

**PROFESSIONAL SERVICES AGREEMENT
BY AND BETWEEN
COUNTY OF HUMBOLDT
AND
AVIATION MANAGEMENT CONSULTING GROUP
FOR FISCAL YEARS 2019-2020 THROUGH 2020-2021**

This Agreement, entered into this 28th day of January, 2020, by and between the County of Humboldt, a political subdivision of the State of California, hereinafter referred to as "COUNTY," and the Aviation Management Consulting Group, Inc., a Colorado Corporation, hereinafter referred to as "CONTRACTOR," is made upon the following considerations:

WHEREAS, COUNTY, by and through its Department of Aviation, is required to comply with Federal Aviation Regulations (FARs) including, but not limited to, Grant Assurances associated with the Airport Improvement Program (AIP); and

WHEREAS, the Federal Aviation Administration (FAA) has the right to inspect the County of Humboldt for compliance with the requirements and responsibilities associated with FARs, Grant Assurances, and other regulations and/or requirements for the operation of Airports, and has exercised their right to conduct said inspections with findings identified in the FAA Land Use Inspection; and

WHEREAS, COUNTY, by and through its Department of Aviation, desires to retain a qualified professional to provide appraisal, lease analysis, land use, financial analysis, and land conveyance services in response to the FAA Land Use Inspection; and

WHEREAS, such work involves the performance of professional, expert and technical services of a temporary and occasional character; and

WHEREAS, COUNTY has no employees available to perform such services and is unable to hire employees for the performance thereof for the temporary period; and

WHEREAS, CONTRACTOR represents that it is adequately trained, skilled, experienced and qualified to perform the appraisal, lease analysis, land use, and land conveyance services required by COUNTY.

NOW THEREFORE, the parties hereto mutually agree as follows:

1. DESCRIPTION OF SERVICES:

CONTRACTOR consists of the following entities which will provide services described in Exhibit A: Aviation Management Consulting Group, Decker Associates, Mead and Hunt, and DKMG Consulting.

CONTRACTOR agrees to provide the services described in Exhibit A – Scope of Services including Schedule of Rates, which is attached hereto and incorporated herein by reference as if set forth in full. In providing such services, CONTRACTOR agrees to fully cooperate with the Director of Aviation, or a designee thereof, hereinafter referred to as "Director."

2. TERM:

This Agreement shall begin upon execution by both parties and shall remain in full force and effect until June 30, 2021, unless sooner terminated as provided herein.

3. TERMINATION:

- A. Termination for Cause. COUNTY may, in its sole discretion, immediately terminate this Agreement, if CONTRACTOR fails to adequately perform the services required hereunder, fails to comply with the terms or conditions set forth herein, or violates any local, state or federal law, regulation or standard applicable to its performance hereunder.
- B. Termination Without Cause. COUNTY may terminate this Agreement without cause upon thirty (30) days advance written notice which states the effective date of the termination.
- C. Termination due to Insufficient Funding. COUNTY's obligations under this Agreement are contingent upon the availability of local, state and/or federal funds. In the event such funding is reduced or eliminated, COUNTY shall, at its sole discretion, determine whether this Agreement shall be terminated. COUNTY shall provide CONTRACTOR seven (7) days advance written notice of its intent to terminate this Agreement due to insufficient funding.
- D. Compensation Upon Termination. In the event this Agreement is terminated, CONTRACTOR shall be entitled to compensation for uncompensated services rendered hereunder through and including the effective date of such termination. However, this provision shall not limit or reduce any damages owed to COUNTY due to a breach of this Agreement by CONTRACTOR.

4. COMPENSATION:

- A. Maximum Amount Payable. The maximum amount payable by COUNTY for services rendered, and costs and expenses incurred, pursuant to the terms and conditions of this Agreement is Three Hundred Twenty-Four Thousand Dollars (\$324,000.00). In no event shall the maximum amount paid under this Agreement exceed One Hundred Sixty-Two Thousand Dollars (\$162,000.00) for fiscal year 2019-2020 and One Hundred Sixty-Two Thousand Dollars (\$162,000.00) for fiscal year 2020-2021. CONTRACTOR agrees to perform all services required by this Agreement for an amount not to exceed such maximum dollar amount. However, if local, state or federal funding or allowance rates are reduced or eliminated, COUNTY may, by amendment, reduce the maximum amount payable hereunder or terminate this Agreement as provided herein.
- B. Schedule of Rates. The specific rates and costs applicable to this Agreement are set forth in Exhibit A – Scope of Work including Schedule of Rates, which is attached hereto and incorporated herein by reference.
- C. Additional Services. Any additional services not otherwise provided for herein shall not be provided by CONTRACTOR, or compensated by COUNTY, without written authorization by COUNTY. Any and all unauthorized costs and expenses incurred above the maximum payable amount set forth herein shall be the responsibility of CONTRACTOR. CONTRACTOR shall notify COUNTY, in writing, at least six (6) weeks prior to the date upon which CONTRACTOR estimates that the maximum payable amount will be reached.

5. PAYMENT:

CONTRACTOR shall submit to COUNTY monthly invoices itemizing all services rendered, and costs and expenses incurred, pursuant to the terms and conditions of this Agreement by the tenth (10th) day of each month. CONTRACTOR shall submit a final invoice for payment within thirty

(30) days following the expiration or termination date of this Agreement. Invoices shall be in a format approved by Director and the Humboldt County Auditor-Controller and shall include the date that each service was provided, the total number of service hours provided per day, the total cost per day and the total cost for the month for Elements 5, 7, 8, 9, and 10, as identified in Exhibit A. Elements 1, 2, 3, 4, 6, and 11, as identified in Exhibit A, shall be billed on a percentage of completion basis. Payment for services rendered, and costs and expenses incurred, pursuant to the terms and conditions of this Agreement shall be made within thirty (30) days after the receipt of approved invoices. Any and all invoices submitted pursuant to the terms and conditions of this Agreement shall be sent to COUNTY at the following address:

COUNTY: County of Humboldt-Department of Aviation
3561 Boeing Avenue
McKinleyville, California 95519

6. NOTICES:

Any and all notices required to be given pursuant to the terms of this Agreement shall be in writing and either served personally or sent by certified mail, return receipt requested, to the respective addresses set forth below. Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the foregoing.

COUNTY: Humboldt County-Department of Aviation
Attention: Cody Roggatz, Director of Aviation
3561 Boeing Avenue
McKinleyville, CA 95519

CONTRACTOR: Aviation Management Consulting Group
Attention: Jeff A. Kohlman, Managing Principal
9085 E. Mineral Circle, Suite 315
Centennial, CO 80112

7. REPORTS:

CONTRACTOR agrees to provide COUNTY with any and all reports that may be required by any local, state and/or federal agencies for compliance with this Agreement. CONTRACTOR shall submit one (1) hard copy and one (1) electronic copy of any and all reports required hereunder in a format that complies with the Americans with Disabilities Act and any other applicable accessibility laws, regulations and standards. Any and all reports required hereunder shall be submitted in accordance with any and all applicable timeframes using the format required by the State of California as appropriate.

8. RECORD RETENTION AND INSPECTION:

A. Maintenance and Preservation of Records. CONTRACTOR agrees to timely prepare accurate and complete financial, performance and payroll records, documents and other evidence relating to the services provided pursuant to the terms and conditions of this Agreement, and to maintain and preserve said records for at least three (3) years from the date of final payment hereunder, except that if any litigation, claim, negotiation, audit or other action is pending, the records shall be retained until completion and resolution of all issues arising therefrom. Such records shall be original entry books with a general ledger itemizing all debits and credits for the services provided pursuant to the terms and conditions of this Agreement.

- B. Inspection of Records. Pursuant to California Government Code Section 8546.7, all records, documents, conditions and activities of CONTRACTOR, and its subcontractors, related to the services provided pursuant to the terms and conditions of this Agreement, shall be subject to the examination and audit of the California State Auditor and any other duly authorized agents of the State of California for a period of three (3) years after the date of final payment hereunder. CONTRACTOR hereby agrees to make all such records available during normal business hours to inspection, audit and reproduction by COUNTY and any other duly authorized local, state and/or federal agencies. CONTRACTOR further agrees to allow interviews of any of its employees who might reasonably have information related to such records by COUNTY and any other duly authorized local, state and/or federal agencies. All examinations and audits conducted hereunder shall be strictly confined to those matters connected with the performance of this Agreement, including, without limitation, the costs of administering this Agreement.
- C. Audit Costs. In the event of an audit exception or exceptions related to the services provided pursuant to the terms and conditions of this Agreement, the party responsible for not meeting the requirements set forth herein shall be responsible for the deficiency and for the cost of the audit. If the allowable expenditures cannot be determined because CONTRACTOR's documentation is nonexistent or inadequate, according to generally accepted accounting practices, the questionable cost shall be disallowed by COUNTY.

9. MONITORING:

CONTRACTOR agrees that COUNTY has the right to monitor all activities related to this Agreement, including, without limitation, the right to review and monitor CONTRACTOR's records, programs, procedures and overall business operations, at any time, in order to ensure compliance with the terms and conditions of this Agreement. CONTRACTOR will cooperate with a corrective action plan, if deficiencies in CONTRACTOR's records, programs or procedures are identified by COUNTY. However, COUNTY is not responsible, and will not be held accountable, for overseeing or evaluating the adequacy of CONTRACTOR's performance hereunder.

10. CONFIDENTIAL INFORMATION:

- A. Disclosure of Confidential Information. In the performance of this Agreement, CONTRACTOR may receive information that is confidential under local, state or federal law. CONTRACTOR hereby agrees to protect all confidential information in conformance with any and all applicable local, state and federal laws, regulations, policies, procedures and standards.
- B. Continuing Compliance with Confidentiality Requirements. The parties acknowledge that local, state and federal laws, regulations and standards pertaining to confidentiality, electronic data security and privacy are rapidly evolving and that amendment of this Agreement may be required to ensure compliance with such developments. Each party agrees to promptly enter into negotiations concerning an amendment to this Agreement embodying written assurances consistent with the requirements of any applicable local, state and federal laws, regulations or standards.

