of the Airport, periodically reviews revenues and expenses and adjusts priorities to ensure that the Airport remains sustainable.

The Airport Advisory Board completed a Strengths, Weaknesses, Opportunities and Threats analysis which identified many elements both positive and negative for the Airport’s future sustainability. Following this analysis, the Board refined the goals of the plan to determine the key areas that would provide the most potential benefit to the long-term success of the Airport balanced with the ability of the airport to resource and fund the needs identified. The Key Results Areas (KRAs) and goals identified in the next section are the result of this process. Each KRA was identified for a specific purpose to provide the Airport with the revenues to meet the service needs of the tenants and businesses located on the Airport while ensuring continued safe operations of the Airport in a sustainable way. An additional element included how to leverage the current market and changes in operations at other local airports that are affecting the general aviation industry in the Puget Sound area so that Auburn is positioned to benefit.

The Auburn Municipal Airport is advantageously located within the Puget Sound Region on 110 acres in North Auburn. The Airport is located one mile north of the downtown Auburn urban center, has easy access to Highway 167, U.S. Interstate 5, and Highway 18. It is bordered by major arterial roadways on its south and north ends (15th Street N.E. and 30th Street N.E.) and is surrounded by commercial and industrial developments. Some surrounding areas are currently underutilized and have the opportunity to redevelop in the future. The City has some ability to influence any redevelopment to enhance compatibility with the Airport.

The Auburn Municipal Airport has been directly operated by the City as an Enterprise Fund since its inception in 1969. By the end of 2020, with the final payment of an interfund loan for a hangar enclosure, the Airport is debt-free and fully financed from self-generated revenues and grants. The Airport currently has several commercial tenants providing aircraft maintenance or other services, and Airport Management staff provides on-site operations, facilities management and aircraft fueling.

The Airport’s annual revenue generated from fees for services and leases is approximately \$1.4 million. Annual operating expenditures are approximately \$1.0 million, though each year has some variation depending on maintenance needs. The remaining revenues are used for capital and major facility maintenance projects.

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Capital projects are funded through a combination of Federal and/or State grants and Airport revenues or solely by the Airport revenues. The Federal Aviation Administration and the Washington State Department of Transportation Aviation Division provide grants typically for projects which support airport infrastructure that do not directly produce revenue; examples include runway/taxiways and airfield lighting. Grants through these programs are also very competitive as there is not enough funding to complete all projects requested by qualifying airports. Therefore, funding for facilities such as hangars, offices, security, parking and utilities are not eligible for grant funding and must be paid for solely by Airport revenues. This means that the Airport must have a financially sustainable plan for maintenance of its existing facilities and for how it develops opportunity areas to ensure that revenues collected continue to pay for operations and ongoing facility maintenance needs.

According to recent Airport Management records, the airport currently has 330 based aircraft with 140,000 total annual operations (takeoff or landing). The Airport's current fleet mix includes single-engine piston aircraft, multi-engine piston aircraft and helicopters. The Airport does not anticipate a significant change in the fleet mix in the near future and has seen an increased demand for hangar space due to regional shifts away from serving smaller and nonbusiness aircraft at airports such as Boeing Field and Renton. However, to maintain the Airport's sustainability, the Airport needs a healthy mix of airport-based businesses and general aviation tenants. Currently, the Airport's hangar spaces are fully occupied with a significant waitlist for new tenants that can take up to two (2) years for them to achieve a space at the Airport. This high demand has been in place for several years, and even during the 2020 pandemic the Airport has seen little reduction in this demand. This is a driving force behind the need to develop more hangar spaces to meet the growing demand. In addition, as the based aircraft numbers increase there will continue to be an increased demand for more aviation services to be located at the Airport to meet these needs.

The Airport has one runway that was extended to 3,841 feet in 2020. It was last slurry sealed in 2014 and has a current Pavement Condition Index of 68 and 71 out of 100. The PCI is a rating that determines what type of preservation work may be needed to keep the runway functioning sufficiently for safe aircraft operations. A rating of 68 and 71 indicates that the pavement is in need of rehabilitation work in the next few years to maintain operations.