11. NON-DISCRIMINATION COMPLIANCE:

- A. Professional Services and Employment. In connection with the execution of this Agreement, CONTRACTOR, and its subcontractors, shall not unlawfully discriminate in the provision of professional services or against any employee or applicant for employment because of: race;

religion or religious creed; color; age, over forty (40) years of age; sex, including, without limitation, gender identity and expression, pregnancy, childbirth and related medical conditions; sexual orientation, including, without limitation, heterosexuality, homosexuality and bisexuality; national origin; ancestry; marital status; medical condition, including, without limitation, cancer and genetic characteristics; mental or physical disability, including, without limitation, HIV status and AIDS; political affiliation; military service; denial of family care leave; or any other classifications protected by local, state, or federal laws or regulations. Nothing herein shall be construed to require the employment of unqualified persons.

- B. Compliance with Anti-Discrimination Laws. CONTRACTOR further assures that it, and its subcontractors, will abide by the applicable provisions of: Title VI and Title VII of the Civil Rights Act of 1964; Section 504 of the Rehabilitation Act of 1973; the Age Discrimination Act of 1975; the Food Stamp Act of 1977; Title II of the Americans with Disabilities Act of 1990; the California Fair Employment and Housing Act; California Civil Code Sections 51, *et seq.*; California Government Code Sections 4450, *et seq.*; California Welfare and Institutions Code Section 10000; Division 21 of the California Department of Social Services Manual of Policies and Procedures; United States Executive Order 11246, as amended and supplemented by United States Executive Order 11375 and 41 C.F.R. Part 60; and any other applicable local, state and/or federal laws and regulations, all as may be amended from time to time. The applicable regulations of the California Fair Employment and Housing Commission implementing California Government Code Section 12990, set forth in Sections 8101, *et seq.* of Title 2, of the California Code of Regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full.

12. NUCLEAR-FREE HUMBOLDT COUNTY ORDINANCE COMPLIANCE:

By executing this Agreement, CONTRACTOR certifies that it is not a Nuclear Weapons Contractor, in that CONTRACTOR is not knowingly or intentionally engaged in the research, development, production or testing of nuclear warheads, nuclear weapons systems or nuclear weapons components as defined by the Nuclear-Free Humboldt County Ordinance. CONTRACTOR agrees to notify COUNTY immediately if it becomes a Nuclear Weapons Contractor as defined above. COUNTY may immediately terminate this Agreement if it determines that the foregoing certification is false or if CONTRACTOR subsequently becomes a Nuclear Weapons Contractor.

13. DRUG-FREE WORKPLACE CERTIFICATION:

By executing this Agreement, CONTRACTOR certifies that it will provide a drug-free workplace in accordance with the requirements of the Drug-Free Workplace Act of 1990 (California Government Code Sections 8350, *et seq.*), by doing all of the following:

- A. Drug-Free Policy Statement. Publish, as required by California Government Code Section 8355(a)(1), a Drug-Free Policy Statement which notifies employees that the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited, and specifies the actions to be taken against employees for violations.
- B. Drug-Free Awareness Program. Establish, as required by California Government Code Section 8355(a)(2), a Drug-Free Awareness Program which informs employees about:
1. The dangers of drug abuse in the workplace;
 2. CONTRACTOR's policy of maintaining a drug-free workplace;

3. Any available counseling, rehabilitation and employee assistance programs; and
 4. Penalties that may be imposed upon employees for drug abuse violations.
- C. Drug-Free Employment Agreement. Ensure, as required by California Government Code Section 8355(a)(3), that every employee who provides services hereunder will:
1. Receive a copy of CONTRACTOR's Drug-Free Policy Statement; and
 2. Agree to abide by CONTRACTOR's Drug-Free Policy as a condition of employment.
- D. Effect of Non-Compliance. Failure to comply with the requirements set forth herein may result in termination of this Agreement and/or ineligibility for award of future contracts.

14. INDEMNIFICATION:

- A. Hold Harmless, Defense and Indemnification. CONTRACTOR shall hold harmless, defend and indemnify COUNTY and its agents, officers, officials, employees and volunteers from and against any and all claims, demands, losses, damages, liabilities, expenses and costs of any kind or nature, including, without limitation, attorney's fees and other costs of litigation, arising out of, or in connection with, CONTRACTOR's negligent performance of, or failure to comply with, any of the duties and/or obligations contained herein, except such loss or damage which was caused by the sole negligence or willful misconduct of COUNTY.
- B. Effect of Insurance. Acceptance of the insurance required by this Agreement shall not relieve CONTRACTOR from liability under this provision. This provision shall apply to all claims for damages related to CONTRACTOR's performance hereunder, regardless of whether any insurance is applicable or not. The insurance policy limits set forth herein shall not act as a limitation upon the amount of indemnification or defense to be provided hereunder.

15. INSURANCE REQUIREMENTS:

This Agreement shall not be executed by COUNTY, and CONTRACTOR is not entitled to any rights hereunder, unless certificates of insurance, or other proof that the following provisions have been complied with, are filed with the Clerk of the Humboldt County Board of Supervisors.

- A. General Insurance Requirements. Without limiting CONTRACTOR's indemnification obligations set forth herein, CONTRACTOR, and its subcontractors, shall take out and maintain, throughout the term of this Agreement, and any extensions thereof, the following policies of insurance, placed with insurers authorized to do business in the State of California with a current A.M. Bests rating of no less than A: VII or its equivalent against personal injury, death and property damage which may arise from, or in connection with, the activities of CONTRACTOR or its agents, officers, directors, employees, assignees or subcontractors:
1. Comprehensive or Commercial General Liability Insurance at least as broad as Insurance Services Office Commercial General Liability Coverage (occurrence form CG 0001), in an amount of Two Million Dollars (\$2,000,000.00) per occurrence for any one (1) incident, including, without limitation, personal injury, death and property damage. If a general aggregate limit is used, such limit shall apply separately hereto or shall be twice the required occurrence limit.
 2. Automobile/Motor Liability Insurance with a limit of liability not less than One Million

Dollars (\$1,000,000.00) combined single limit coverage. Such insurance shall include coverage of all owned, hired and non-owned vehicles, and be at least as broad as Insurance Service Offices Form Code 1 (any auto).

3. Workers' Compensation Insurance, as required by the California Labor Code, with statutory limits, and Employers Liability Insurance with a limit of no less than One Million Dollars (\$1,000,000.00) per accident for bodily injury or disease. Said policy shall contain, or be endorsed to contain, a waiver of subrogation against COUNTY and its agents, officers, officials, employees and volunteers.
4. Professional Liability Insurance – Error and Omission Coverage including coverage in an amount no less than One Million Dollars (\$1,000,000.00) for each occurrence. Said insurance shall be maintained for the statutory period during which CONTRACTOR may be exposed to liability. CONTRACTOR shall require that such coverage be incorporated into its professional services agreements with any other entities.

B. Special Insurance Requirements. Said policies shall, unless otherwise specified herein, be endorsed with the following provisions:

1. The Comprehensive or Commercial General Liability Policy shall provide that COUNTY, and its agents, officers, officials, employees and volunteers, are covered as additional insured for liability arising out of the operations performed by, or on behalf of, CONTRACTOR. The coverage shall contain no special limitations on the scope of protection afforded to COUNTY or its agents, officers, officials, employees and volunteers. Said policy shall also contain a provision stating that such coverage:
 - a. Includes contractual liability.
 - b. Does not contain exclusions as to property damage caused by explosion or collapse of structures or underground damage, commonly referred to as "XCU Hazards."
 - c. Is the primary insurance with regard to COUNTY.
 - d. Does not contain a pro-rata, excess only and/or escape clause.
 - e. Contains a cross liability, severability of interest or separation of insureds clause.
2. The above-referenced policies shall not be canceled, non-renewed or materially reduced in coverage without thirty (30) days prior written notice being provided to COUNTY in accordance with the notice requirements set forth herein. It is further understood that CONTRACTOR shall not terminate such coverage until COUNTY receives adequate proof that equal or better insurance has been secured.
3. The inclusion of more than one (1) insured shall not operate to impair the rights of one (1) insured against another insured, and the coverage afforded shall apply as though separate policies had been issued to each insured, but the inclusion of more than one (1) insured shall not operate to increase the limits of the insurer's liability.
4. For claims related to this Agreement, CONTRACTOR's insurance is the primary coverage to COUNTY, and any insurance or self-insurance programs maintained thereby are excess to CONTRACTOR's insurance and will not be used to contribute therewith.

5. Any failure to comply with the provisions of this Agreement shall not affect the coverage provided to COUNTY or its agents, officers, officials, employees and volunteers.
 6. CONTRACTOR shall furnish COUNTY with certificates and original endorsements effecting the required coverage prior to execution of this Agreement. The endorsements shall be on forms approved by the Humboldt County Risk Manager. Any deductible or self-insured retention over One Hundred Thousand Dollars (\$100,000.00) shall be disclosed to, and approved by, COUNTY. If CONTRACTOR does not keep all required policies in full force and effect, COUNTY may, in addition to any other available remedies, take out the necessary insurance and deduct the cost of said insurance from the monies owed to CONTRACTOR under this Agreement.
 7. COUNTY is to be notified immediately if twenty-five percent (25%) or more of any required insurance aggregate limit is encumbered, and CONTRACTOR shall be required to purchase additional coverage to meet the above-referenced aggregate limits.
- C. Insurance Notices. Any and all insurance notices required hereunder shall be sent to the addresses set forth below in accordance with the notice requirements contained herein.

COUNTY: County of Humboldt
Attention: Risk Management
825 Fifth Street, Room 131
Eureka, California 95501

CONTRACTOR: Aviation Management Consulting Group
Attention: Jeff A. Kohlman, Managing Principal
9085 E. Mineral Circle, Suite 315
Centennial, CO 80112

16. RELATIONSHIP OF PARTIES:

It is understood that this Agreement is by and between two (2) independent entities and is not intended to, and shall not be construed to, create the relationship of agents, servant, employee, partnership, joint venture or any other similar association. Both parties further agree that CONTRACTOR shall not be entitled to any benefits to which COUNTY employees are entitled, including, without limitation, overtime, retirement, leave or workers' compensation benefits.

17. COMPLIANCE WITH APPLICABLE LAWS, REGULATIONS AND STANDARDS:

- A. General Legal Requirements. CONTRACTOR agrees to comply with any and all local, state and federal laws, regulations, policies, procedures and standards applicable to the services provided pursuant to the terms and conditions of this Agreement.
- B. Licensure Requirements. CONTRACTOR agrees to comply with any and all local, state and federal licensure, certification and accreditation requirements and standards applicable to the services provided pursuant to the terms and conditions of this Agreement.
- C. Accessibility Requirements. CONTRACTOR agrees to comply with any and all applicable accessibility requirements set forth in the Americans with Disabilities Act, Section 508 of the Rehabilitation Act of 1973, as amended, California Government Code Section 1135 and any current and future implementing regulations, policies, procedures and standards promulgated

thereunder, including, without limitation, the federal accessibility standards set forth in 36 C.F.R. Section 1194.1, all as may be amended from time to time.

- D. Conflict of Interest Requirements. CONTRACTOR agrees to comply with any and all applicable conflict of interest requirements set forth in the California Political Reform Act and any current and future implementing regulations, policies, procedures and standards promulgated thereunder, including, without limitation, COUNTY's Conflict of Interest Code, all as may be amended from time to time.

18. PROVISIONS REQUIRED BY LAW:

This Agreement is subject to any additional local, state and federal restrictions, limitations or conditions that may affect the terms, conditions or funding of this Agreement. This Agreement shall be read and enforced as though all legally required provisions are included herein, and if for any reason any such provision is not included, or is not correctly stated, the parties agree to amend the pertinent section to make such insertion or correction.

19. REFERENCE TO LAWS, REGULATIONS AND STANDARDS:

In the event any law, regulation or standard referred to herein is amended during the term of this Agreement, the parties agree to comply with the amended provision as of the effective date thereof.

20. PROTOCOLS:

Both parties agree that the inclusion of additional protocols may be required to make this Agreement specific. All such protocols shall be negotiated, determined and agreed upon by both parties hereto.

21. SEVERABILITY:

If any provision of this Agreement, or any portion thereof, is found by any court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severable and shall not in any way impair the enforceability of any other provision of this Agreement.

22. ASSIGNMENT:

Neither party shall delegate its duties or assign its rights hereunder, either in whole or in part, without the other party's prior written consent. Any assignment by CONTRACTOR in violation of this provision shall be void, and shall be cause for immediate termination of this Agreement. This provision shall not be applicable to service agreements or other arrangements usually or customarily entered into by either party to obtain supplies, technical support or professional services.

23. AGREEMENT SHALL BIND SUCCESSORS:

All provisions of this Agreement shall be fully binding upon, and inure to the benefit of, the parties and to each of their heirs, executors, administrators, successors and permitted assigns.

24. WAIVER OF DEFAULT:

The waiver by either party of any breach of this Agreement shall not be deemed to be a waiver of any such breach in the future, or of the breach of any other requirement of this Agreement. In no event shall any payment by COUNTY constitute a waiver of any breach of this Agreement which may then exist on the part of CONTRACTOR. Nor shall such payment impair or prejudice any

remedy available to COUNTY with respect to the breach or default. COUNTY shall have the right to demand repayment of, and CONTRACTOR shall promptly refund, any funds disbursed to CONTRACTOR which COUNTY determines were not expended in accordance with the terms of this Agreement.

25. NON-LIABILITY OF COUNTY OFFICIALS AND EMPLOYEES:

No official or employee of COUNTY shall be personally liable for any default or liability under this Agreement.

26. AMENDMENT:

This Agreement may be amended at any time during the term of this Agreement upon the mutual consent of both parties. No addition to, or alteration of, the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto.

27. STANDARD OF PRACTICE:

CONTRACTOR warrants that it has the degree of learning and skill ordinarily possessed by reputable professionals practicing in similar localities in the same profession and under similar circumstances. CONTRACTOR's duty is to exercise such care, skill and diligence as professionals engaged in the same profession ordinarily exercise under like circumstances.

28. TITLE TO INFORMATION AND DOCUMENTS:

It is understood that any and all documents, information and reports concerning the subject matter of this Agreement prepared and/or submitted by CONTRACTOR shall become the property of COUNTY. However, CONTRACTOR may retain copies of such documents, information and reports for its records. In the event this Agreement is terminated, for any reason whatsoever, CONTRACTOR shall promptly turn over all such documents, information and reports to COUNTY without exception or reservation.

29. JURISDICTION AND VENUE:

This Agreement shall be construed in accordance with the laws of the State of California. Any dispute arising hereunder, or relating hereto, shall be litigated in the State of California and venue shall lie in the County of Humboldt unless transferred by court order pursuant to California Code of Civil Procedure Sections 394 or 395.

30. ADVERTISING AND MEDIA RELEASE:

Any and all informational material related to this Agreement shall receive approval from COUNTY prior to being used as advertising or released to the media, including, without limitation, television, radio, newspapers and internet. CONTRACTOR shall inform COUNTY of all requests for interviews by the media related to this Agreement before such interviews take place; and COUNTY shall be entitled to have a representative present at such interviews. All notices required by this provision shall be given to Director in accordance with the notice requirements set forth herein.

31. SUBCONTRACTS:

CONTRACTOR shall obtain prior written approval from COUNTY before subcontracting any of the services to be provided pursuant to the terms and conditions of this Agreement. Any and all

subcontracts shall be subject to all applicable terms and conditions of this Agreement, including, without limitation, the licensing, certification, privacy, security and confidentiality requirements set forth herein. CONTRACTOR shall remain legally responsible for the performance of all terms and conditions of this Agreement, including, without limitation, any and all services provided by third-parties under subcontracts, whether approved by COUNTY or not.

32. ATTORNEYS' FEES:

If either party shall commence any legal action, including, without limitation, an action for declaratory relief, against the other by reason of the alleged failure of the other to perform any of its obligations hereunder, the party prevailing in said action shall be entitled to recover court costs and reasonable attorneys' fees, including, but not limited to, the reasonable value of services rendered by the Humboldt County Counsel's Office, to be fixed by the court, and such recovery shall include court costs and attorneys' fees on appeal, if applicable. As used herein, "prevailing party" means the party who dismisses an action in exchange for payment of substantially all sums allegedly due, performance of provisions allegedly breached, or other considerations substantially equal to the relief sought by said party, as well as the party in whose favor final judgment is rendered.

33. SURVIVAL OF PROVISIONS:

The duties and obligations of the parties set forth in Section 3 – Compensation Upon Termination, Section 8 – Record Retention and Inspection, Section 10 – Confidential Information and Section 14 – Indemnification shall survive the expiration or termination of this Agreement.

34. CONFLICTING TERMS OR CONDITIONS:

In the event of any conflict in the terms or conditions set forth in any other agreements in place between the parties hereto and the terms and conditions set forth in this Agreement, the terms and conditions set forth herein shall have priority.

35. INTERPRETATION:

This Agreement, as well as its individual provisions, shall be deemed to have been prepared equally by both of the parties hereto, and shall not be construed or interpreted more favorably for one (1) party on the basis that the other party prepared it.

36. INDEPENDENT CONSTRUCTION:

The titles of the sections and subsections set forth herein are inserted for convenience of reference only, and shall be disregarded in construing or interpreting any of the provisions of this Agreement.

37. FORCE MAJEURE:

Neither party hereto shall be liable or responsible for delays or failures in performance resulting from events beyond the reasonable control, and without the fault or negligence, of such party. Such events shall include, without limitation, acts of God, strikes, lockouts, riots, acts of war, epidemics, acts of government, fire, power failures, nuclear accidents, earthquakes, unusually severe weather, acts of terrorism or other disasters, whether or not similar to the foregoing.

38. ENTIRE AGREEMENT:

This Agreement contains all of the terms and conditions agreed upon by the parties hereto and no

other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind either of the parties hereto. In addition, this Agreement shall supersede in their entirety any and all prior agreements, promises, representations, understandings and negotiations of the parties, whether oral or written, concerning the same subject matter. Any and all acts which may have already been consummated pursuant to the terms and conditions of this Agreement are hereby ratified.

39. COUNTERPART EXECUTION:

This Agreement, and any amendments hereto, may be executed in one (1) or more counterparts, each of which shall be deemed to be an original and all of which, when taken together, shall be deemed to be one (1) and the same agreement. A signed copy of this Agreement, and any amendments hereto, transmitted by email or by other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement and any amendments hereto.

40. AUTHORITY TO EXECUTE:

Each person executing this Agreement represents and warrants that he or she is duly authorized and has legal authority to execute and deliver this Agreement. Each party represents and warrants to the other that the execution and delivery of this Agreement and the performance of such party's obligations hereunder have been duly authorized.

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the first date written above.

TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS:

- (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; AND
- (2) SECRETARY, CHIEF FINANCIAL OFFICER OR TREASURER.

Aviation Management Consulting Group, Inc.:

By:  Date: 01/21/2020

Name: Jeff A. Kohlman

Title: President, Managing Principal

By:  Date: 01/21/2020

Name: David C. Benner

Title: Vice President, Managing Consultant

COUNTY OF HUMBOLDT:

By: _____ Date: _____
Estelle Fennell
Chair, Humboldt County Board of Supervisors

INSURANCE AND INDEMNIFICATION REQUIREMENTS APPROVED:

By:  Date: 1/22/2020
Risk Management

LIST OF EXHIBITS:

Exhibit A – Scope of Services including Schedules of Rates

EXHIBIT A
SCOPE OF SERVICES INCLUDING SCHEDULE OF RATES
AMCG Team
For Fiscal Years 2019-2020 through 2020-2021

SEE ATTACHED DOCUMENT

- Prospect:** Humboldt County
3561 Boeing Avenue
McKinleyville, California 95519
- Contact:** Mr. Cody Roggatz, C.M., Director of Aviation
- Location:** Humboldt County Airports: California Redwood Coast-Humboldt County Airport, Murray Field Airport, Garberville Airport, Rohnerville Airport, Dinsmore Airport, and Kneeland Airport
- Services:** FAA Land-Use Inspection Compliance Resolution
- Scope:** Aviation Management Consulting Group, Decker Associates, Mead & Hunt, and DKMG Consulting (the AMCG team) will provide the scope of services for Humboldt County (County) at the Humboldt County Airports (Airports) outlined in the following elements:

Element 1: The AMCG team proposes to conduct an Aeronautical Rent Study to determine an opinion of market rent for the land and improvements utilized for aeronautical purposes at each County Airport.