The Airport has one instrument approach that allows pilots to descend to 920 feet by flying solely on reference to instruments inside their aircraft. The approach is currently not authorized at night due to 33 obstructions in the vicinity of the Airport. Once the obstructions are mitigated, the night restrictions will be removed. To increase access to the Airport in poor weather visibility conditions, an approach with the ability to descend to a lower altitude is needed. The FAA has determined a redesigned approach could allow aircraft to descend to 600 feet.

Auburn Municipal Airport does not have an automated weather observation system located on the airport; one is planned to be installed in 2025. The airport does have an unofficial "SayWeather" system which provides altimeter setting, wind data, temperature, dew point and density altitude.

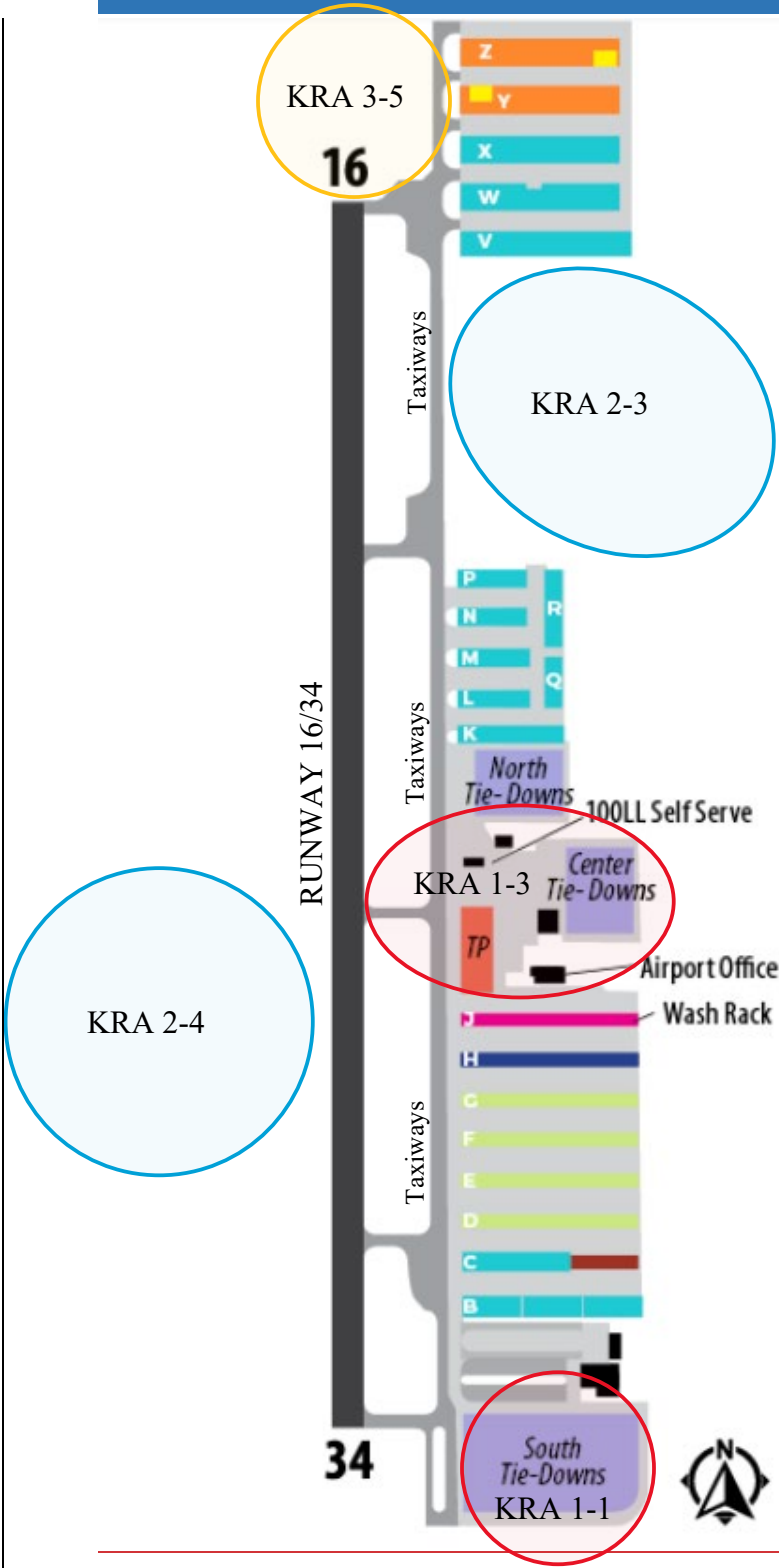
Auburn Municipal Airport accommodates a wide variety of aeronautical activity, including small single and multi-engine aircraft, civilian helicopters, and occasional business class turbine aircraft. Auburn Municipal Airport is classified as a Reliever airport in the National Plan of Integrated