Element 2: The AMCG team proposes to conduct a Non-Aeronautical Appraisal to determine an opinion of market rent for the land utilized for non-aeronautical purposes at each County Airport.

Element 3: The AMCG team proposes to conduct a General Aviation Lease Review and Comment of all existing lease agreements and other property use agreements at each County Airport.

Element 4: The AMCG team proposes to draft a new General Aviation Use and Operating Agreement template to be used by the County as the basis for all future agreements at each County Airport.

Element 5: The AMCG team proposes to conduct an Audit Review and Comment of the *Fiscal Year 2017 Single Audit and Passenger Facility Report* to assist the County in resolving Finding 2017-002 for the California Redwood Coast-Humboldt County Airport.

Element 6: The AMCG team proposes to conduct a Revenue and Cost Allocation Study for all County Airports which will consist of a review, allocation, and analysis of two historical years of the County Airports' operating revenues, expenses, and non-operating sources and uses of funds by the functional areas and revenues streams (i.e., administration, airside, landside, aviation real estate, and non-aviation real estate) for each County Airport.

Element 7: The AMCG team proposes to conduct a Land Conveyances Analysis at California Redwood Coast-Humboldt County Airport to resolve disparities between the conveyance documents (all land acquired by the County, less three land releases by the Federal Aviation Administration – FAA), the FAA Master Record (Form 5010), and the Airport Layout Plan (ALP).

Element 8: The AMCG team proposes to develop a Non-Aeronautical Use Inventory for submittal to the FAA for acknowledgement and approval at each County Airport. Upon approval, the AMCG team will work with the County to revise the associated ALP at each County Airport.

Element 9: The AMCG team proposes to develop new Airline Rates and Charges.

Element 10: The AMCG team proposes to draft a new Airline Agreement and will assist in a strategy for airline agreement negotiations.

Element 11: The AMCG team proposes conduct a final presentation to the County Board of Supervisors outlining the results and recommendations pertaining to each element.

The proposed work plans are provided in **Attachment A**.

Fees:

Based on the proposed scope of services, proposed work plans, and the AMCG team's experience with similar projects, the services can be provided for the following fees (by element).

Elements	Budget
Element 1: Aeronautical Rent Study	\$48,505
Element 2: Non-Aeronautical Appraisal	38,375
Element 3: General Aviation Lease Review and Comment	\$9,750
Element 4: General Aviation Use and Operating Agreement Template	\$12,500
Element 5: Audit Review and Comment	NTE \$10,000
Element 6: Revenue and Cost Allocation Study	\$22,120
Element 7: Land Conveyances Analysis	NTE \$44,150
Element 8: Non-Aeronautical Use Inventory	NTE \$56,330
Element 9: Airline Rates and Charges Memo	NTE \$29,450
Element 10: Airline Agreement	NTE \$44,575
Element 11: Board Presentation	\$8,250

Element 5: The Audit Review and Comment will be provided on an hourly basis (with a not-to-exceed amount of \$10,000) in accordance with AMCG's Regular Hourly Fee Schedule, as follows:

AMCG Regular Hourly Fee Schedule	
Position	Hourly Billing Rate
Managing Principal	\$290
Managing Consultant	\$235
Consultant	\$210
Managing Analyst	\$160
Project Analyst	\$130
Staff	\$80

Element 7 and **Element 8**: The Land Conveyances Analysis and Non-Aeronautical Use Inventory will be provided on an hourly basis (with a not-to-exceed amount of \$39,450 – **Element 7** and \$51,630 – **Element 8**) in accordance with M&H’s Regular Hourly Fee Schedule, as follows:

M&H Regular Hourly Fee Schedule	
Position	Hourly Billing Rate
Principal	\$324
Sr. Project Planner	\$241
Sr. Planner	\$205
Project Planner	\$178
Planner II	\$151
Planner	\$117
Admin. Assistant	\$115
Sr. Technician	\$174

Element 9 and **Element 10**: The Airline Rates and Charges Memo and Airline Agreement will be provided on an hourly basis (with a not-to-exceed amount of \$24,750 – **Element 9** and \$39,875 – **Element 10**) in accordance with DKMG’s Regular Hourly Fee Schedule, as follows:

DKMG Regular Hourly Fee Schedule	
Position	Hourly Billing Rate
Project Manager	\$275
Principal	\$275

The Regular Hourly Fee Schedules are effective for one year from the date the County signs this Project Authorization Agreement (Agreement) and subject to change thereafter.

Expenses:

The County agrees to reimburse (at cost without mark-up) the AMCG team for any direct (project-related) expenses incurred by the AMCG team in excess of the following expense allocations.

Element 1: An expense allocation of \$3,500 is included in the Fees identified herein for this element to cover the direct (project-related) expenses, including those associated with the site visit (consisting of 2 people for a maximum of 3 days).

Element 2: An expense allocation of \$2,750 is included in the Fees identified herein for this element (if conducted in combination with **Element 1**) to cover the direct (project-related) expenses, including those associated with the site visit (consisting of 3 people for a maximum of 2 days).

Element 7: An expense allocation of \$2,000 is included in the Fees identified herein for this element to cover the direct (project-related) expenses, including those associated with the site visit (consisting of 2 people for a maximum of 2 days).

Element 8: An expense allocation of \$3,350 is included in the Fees identified herein for this element to cover the direct (project-related) expenses, including those associated with the site visits (consisting of 2 people for a maximum of 7 days).

Element 9 and Element 10: All expenses associated with the proposed site visits (up to three total) are included in the not to exceed fee as outlined above.

Element 11: An expense allocation of \$2,500 is included in the Fees identified herein for this element to cover the direct (project-related) expenses, including those associated with the site visit (consisting of 2 people for a maximum of 2 days).

Direct (project-related) expenses include air and ground transportation, lodging, subsistence, and costs for outside services (e.g., overnight or courier service, copying, printing, and document production/duplication, etc.).

Schedule: Following review by Airport management and approval by the County, the AMCG team will develop a specific project schedule for all selected elements. However,

Teaming Partners:

Robert Decker, MAI (Principal of Decker Associates and long-time AMCG teaming partner) has approximately 40 years of commercial appraisal and consulting experience including a wide variety of aviation assignments encompassing the valuation of airport land and improvements. He has completed many rent studies involving airport properties over the last 25 years as well.



For over a century, Mead & Hunt (M&H) has built a reputation as an engineering and architecture firm powered by innovative thinkers and steadfast experts. But when you look beneath the surface, the secret behind M&H's longevity is the client relationships the firm has built. Above all else, the client's success is M&H's success. In addition, M&H also has extensive experience working with California airports and with the California Department of Transportation.



DKMG's mission is to assist clients in all areas of financial and strategic consulting, including feasibility studies, strategic funding plans, airline use agreements and rates and charges, rental car and other tenant agreements, parking analyses, passenger facility charge (PFC) calculations and applications, accounting system review, grant assistance, project controls, financial report generations, master planning, and other financial disciplines as needed. DKMG Consulting's (DKMG's) experience cultivates excellent working relationships with airport management and staff, as well as with airline and other tenant representatives.



SOQ: A Statement of Qualification (SOQ) for AMCG is provided in **Attachment B**.

Other: This proposal is valid through March 31, 2020 and is subject to change thereafter including, but not limited to, withdrawal in whole or in part. Fees and expenses (and completion of the project in accordance with the schedule) are dependent on the: (1) quality, composition, and timeliness of the information provided to/obtained by the AMCG team and (2) the time required by the County, its representatives, or others to review draft work products and/or provide comments.

A signed Project Authorization Agreement will be required to commence work on the project.

Element 1: Aeronautical Rent Study

The AMCG team proposes to conduct an Aeronautical Rent Study to determine an estimated opinion of market rent for land and improvements utilized for aeronautical purposes at each County airport which consists of Community Hangars, Executive Hangars, T-Hangars (permanent and portable), Office, Shop, Tiedown (monthly), Commercial and Non-Commercial Improved Land, Apron, and Vehicle Parking (Subject Properties).

To derive an estimated opinion of market rent for aeronautical airport properties, the AMCG team will analyze rental rates on a comparative basis for similar land and improvements at comparable and competitive airports (and at national and regional airports) to derive a supported market based rental rate for each component of the Subject Properties. If fees are being charged in lieu of or in addition to rent, the AMCG team will take that into account.

MARKETPLACE CONSIDERATIONS

General conditions, trends, and demographics in the market will be considered by the AMCG team (as appropriate).

OTHER CONSIDERATIONS

The AMCG team will assume that the highest and best use of the Subject Properties is aviation related (aeronautical use), that the Subject Properties will continue to be part of an operating airport, and that access to the infrastructure and amenities of the airport will be available.

*AMCG lead the effort to conduct research for and develop the **Airport Cooperative Research Program (ACRP) Guidebook for Market Value Characteristics for Property at Small Airports**. This Guidebook will serve as a valuable resource for airport sponsors and airport management at small airports to assist in airport development efforts and will contribute towards the airport sponsor's obligations to maintain compliance with the Sponsor Assurances by outlining industry best practices for estimating market value and market rent for airport properties. This Guidebook also addresses identification of airport property characteristics that affect market value and market rent, methodologies for establishing and adjusting market rent, approaches for developing leasing policies, as well as best management practices regarding negotiation of development and lease agreements.*

Work Plan

To accomplish the proposed scope of services for an **Aeronautical Rent Study**, the AMCG team would complete the following tasks:

TASK 1: FIRST WORKING SESSION – PROJECT INITIALIZATION MEETING

Conduct a working session (by telephone or web-based meeting software) with Airport management and the County to (1) initialize project, (2) discuss Subject Properties, (3) discuss information to be collected, reviewed, and analyzed during Task 2; (4) discuss site visit associated with Task 3; (5) discuss airport profiles to be developed in Task 4; (6) and address any questions related to the appraisal process. This working session is budgeted for 1 hour.