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Airport Systems (NPIAS) defined by the Federal Aviation Administration (FAA). Reliever airports are intended to provide additional general aviation capacity to nearby commercial service airports.

The existing and future design aircraft identified in the Airport Master Plan is a multi-engine aircraft. In addition to the typical range of general aviation activity, the potential exists for Auburn Municipal Airport to accommodate small cargo aircraft. Several of these aircraft fall into the FAA defined category of “small airplanes with 10 or more seats.” The FAA runway length model indicates that 4,060 feet is required to accommodate small airplanes with 10 or more seats at the Auburn Municipal Airport. The Master Plan currently identifies a potential runway extension to 4,118 feet from the current 3,841 feet; however, 30th Street NE is located within what would be the Runway Safety Area for the fully extended runway, and more coordination with the FAA on how to accomplish this future extension is needed to determine its true viability.

Moving forward, a substantive planning effort to update the Strategic Business Plan should begin in the third year of the Plan to allow for adequate opportunity to engage key external stakeholders, complete needed investigations and analyses, coordinate with City Administration, City Council and appropriate City Departments and prepare, review and finalize the Plan update. This substantive effort should be completed by no later than the end of the fourth (4) year.



Note: KRA's not depicted here are considered Airport wide goals and are not specific to an individual location on the Airport.

KEY RESULT AREAS

| KRA 1: Facility and Infrastructure With input from the Airport Advisory Board, City Council and community stakeholders, Auburn will plan for sustainable facility and infrastructure improvements that maintain and enhance Airport operations, strengthen the Airport’s economic vitality and ensure fiscal stewardship of the Airport Enterprise Fund balancing new construction with the ability to effectively maintain and operate current assets in a cost-effective and safe manner. | | | | | |
|---|------------------------------|--|-----------------|------------------------|-----------------------------|
| Goal # | Key Result Area/Goals | Narrative Description | Airport Mission | Anticipated Start Date | Anticipated Completion Date |
| 1-1 | Continued Hangar Development | This program will continue to seek out and develop additional opportunities for New Hangar Development beyond the hangars already under design in 2020 in order to address the continued high demand for hangar space and to meet the needs of our individual and business tenants. | 1, 2, 5 | 2022 | On-going |
| 1-2 | Emerging Technologies | As development of facilities occurs on the Airport, incorporate improvements where feasible and affordable to allow for potential new technologies being developed in the aviation industry. | 3, 4, 5 | On-going | On-going |
| 1-3 | Middle Ramp Development | This project would be the development or redevelopment of the middle ramp area of the Airport to accommodate Airport offices, improved access and parking. There are additional opportunities to seek partnerships with those seeking to develop spaces for business or restaurant uses. | 1, 2, 3, 5 | 2022 | 2026 |

| <p>KRA 2: Economic/Community Development</p> <p>With input from the Airport Advisory Board, City Council and community stakeholders, Auburn will plan for ongoing and enhanced sustainable economic development at the Auburn Municipal Airport through: a) a comprehensive understanding of the Airport’s market niche and growth opportunities; b) implementing short-term and long-term strategic airport economic development actions; c) positioning of existing development sites to maximize future return on investment potential; and d) gaining understanding of opportunities and limitations for future on-Airport growth. These efforts will maintain and enhance airport operations, strengthen the Airport’s economic vitality and ensure fiscal stewardship of the Airport Enterprise Fund.</p> | | | | | |
|--|-----------------------------------|---|-----------------|------------------------|-----------------------------|
| Goal # | Key Result Area/Goals | Narrative Description | Airport Mission | Anticipated Start Date | Anticipated Completion Date |
| 2-1 | Airport Zoning Regulations Update | Coordinate with Community Dev. to assess and potentially implement new zoning regulations amendments to current City zoning standards for the Airport and surrounding properties to address operational needs or requirements and support current and future economic development efforts. | 1, 2, 4 | 2020 | 2021 |
| 2-2 | Airport Marketing Plan | Prepare an annual marketing plan that will act as a communication and implementation tool to achieve the goals established for the Airport each year and be responsive to changing market conditions and needs with a focus on marketing and leasing the two on-airport development sites approved in the approved Airport Master Plan to prospective tenants and developers. Other areas of focus are emerging technologies, alternative fuels, recruitment of on-airport Businesses, and better incorporation of the Airport into other City events. Current focus for on-airport business development includes expanded flight training, permanent maintenance facility, expansion of avionics and restaurant opportunities. | 1, 2 | On-going | On-going |