TASK 2: INFORMATION COLLECTION, REVIEW, AND ANALYSIS

Collect, review, and analyze relevant information, data, and documentation on the community, markets, Airports, aviation businesses, non-commercial aeronautical entities, and non-aeronautical entities located at the Airports. An information request will be provided to Airport management to help facilitate this process.

TASK 3: SITE VISIT

Conduct a site visit to include: (1) a project meeting with Airport management and the County (as desired), (2) a tour of the Airports and Subject Properties, (3) photographs of the Subject Properties, and (4) meetings with select stakeholders (i.e., representatives of the aviation businesses and/or non-commercial entities) – as determined by Airport management or the County working in collaboration with the AMCG team and based on available budget and schedule.

While on-site, the AMCG team will review the location of and access to the Subject Properties and work with representatives of Airport management and the County to verify/confirm (as necessary) the type, use, and attributes of each property. The AMCG team will review and analyze additional information, data, and documentation provided/obtained during the site visit and conduct additional research.

TASK 4: COMPARABLE AND COMPETITIVE AIRPORT IDENTIFICATION

Develop a preliminary list of comparable and competitive airports specific for each County Airport (based on each Airport's existing infrastructure and activity indicators) for review by the County. The AMCG team will identify regional and national airports.

The selection of comparable airports and the assimilation and analysis of data for similar properties (including, but not limited to, type, use, and attributes) at comparable airports is essential to the rent study process.

AMCG MAINTAINS AN EXTENSIVE DATABASE OF MORE THAN 550 AIRPORTS LOCATED IN THE UNITED STATES WITH MORE THAN 3,750 DATA POINTS SPECIFICALLY FOR THIS PURPOSE.

A number of variables will be considered when identifying and selecting comparable airports including, but not limited to, the following:

- Infrastructure (number, configuration, and capacity of runways and taxiways)
- Approaches (precision versus non-precision)
- Presence or absence of a control tower
- Number and type of aviation businesses (including the number of fuel providers)
- Amount of available land for aviation development (and related land use considerations)
- Type of market
- Number and type of airports in the market
- Activity levels (based aircraft, aircraft operations, and fuel volumes)

TASK 5: COMPARATIVE ANALYSIS

Collect, review, and analyze information, data, and documents from comparable, competitive, regional, and national airports using AMCG's proprietary database, reference library, and/or directly from the airports identified in Task 4.

The AMCG team will determine an estimate of market rent for the Subject Properties (by component and use) for each County Airport.

CONSIDERATION OF REGIONAL AND NATIONAL AIRPORT DATA

As a supplement to the comparable airport data, the rental rates being charged at airports within the FAA's Western Pacific Region as well as those being charged at airports located throughout the United States – as maintained within AMCG's proprietary database – will be considered by the AMCG team.

IDENTIFICATION AND SELECTION OF SIMILAR PROPERTIES (CRITERIA)

The AMCG team will consider the following factors when identifying and selecting similar improvements at comparable airports, including, but not limited to, the following:

- Use (commercial versus non-commercial)
- Size (usable versus unusable)
- Location and access (landside and airside) to/from the Subject Properties, infrastructure, and utilities
- Lease terms and conditions
- Type, quality, condition, and functional utility or limitations of the Subject Properties (this includes, but is not necessarily limited to, any restrictions on the development of the land, the availability of utilities, and the ability of the land to support the aircraft that normally frequent the subject airport)

THE RENTAL RATES BEING CHARGED FOR SIMILAR PROPERTIES AT COMPETITIVE AIRPORTS WILL BE CONSIDERED AS WELL (AS APPROPRIATE).

TASK 6: DRAFT OF RENT STUDY

The AMCG team will prepare the first draft of the consolidated summary report for the County Airports (based on the comparative analysis) conveying the market rental rate for the Subject Properties (by component and use) at each County Airport and provide to Airport management and the County for review.

DETERMINING MARKET RENTS

Based on an analysis of the data compiled, the AMCG team will derive a market based and supported rental rate for each component of the Subject Properties.

A written summary report will be provided as the final work product or deliverable. In addition, to conveying the AMCG team's opinion of the market rental rate for the Subject Properties, the summary report will describe the data, reasoning, and analysis (and identify the approach utilized) to develop the AMCG team's opinion.

Unless otherwise noted, market rental rates will be conveyed on a "per square foot per year" or "per unit per month" and a "triple net" basis. As part of rent study process, the AMCG team will evaluate the market rental rates for reasonableness to ensure compliance with federal mandates.

TASK 7: SECOND WORKING SESSION – DRAFT OF RENT STUDY

The AMCG team will conduct a review session (by telephone or web-based meeting software) with Airport management and the County to review the consolidated summary report and provide comments, identify questions, and make recommendations. This working session is budgeted for 2 hours.

TASK 8: FINAL RENT STUDY

The AMCG team will revise the consolidated summary report based on the comments provided, questions identified, and recommendations made by Airport management and the County during the second working session and develop and provide the final report.

Element 2: Non-Aeronautical Appraisal

The AMCG team proposes to conduct an independent appraisal to determine an estimated opinion of market rent for land utilized for non-aeronautical purposes at each County Airport which consists Commercial, Non-Commercial, and Agricultural uses (Subject Properties).

To derive an estimated opinion of market rent for non-aeronautical properties, the AMCG team will survey land sales and listings in the local area as well as facility listings. Each of the Subject Properties will be analyzed from a comparability standpoint giving consideration to such factors as location (access and exposure), zoning, size and configuration (of the land parcel), topography, utilities, etc.

When leased, airport land exhibits partial rights of ownership – while the lessor has the ability to general income (by charging rent), the lessor does not have the ability to use the land- as opposed to land which exhibits all rights (or the full bundle of rights) under fee simple ownership. Airport land is restricted to certain types of uses by 14 CFR Part 77 requirements and any additional limitations and/or restrictions that may be imposed by the airport sponsor.

As such, it is necessary to adjust off-airport land sales and listings (to ascertain the market rental rate for non-aeronautical use of airport land). Additionally, it is necessary to apply an appropriate rate of return which is, in turn, applied to the adjusted value to determine the market rental rate.

MARKETPLACE CONSIDERATIONS

General conditions, trends, and demographics in the market will be considered by the AMCG team (as appropriate).

Work Plan

To accomplish the proposed scope of services for a **Non-Aeronautical Appraisal**, the AMCG team would complete the following tasks:

TASK 1: FIRST WORKING SESSION – PROJECT INITIALIZATION MEETING

Conduct a working session (by telephone or web-based meeting software) with Airport management and the County to (1) initialize project, (2) discuss Subject Properties, (3) discuss information to be collected, reviewed, and analyzed during Task 2; (4) discuss site visit associated with Task 3; (5) discuss airport profile to be developed in Task 4; (6) and address any questions related to the appraisal process. This working session is budgeted for 1 hour.

TASK 2: INFORMATION COLLECTION, REVIEW, AND ANALYSIS

Collect, review, and analyze relevant information, data, and documentation on the community, markets, Airports, aviation businesses, non-commercial aeronautical entities, and non-aeronautical entities located at the Airports. An information request will be provided to Airport management to help facilitate this process.

TASK 3: SITE VISIT

Conduct a site visit to include: (1) a project meeting with Airport management and the County (as desired), (2) a tour of the Airports and Subject Properties, (3) photographs of the Subject Properties, and (4) meetings with select stakeholders (i.e., representatives of the non-aeronautical entities) – as determined by Airport management or the County while working in collaboration with the AMCG team and based on available budget and schedule.

While on-site, the AMCG team will review the location of and access to the Subject Properties and work with representatives of Airport management and the County to verify/confirm (as necessary) the type, use, and attributes of each property. The AMCG team will review and analyze additional information, data, and documentation provided/obtained during the site visit and conduct additional research.

TASK 4: MARKET RENT CONCLUSIONS

Market rent conclusions will be derived for the Subject Properties based on the appropriate approaches (cost, sales comparison, and income) discussed herein. The AMCG team will give consideration to such factors as location (access and exposure), zoning (and other limitations and/or restrictions), size and configuration, condition, utilities, etc.

Each of the three fundamental appraisal approaches to value (cost, sales comparison, and income) are considered by the AMCG team and the approach (or approaches) deemed most appropriate for determining an estimated opinion of market value for the Subject Properties will be utilized. If an approach is not used, the AMCG team will explain why it was not used. Central to each approach is the principle of substitution as an astute real estate investor will pay no more than the value of an equally desirable alternative property or investment. A brief discussion of each approach follows.

COST APPROACH

The **cost approach** considers the current cost of replacing the improvements on the Subject Properties' land less depreciation plus the market value of the land assumed vacant. Depreciation affecting the improvements can occur from three sources: physical deterioration, functional obsolescence, and economic obsolescence.

SALES APPROACH

The **sales comparison approach** involves direct comparisons of similar properties to the Subject Properties which have sold in the same or comparable markets. The data from the sales comparables are then analyzed and adjustments are made for differences that are considered significant. The adjusted sales comparables are then weighted to provide an indication of value for the Subject Properties.

INCOME APPROACH

The **income approach**, which is based on an estimate of the Subject Properties' net income potential, is commonly used to derive the value of on-airport properties (being used for aeronautical purposes). Based on an analysis of the data compiled, a market rental rate for the Subject Properties will be derived. The market rental rate will be used to estimate the Subject Property's net income potential which, in turn, will be capitalized (using the direct capitalization approach and discounted cash flow) at an overall rate of return to derive the market value of the Subject Properties.