| KRA 2 (Continued): Economic/Community Development | | | | | |
|--|---|---|---------|----------|----------|
| <p>With input from the Airport Advisory Board, City Council and community stakeholders, Auburn will plan for ongoing and enhanced sustainable economic development at the Auburn Municipal Airport through: a) a comprehensive understanding of the Airport’s market niche and growth opportunities; b) implementing short-term and long-term strategic airport economic development actions; c) positioning of existing development sites to maximize future return on investment potential; and d) gaining understanding of opportunities and limitations for future on-airport growth. These efforts will maintain and enhance airport operations, strengthen the Airport’s economic vitality and ensure fiscal stewardship of the Airport Enterprise Fund.</p> | | | | | |
| 2-3 | Airport Expansion Areas | Pursue opportunities for physical growth of the Airport consistent with the approved Airport Master Plan including opportunities for Partnerships for both on-airport and adjacent property development. | 1, 2, 5 | On-going | On-going |
| 2-4 | Airport West Side Environmental Analysis | Conduct an environmental analysis of the west side development area to confirm the location and extent of wetlands/ environmental resources, potential mitigation strategies and anticipated mitigation costs | 4, 5 | 2020 | 2020 |
| 2-5 | Build Relationships with Education Programs in the Puget Sound Region | Strengthen and Develop Opportunities with aviation programs at Green River College, Auburn School District and possibly Federal Way or Kent School Districts for use of Auburn Airport in their programs. | 1, 2 | On-going | On-going |
| 2-6 | Recommendations - City’s 10-Year Economic Development Strategic Plan | Working with the Board and City Administration, evaluate and implement recommendations of the City’s 10-Year Economic Development Strategic Plan | 1, 2, 3 | On-going | On-going |

| <p>KRA 3: Operation Enhancement/Expansion</p> <p>With input from the Airport Advisory Board, City Council and community stakeholders, Auburn will plan for sustainable airport business operations through optimal and cost-effective airport management, focused work efforts for the Board, and Airport management, development and implementation of Airport marketing and branding plans.</p> | | | | | |
|--|---|---|-----------------|------------------------|-----------------------------|
| Goal # | Key Result Area/Goals <i>(Not in Priority Order)</i> | Narrative Description | Airport Mission | Anticipated Start Date | Anticipated Completion Date |
| 3-1 | Night Restrictions | Work with adjacent properties and the FAA to address obstructions and allow a change to the night restrictions that exist at the Airport. | 3, 5 | 2019 | 2020 |
| 3-2 | Viable Instrument Approach | Work with FAA to determine the steps and work necessary to create a viable instrument approach for the airport. | 3, 5 | 2020 | 2024 |
| 3-3 | On-Airport Wayfinding Improvements | Continue improvements to on-airport signage to improve information for airport users to find amenities and businesses on the airport | 3, 5 | 2021 | 2021 |
| 3-4 | Airport Municipal Broadband Service | Extend City’s Municipal Broadband service to the Airport. Currently, the City’s high-speed fiber optic network has been extended to the Airport. Building off of this network, wireless broad band services will be installed at the Airport for use by tenants, guests and visitors to provide a valuable user experience. | 2, 3 | 2021 | 2021 |
| 3-5 | Airport Runway Extension | Continue to pursue the necessary approvals from the FAA to extend the runway to the ultimate length as shown in the 2015 Airport Master Plan. | 1, 2, 3, 4, 5 | On-going | On-going |