HIGHEST AND BEST USE

In determining an estimated opinion of market rent for the Subject Properties, the AMCG team will utilize the premise of "highest and best use," which is defined as: "*The reasonable probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.*" The highest and best use of land, if vacant and available for use, may be different from the highest and best use of the improved property. In estimating the highest and best use of the Subject Properties' land, as if vacant and improved, the uses will be submitted to four different analyses (i.e., physically possible, legally permissible, financially feasible, and most profitable). These tests will be applied first to the Subject Properties' land as if vacant and ready for development and then to the Subject Properties' improvements.

FINAL CONCLUSIONS

After completing the various appraisal approaches to value, the results are compared for appropriateness and applicability to the Subject Properties. The quantity and quality of data available for examination under each approach and the advantages and disadvantages of each approach is considered and weighed to derive an estimated opinion of market rent.

TASK 5: DRAFT OF APPRAISAL

Predicated on the findings of the conclusions derived, the AMCG team will prepare the first draft of the consolidated summary report conveying the market rental rate for the Subject Properties and provide to Airport management and the County for review. The Summary Appraisal, which will describe the data, reasoning, and analysis used to develop its opinion, will be prepared in conformance with Uniform Standards of Professional Appraisal Practice (USPAP), as promulgated by the Appraisal Standards Board of the Appraisal Foundation, the Code of Professional Ethics, and the Standards of Professional Appraisal Practices of the Appraisal Institute.

TASK 6: SECOND WORKING SESSION – DRAFT OF APPRAISALS

The AMCG team will conduct a working session (by telephone or web-based meeting software) with Airport management and the County to review the draft of the Summary Appraisal and provide comments, identify questions, and make recommendations. This working session is budgeted for 2 hours.

TASK 7: FINAL APPRAISALS

The AMCG team will revise the consolidated Summary Appraisal based on the comments provided, questions identified, and recommendations made by Client during the third working session and develop and provide the final Summary Appraisal.

Element 3: General Aviation Lease Review and Comment

The AMCG team proposes to conduct a review and comment on the County's existing lease agreements. For the purposes of this review, the AMCG team will review the most recent (or agreement identified by Airport management) for each type of applicable use – commercial general aviation, non-commercial general aviation, and non-aeronautical.

Work Plan

To accomplish the proposed scope of services for the **General Aviation Lease Review and Comment**, the AMCG team would complete the following tasks:

TASK 1: FIRST WORKING SESSION – PROJECT INITIALIZATION MEETING

Conduct a working session (by telephone or web-based meeting software) with Airport management and the County to (1) initialize project, (2) discuss information to be collected, reviewed, and analyzed during Task 2, and (3) identify sections (if any) of the lease agreements for specific focus by the AMCG team. This working session is budgeted for 1 hour.

TASK 2: INFORMATION COLLECTION, REVIEW, AND ANALYSIS

Collect, review, and analyze relevant information, data, and documentation on the community, markets, Airports, aviation businesses, non-commercial aeronautical entities, and non-aeronautical entities located at the Airports. An information request will be provided to Airport management to help facilitate this process.

TASK 3: LEASE AGREEMENT REVIEW AND COMMENT

Conduct a review and comment of the lease agreements that identifies areas: (1) where the lease agreements can be improved from a best management practices perspective and FAA compliance standpoint, (2) where changes, additions, and/or deletions should be considered to increase the effectiveness of the lease agreements, and (3) where the lease agreements are not appropriate, reasonable, and relevant for the Airports, market, and activities occurring (or reasonably anticipated to occur) at the Airports. In addition, the lease agreement review and comment will ensure the lease agreements are consistent and compliant with the:

- FAA Airport Sponsor Assurances (dated March 2014) and
- consistent with all other applicable FAA compliance-related directives including:
 - Advisory Circular (AC) 150/5100-16A (AIP, Grant Assurance Number One – General Federal Requirements),
 - AC 150/5150-2B (Federal Surplus Personal Property for Public Airport Purposes),
 - AC 150/5190-6 (Exclusive Rights at Federally Obligated Airports),
 - AC 150/5190-7 (Minimum Standards for Commercial Aeronautical Activities)
 - Policy Regarding Airport Rates and Charges
 - Policy and Procedures Concerning the Use of Airport Revenue, FAA Order 5100.38A (Airport Improvement Program Handbook), and
 - Order 5190.6B (Airports Compliance Manual)

TASK 4: DRAFT SUMMARY REPORT

Develop and provide for Airport management and County review a draft summary report identifying the findings of the review and comment of the lease agreements.

TASK 5: SECOND WORKING SESSION – DRAFT SUMMARY REPORT

Conduct a working session (by telephone or web-based meeting software) with Airport management and the County to review the draft summary report and provide comments, identify questions, and make recommendations. This working session is budgeted for 2 hours.

TASK 6: FINAL SUMMARY REPORT

The AMCG will revise the draft summary report based on the comments provided, questions identified, and recommendations made by Client during the second working session and provide the final summary report identifying the findings of the review and comment of the lease agreements.

Element 4: General Aviation Use and Operating Agreement

By definition, a lease agreement sets forth the specific terms and conditions under which an operator or tenant uses/occupies land and/or improvements (and engages in aeronautical activities) at an airport.

A new general aviation use and operating agreement template will be developed which will accommodate both commercial and non-commercial general aviation aeronautical activities. Airport management and the County will be able to utilize the general aviation use and operating agreement template to educate (and negotiate with) existing and prospective commercial operators and non-commercial tenants at each County Airport. As such, the general aviation use and operating agreement template will convey the requirements and obligations (and related terms and conditions) associated with leasing land and/or improvements (and engaging in commercial or non-commercial general aviation activities) at the Airports.

A general aviation use and operating agreement: (1) allows the use of airport property for a specified period of time (term) for specific consideration (payment of rent) and subject to various terms and conditions; (2) conveys privileges to engage in commercial activities; (3) requires that certain obligations be met (in exchange for the privileges granted); and, (4) protects the sponsor, the public, and the lessee.

Work Plan

To accomplish the proposed scope of services for a **General Aviation Use and Operating Agreement**, the AMCG team would complete the following tasks:

TASK 1: FIRST WORKING SESSION – PROJECT INITIALIZATION MEETING

Conduct a working session (by telephone or web-based meeting software) with Airport management and the County to (1) initialize project, (2) discuss information to be collected, reviewed, and analyzed during Task 2; and (3) discuss issues and/or problems created by historical lease agreements at the Airports. This working session is budgeted for 2 hours.

TASK 2: INFORMATION COLLECTION, REVIEW, AND ANALYSIS

Collect, review, and analyze relevant information, data, and documentation on the community, markets, Airports, aviation businesses, non-commercial aeronautical entities, and non-aeronautical entities located at the Airports. An information request will be provided to Airport management to help facilitate this process.

TASK 3: DRAFT OF TEMPLATE AGREEMENT (FIRST)

The AMCG team will prepare the first draft of the Template Agreement (based on the information, data, and documentation provided/obtained and the input provided by County) and provide to Airport management and the County for review.

TASK 4: SECOND WORKING SESSION – DRAFT OF TEMPLATE AGREEMENT

The AMCG team will conduct a review session (by telephone or web-based meeting software) with Airport management and the County to review the first draft and provide comments, identify questions, and make recommendations. The working session will be approximately 1 hour.

TASK 5: DRAFT OF TEMPLATE AGREEMENT (SECOND)

The AMCG team shall revise the first draft of the Template Agreement (based on the input provided by the County during the second working session) and provide to Airport management and the County for review by other County departments.

TASK 6: THIRD WORKING SESSION – DRAFT TEMPLATE AGREEMENT

The AMCG team will conduct a review session (by telephone or web-based meeting software) with Airport management and the County and other County departments to review the second draft and provide comments, identify questions, and make recommendations. The working session will be approximately 2 hours.

TASK 7: FINAL TEMPLATE AGREEMENT

The AMCG team shall revise the second draft of the Template Agreement (based on the input provided by the County and other County departments during the third working session) to Airport management and the County.

Element 5: Audit Review and Comment

At the County's option, the AMCG team will conduct an audit review and comment of the *Fiscal Year 2017 Single Audit and Passenger Facility Report* to assist the County in resolving Finding 2017-002 for the California Redwood Coast-Humboldt County Airport.

Element 6: Revenue and Cost Allocation Study

The AMCG team proposes to conduct a revenue and cost allocation study for all County Airports.

Work Plan

To accomplish the proposed scope of services for the **Revenue and Cost Allocation Study**, the AMCG team would complete the following tasks:

TASK 1: FIRST WORKING SESSION – PROJECT INITIALIZATION MEETING

Conduct a working session (by telephone or web-based meeting software) with Airport management and the County to (1) initialize project, (2) discuss information to be collected, reviewed, and analyzed during Task 2, (3) identify the County Airports' functional areas and revenue streams to be utilized in the allocation process, and (4) address any questions regarding the allocation process. This working session is budgeted for 2 hours.

TASK 2: INFORMATION COLLECTION, REVIEW, AND ANALYSIS

Collect, review, and analyze relevant information, data, and documentation on the operational statistics (i.e., aircraft operations, based aircraft, fuel volumes square footages, employees, etc.) and financial statements for the last 2 fiscal years (i.e., balance sheets, income statements, depreciation schedules, etc.). An information request will be provided to Airport management to help facilitate this process.

TASK 3: ALLOCATE AIRPORT FINANCIALS

Allocate all County Airports' operating revenues and expenses and non-operating sources and uses of funds by the agreed upon Airport functional areas and/or revenue streams for each County Airport.

TASK 4: DRAFT OF REVENUE AND COST ALLOCATION (FIRST)

The AMCG team will prepare the first draft of the Revenue and Cost Allocation Study spreadsheets and provide to Airport management and the County for review.

TASK 5: SECOND WORKING SESSION – DRAFT REVENUE AND COST ALLOCATION

The AMCG team will conduct a review session (by telephone or web-based meeting software) with Airport management and the County to review first draft and provide comments, identify questions, and make recommendations. This working session is budgeted for 2 hours.

TASK 6: DRAFT OF REVENUE AND COST ALLOCATION (SECOND)

The AMCG team will revise the first draft of the Revenue and Cost Allocation Study (based on the input provided by the County during the second working session) and provide to Airport management and the County for review.