APPENDIX A – BACKGROUND INFORMATION

City of Auburn Information:

The City of Auburn is an incorporated city of approximately 82,000 persons located in Southwest King County and a small area of Northeastern Pierce County, approximately 26 miles south of Seattle and 13 miles northeast of Tacoma. Auburn is bordered by the cities of Kent, Federal Way, Pacific, Sumner and Algona, and unincorporated King and Pierce Counties. The Muckleshoot Indian Reservation is located near the southeastern corner of the Auburn city limits. Within the Puget Sound region, King County is bordered by Snohomish County (north) and Pierce County (south). Kitsap, Kittitas, and Chelan counties also border King County to the west and east.

The City of Auburn was incorporated in 1891. The City is organized as a non-charter code city retaining the council-mayor plan of government under which the city is presently operating, as provided in RCW 35A.02.030 of the Optional Municipal Code for the State of Washington. The Mayor is the Chief Administrative Officer for the City. There are currently seven (7) major Departments of the City comprised of Administrative Services, Community Development and Public Works, Finance, Innovation and Technology, Human Resources/Risk Management, Legal, Parks, Arts and Recreation, and Police.

Auburn Municipal Airport Background:

The Auburn Municipal Airport (S50) is a municipal airport owned and operated by the City of Auburn, Washington. Beginning in 1974 and continuing to the present, the Auburn Airport Advisory Board has provided advisory support to the Auburn City Council and the Mayor or Chief Administrative Officer for the City on Airport planning and operations.

All existing landside development (hangars, aircraft parking, etc.) is located on the east side of the airport. An undeveloped area (approximately 23 acres) is located near the southwest corner of the airport.

As described in the 2015 Airport Master Plan Update, the Airport's current mix of based aircraft is projected to become more diverse reflecting growth in turbine aircraft (turboprop, very light jet, business jet), helicopters, and light sport aircraft. It is recognized that runway length limits the larger aircraft that can be accommodated at the Airport on a regular basis.

In Spring 2015, the City of Auburn completed an update of the Airport Master Plan that was previously updated in 2002. The 2002 Airport Master Plan provided the primary airport planning guidance for the Airport for over ten years. The recent Master Plan update was completed in cooperation with the Federal Aviation Administration to address the Airport's needs over a twenty(20)-year planning period and provide specific guidance in making the improvements necessary to maintain a safe and efficient airport that is economically, environmentally, and socially sustainable.

The purpose of the Airport Master Plan is to define the current, short-term and long-term needs of the Airport through a comprehensive evaluation of facilities, conditions and FAA airport planning and design standards. The study will also address elements of local planning (land use, transportation, environmental, economic development, etc.) that have the potential of affecting the planning, development and operation of the Airport.

Key Result Area Background:

Within the Plan there are several Key Result Areas (KRAs). The KRAs are broad-based goals and are re-evaluated annually and incorporated within the four-year Strategic Business Plan. Each KRA has a mission statement that describes the intent of each area. Additionally, each KRA has various goals which describe in greater detail the elements of each KRA, including the priority, a narrative description, and estimated start and completion dates. The KRAs are organized by subject matter and are listed in the order of priority. It is expected that the Board and staff will utilize the goals specified in each of the KRAs for the development and implementation of annual work plans.

The development of the Key Result Areas has been based in part of the application of the SMART model¹ for goal setting as described below:

Specific—simple, straightforward, compelling (without specificity, a goal can never truly be reached).

Measurable—tangible, able to be tracked (an effective goal requires a statement of the tangible evidence that the goal has been reached).

Attainable—possible, yet challenging enough to be motivating. If a goal requires an organization to reach beyond its true self, the goal will become burdensome and ultimately detrimental to the process. However, the goal should be challenging enough to cause the Airport's policymakers, management, and staff to "rise up" to achieve it.

Relevant—important to stakeholders and connected to the organization's values. Goals that are explicitly connected to values are motivational and, generally, easier to achieve as a result.

Time Bound—includes a beginning and ending point. Identifying start and end dates provides the "race-track" needed to keep the organization on course with a clear finish line to pursue.

¹ Source: Airport Cooperative Research Program (ACRP), ACRP Report 77, *Guidebook for Developing General Aviation Business Plan*, 2012