TASK 7: THIRD WORKING SESSION – DRAFT REVENUE AND COST ALLOCATION

The AMCG team will conduct the final working session (by telephone or web-based meeting software) with Airport management and the County to review second draft and provide comments, identify questions, and make recommendations. This working session is budgeted for 2 hours.

TASK 8: FINAL STUDY

The AMCG team will revise the second draft (based on the input provided by the County during the third working session) and provide the final Study to Airport management. In addition, the AMCG team will conduct an analysis to identify the impacts of implementing the recommended aeronautical and non-aeronautical rental rates as outlined in **Element 1** and **Element 2**.

Element 7: Land Conveyances Analysis

The AMCG team, through Mead & Hunt (M&H), proposes to conduct a land conveyances analysis to reconcile disparities between the conveyance documents (all land acquired by California Redwood Coast-Humboldt County Airport less three land releases approved by the FAA), the Airport Master Record (Form 5010), and the Airport Layout Plan. The known land grants, conveyances, and releases as identified by the FAA are outlined below:

- Land Grants and Conveyances
 - 1941 – County acquired approximately 234 acres of land from private landowners for an airport site.

- 1957 – Approximately 563 acres of property were conveyed to the County by the United States Government via Quitclaim Deed under the Surplus Act. Land was conveyed for airport purposes.
- From 1964 to 2001, the County acquired approximately 64 acres of land for the Airport through Federal grant assistance programs.
- Historical Releases of Federal Obligations on Property
 - July 22, 1964 – The FAA released 60.78 acres of Airport property, which was sold to the State of California for the construction of the U.S. 101 Freeway.
 - February 4, 1975 – A grant Deed by the County conveyed approximately 12.3 acres of Airport property to the U.S. Coast Guard. The grant deed includes language requiring the Coast Guard to maintain and continue to use the property for aviation purposes.
 - April 14, 1994 – The County granted an easement to the State of California for approximately 1.68 acres to construct and maintain a public highway east of the U.S. 101 Freeway.

Work Plan

To accomplish the proposed scope of services for a **Land Conveyances Analysis**, M&H would complete the following tasks:

TASK 1: FIRST WORKING SESSION – PROJECT INITIALIZATION MEETING

Conduct a working session (by telephone or web-based meeting software) with Airport management and the County to (1) initialize project, (2) discuss information to be collected, reviewed, and analyzed during Task 2, and (3) identify parcels for specific focus by the AMCG team. This working session is budgeted for 1 hour.

TASK 2: INFORMATION COLLECTION, REVIEW, AND ANALYSIS

M&H will work with Airport management and the County to review the land grants and conveyances as well as the historical releases of federal obligations of property at the Airport. Although all parcels will be evaluated, particular attention will be given to the parcel located west of Highway 101. The boundary of this parcel has not been accurately defined during prior Airport Layout Plan updates; therefore, M&H will rely on County-supplied data for boundary and title information.

TASK 3: SITE VISIT

Conduct a site visit to include meetings with County staff which may include, but not limited to, the Public Works' Land Use Division, the County Assessor, and County Recorder personnel. Investigations and conversations with neighboring property owners may assist with defining parcel boundaries.

It is important to note that if the available information is not sufficient, a surveyor may be necessary which would be addressed outside the budgeted costs and expenses outlined herein. However, in the event that the available property documentation proves to be inadequate to resolve the property issue, the AMCG team will work with the County (including legal and surveying) to define the most appropriate means to clarify the County's property holdings at the Airport.

TASK 4: DRAFT OF PROPERTY HOLDINGS

Based on the information gathered in Task 2 and the site visit and Task 3, M&H will develop and provide for Airport management and County review a draft summary report identifying the disparities between the conveyance documents, Form 5010, and the Airport Layout Plan. In addition, the draft summary report will identify the recommended corrective action for the County's consideration as well as the process to update the FAA Form 5010. M&H will assist Airport management with submission of the required documentation to the FAA.

If new conveyances documents are necessary, the County will prepare and execute these documents.

TASK 5: REVISE AIRPORT LAYOUT PLAN

M&H will revise the Airport Layout Plan (ALP) set for California Redwood Coast-Humboldt County Airport to reflect revisions to the property boundary determined in Task 4 (as well as the non-aeronautical uses outlined in **Element 8**) consisting of the Airport Layout Plan and Terminal Area Plan sheets only. For the purposes of this analysis, no other revisions to the ALP set are contemplated. M&H will develop and provide for Airport management and County review a draft version (in PDF format).

TASK 6: WORKING SESSION – REVISED AIRPORT LAYOUT PLAN

Conduct a working session (by telephone or web-based meeting software) with Airport management and the County to review the revised draft ALP and provide comments, identify questions, and make recommendations. This working session is budgeted for 2 hours.

TASK 7: REVISE AIRPORT LAYOUT PLAN

M&H will revise the draft ALP based on the comments provided, questions identified, and recommendations made by the Client during the working session and provide the final revised ALP to Airport management in digital format (PDF and DWG) and two hard copies. M&H will assist Airport management with submitting one set to the FAA for review.

TASK 8: FINAL AIRPORT LAYOUT PLAN

M&H will revise the draft ALP based on any FAA-requested editorial revisions and provide a final version of the ALP set to the County for use in the final approval process. The final version will contain an updated ALP for the Airport (which may include up to twelve hard copies and PDF/DWG electronic copies).

Element 8: Non-Aeronautical Use Inventory

The AMCG team, through Mead & Hunt (M&H), proposes to conduct a non-aeronautical use inventory.

Work Plan

To accomplish the proposed scope of services for a ***Non-Aeronautical Use Inventory***, the AMCG team would complete the following tasks:

TASK 1: FIRST WORKING SESSION – PROJECT INITIALIZATION MEETING

Conduct a working session (by telephone or web-based meeting software) with Airport management and the County to (1) initialize project, (2) discuss information to be collected, reviewed, and analyzed

during Task 2, and (3) identify known non-aeronautical uses at each County Airport. This working session is budgeted for 1 hour.

TASK 2: INFORMATION COLLECTION, REVIEW, AND ANALYSIS

Collect, review, and analyze relevant information, data, and documentation on the Airports and non-aeronautical entities located at the Airports. An information request will be provided to Airport management to help facilitate the process.

TASK 3: SITE VISIT

Conduct a site visit to include a visual inventory of each County Airport to confirm presence or absence of non-aeronautical uses. It is important to note the visual inventory will not include inspection of hangars for potential non-aeronautical uses.

TASK 4: IDENTIFICATION OF NON-AERONAUTICAL USES

Based on the findings of Task 3, the AMCG team will prepare a master list of all non-aeronautical uses occurring at each County Airport. The list of non-aeronautical uses will be supported by a graphic for each County Airport to identify the location of each non-aeronautical use. The AMCG team will review existing lease agreements and note any discrepancies between known non-aeronautical uses and non-aeronautical uses identified during Task 3. The noted discrepancies will be discussed with Airport management and addressed individually.

TASK 5: DRAFT REPORT – NON-AERONAUTICAL USE INVENTORY

The AMCG team will prepare a report for Airport management and County review outlining the master list of non-aeronautical uses and associated graphics. Methods used to compile the master list will be documented.

TASK 6: WORKING SESSION – DRAFT REPORT

Conduct a working session (by telephone or web-based meeting software) with Airport management and the County to review the draft report and provide comments, identify questions, and make recommendations. This working session is budgeted for 2 hours.

TASK 7: REVISE NON-AERONAUTICAL USE INVENTORY

M&H will revise the draft report based on the comments provided, questions identified, and recommendations made by the Client during the working session and provide the revised report for submission to the FAA. M&H will assist Airport management with submitting the revised report to the FAA.

TASK 8: UPDATE AIRPORT LAYOUT PLAN

If new non-aeronautical uses are identified during Task 4 that are not identified on the existing ALPs, M&H will update the applicable ALPs to identify those non-aeronautical uses. These revisions will be made on the Airport Layout Plan and Terminal Area Plan sheets only. No other revisions to the ALPs will occur as a part of this element. These revisions will be made following FAA concurrence with the master list of nonaeronautical uses. M&H will develop and provide for Airport management and County review a draft version (in PDF format).

TASK 9: WORKING SESSION – UPDATED AIRPORT LAYOUT PLAN

Conduct a working session (by telephone or web-based meeting software) with Airport management and the County to review the updated ALPs and provide comments, identify questions, and make recommendations. This working session is budgeted for 1 hour.

TASK 10: FINALIZE AND SUBMIT AIRPORT LAYOUT PLAN

M&H will revise the draft ALP or Terminal Area plan sheets based on the comments provided, questions identified, and recommendations made by the Client during the working session and provide the final revised ALPs to Airport management in digital format (PDF and DWG) and two hard copies. M&H will assist Airport management with submitting one set to the FAA for review.

TASK 11: FINAL AIRPORT LAYOUT PLAN

M&H will revise the draft ALPs based on any FAA-requested editorial revisions and provide a final version of the ALP set to the County for use in the final approval process. The final version will contain an updated ALP for each County Airport (which may include up to twelve hard copies and PDF/DWG electronic copies).

Element 9: Airline Rates and Charges Memo

The AMCG team, through DKMG, proposes to review existing and develop new Airline Rates and Charges through the comparison of existing, compensatory, and residual approaches. In addition, the AMCG team will provide advice on airline rate setting strategies typically utilized in the aviation industry. As stated in the FAA Sponsor Assurances, such rates must be “fair, reasonable, and not unjustly discriminatory”. The rates must all provide the California Redwood Coast-Humboldt County Airport with the opportunity to be as self-sustaining as possible.

Work Plan

To accomplish the proposed scope of services for an *Airlines Rates and Charges*, the AMCG team would complete the following tasks:

TASK 1: FIRST WORKING SESSION – PROJECT INITIALIZATION MEETING

Conduct a working session (by telephone or web-based meeting software) with Airport management and the County to (1) initialize project, (2) discuss information to be collected, reviewed, and analyzed during Task 2, and (3) discuss goals and objectives of Airport management. This working session is budgeted for 1 hour.

TASK 2: INFORMATION COLLECTION, REVIEW, AND ANALYSIS

Collect, review, and analyze relevant information, data, and documentation on the Airport to assist in developing a financial model. An information request which will include, but not be limited to, 3-years of historical data and the Single Audit Financial Reports, will be provided to Airport management to help facilitate the process.

TASK 3: DRAFT OF RATES AND CHARGES MEMO

DKMG will provide a draft of the Rates and Charges Memo which will contain various summary tables reflecting the comparison of existing, compensatory, and residual approaches. The Memo is supplemented with Appendix A (containing of back-up tables of the activity, space, expenses, debt service, and revenues used to develop the rate formulas) and Appendix B (containing detailed rates and charges tables).

TASK 4: SECOND WORKING SESSION – DRAFT RATES AND CHARGES MEMO

Conduct a working session (by telephone or web-based meeting software) with Airport management to review the draft and provide comments, identify questions, and make recommendations. This working session is budgeted for 1 hours.

TASK 5: FINAL STUDY

DKMG will revise the draft (based on the input provided by Airport management during the first working session) and provide the final Rates and Charges Memo to Airport management.

TASK 6: SITE VISIT

Conduct a site visit to present the Rates and Charges Memo to Airport management and the County and discuss next steps.

Element 10: Airline Agreement

The AMCG team, through DKMG, proposes to assist the County with development of strategies for airline agreement negotiations including preparation of materials for airline meetings and drafting of use agreement provisions.

Work Plan

To accomplish the proposed scope of services for an **Airline Agreement**, the AMCG team would complete the following tasks:

TASK 1: FIRST WORKING SESSION – PROJECT INITIALIZATION MEETING

Conduct a working session (by telephone or web-based meeting software) with Airport management and the County to (1) initialize project, (2) discuss information to be collected, reviewed, and analyzed during Task 2, and (3) discuss refinements the Rates and Charges Memo developed in Element 9 to present to the airlines at the Airport. This working session is budgeted for 1 hour.

TASK 2: INFORMATION COLLECTION, REVIEW, AND ANALYSIS

Collect, review, and analyze relevant information, data, and documentation on the Airports to assist in developing a strategy to present to the airlines. An information request will be provided to Airport management to help facilitate the process.

TASK 3: DRAFT PROPOSAL

Working in collaboration with Airport management, DKMG will develop a rates and charges proposal for presentation to the airlines.

TASK 4: SITE VISIT

In preparation for the rates and charges proposal to the airlines, DKMG will conduct a site visit to meet with Airport management in preparing presentations and materials for County approval.

TASK 5: LEASE NEGOTIATIONS

Upon approval of the proposal for the airlines, DKMG will assist in scheduling a meeting to review the detailed rates and charges proposal. A draft memo will be provided to the airlines in advance for review prior to the meeting. DKMG typically participates in airline meetings and assumes the need for one additional meeting during the process.

TASK 6: DRAFT AIRLINE AGREEMENT

DKMG will prepare a new Airline Agreement that updates the rates and charges methodology as well as other typical terms and conditions. Specific attention is made to updating provisions to comply with the latest FAA guidance.

TASK 7: FINAL AIRLINE AGREEMENT

DKMG will revise the Airline Agreement based on the comments provided from the airlines and prepare a final version for execution.

1. AMCG OVERVIEW

A. Introduction

Aviation Management Consulting Group (AMCG) has been promoting aviation management excellence through the provision of trusted consulting services, support, and resources for over **20 years**. AMCG's clients consist of airports, aviation businesses, agencies, associations, and other industry stakeholders (e.g., aircraft owners and/or operators; airport property lessees and/or developers; industry vendors; financial institutions; law firms; architectural, engineering, and planning firms; etc.).

AMCG is composed of a unique blend of talented and respected aviation industry professionals who have strong credentials, proven track records, and over **165 years** of combined aviation industry experience. Together, these individuals have first-hand aviation, aviation business, and airport planning, development, operations, management, leadership, and consulting experience and each of the firm's principals, consultants, and project analysts are pilots. As a result, AMCG has the unique ability to view any project and any issue that may arise from a multi-dimensional (airport, aviation business, and aircraft operator) perspective. This team of highly qualified, knowledgeable, and results-oriented professionals work collaboratively to maintain a company culture focused on meeting the needs and exceeding the expectations of the client.

WITH AMCG, YOU CAN BE ASSURED THAT WE PUT OUR CLIENTS FIRST AND YOU WILL GET STRAIGHT ANSWERS, OBJECTIVE ADVICE, ACCURATE AND TIMELY INFORMATION, AND ONLY THE HIGHEST QUALITY SERVICES, SUPPORT, AND RESOURCES.

B. AMCG Mission

AMCG's mission is to promote aviation management excellence through the provision of trusted services, support, and resources to airports, aviation businesses, agencies, associations, and other industry stakeholders.

C. AMCG Vision

AMCG's vision is to be recognized as the leading provider and innovator of trusted services, support, and resources that promotes aviation management excellence.

D. AMCG Commitments

To fulfill AMCG's mission and achieve AMCG's vision, the AMCG team is fully committed to the following:

- Thoroughly understand needs and exceed expectations
- Collaborate through regular communication
- Provide creative solutions in a timely manner
- Foster trust and maintain confidentiality
- Deliver unbiased and honest opinions
- Adhere to high ethical and moral standards

2. QUALIFICATIONS AND EXPERIENCE

A. Team

AMCG has an aggregate of over **165 years** of aviation, aviation business, and airport planning, development, operations, management, and leadership experience, including over **50 years** of aviation management consulting experience encompassing airports, aviation businesses, agencies, associations, and other industry stakeholders.

OVER THE YEARS, AMCG HAS COMPLETED MORE THAN 1,000 DIFFERENT ASSIGNMENTS INVOLVING MORE THAN 500 AIRPORT AND AVIATION BUSINESS LOCATIONS.

AMCG has an excellent working knowledge of the overall aviation industry. The team is intimately familiar with the Federal Aviation Administration (FAA) Airport Sponsor Assurances as well as key federal and state laws, regulations, policies, orders, and guidance pertaining to the planning, development, operation, management, and funding of airports and aviation businesses.

AMCG has developed and maintains an extensive proprietary aviation industry database to collect, store, analyze, report, and disseminate aviation data, information, and documentation. The firm's database consolidates data, information, and documentation pertaining to airports and aviation businesses published by the FAA with data collected by AMCG through survey and project-related efforts. Additional details on AMCG's database is provided later in this Statement of Qualifications.



Through first-hand experience operating and managing airports, aviation businesses, and aircraft and providing aviation management consulting services, support, and resources to airports, aviation businesses, agencies, associations, and other industry stakeholders, AMCG has been able to help its clients overcome diverse challenges.

WHEN FACED WITH DIFFICULT PROBLEMS, THIS TEAM DELIVERS SOLUTIONS.

AMCG's clients can attest to the team's ability to understand and meet project goals and objectives (i.e., provide services, support, and resources that fully accomplish the scope of services) and complete projects on time and within budget. AMCG gets the job done right **the first time**.

AMCG IS FULLY COMMITTED TO ACHIEVING THESE OBJECTIVES AND IS CONFIDENT THAT NOBODY WILL DO A BETTER JOB.

Given the team's extensive qualifications and experience, intimate working knowledge, and vast resources which encompass all facets of the aviation industry, AMCG is uniquely qualified to provide the wide range of aviation management consulting services, support, and resources identified in this SOQ.

B. Team Members**Jeff A. Kohlman, Managing Principal**

Jeff (AMCG Founder), has over **30 years** of aviation planning, development, operations, management, and consulting experience. Prior to his consulting career, he managed KaiserAir's Oakland and Los Angeles Jet Centers. Jeff has an undergraduate degree in Aviation Business Administration from Embry-Riddle Aeronautical University and has taught senior-level aviation business management courses at Metropolitan State University of Denver. He is an instrument rated private pilot and aircraft owner.

For the last **20 years**, AMCG has sponsored and Jeff has been a lead instructor for the American Association of Airport Executives (AAAE) Airport Sponsor Assurances, Leasing Policies, and Minimum Standards Workshop. This workshop takes an industry best practices approach to the development and implementation of airport management and compliance documents, including airport property development, leasing, rent, and fee policies. In addition, Jeff served as Principal Investigator for Airport Cooperative Research Program (ACRP) Report 156 (Complying with Federal Regulations: An Integrated Approach) and a key research team leader for ACRP Report 77 (Guidebook for Developing General Aviation Airport Business Plans) and ACRP Report 114 (Guidebook for Through-The-Fence Operations).

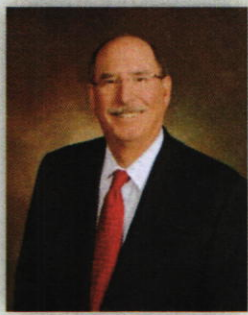
Additional information on Jeff's qualifications and experience is available upon request.

David C. Benner, C.M., Managing Consultant

David has over **15 years** of aviation planning, operations, management, and consulting experience. He has a Bachelor of Science degree in Business Administration from Bethel College and a Master of Business Administration degree in Aviation with a concentration in Airport Management from Embry-Riddle Aeronautical University. David has a commercial pilot license with instrument and multi-engine ratings, is a Certified Flight Instructor, and a Certified Member of AAEE.

For the last **10 years**, David has managed AMCG's proprietary aviation industry database that includes industry data, information, and documentation pertaining to airports and aviation businesses published by federal and state aviation agencies and collected through the research efforts of AMCG (including survey and project-related data collection). David has served as a key research team leader on 5 ACRP projects including ACRP Report 156 (Complying with Federal Regulations: An Integrated Approach) and ACRP Report 77 (Guidebook for Developing General Aviation Airport Business Plans).

Additional information on David's qualifications and experience is available upon request.

Robert D. Trimborn, C.M., Senior Consultant

Robert (Bob) Trimborn has over **35 years** of airport planning, operations, management, leadership experience at a mix of general aviation airports and has been engaged in aviation management consulting for the last **5 years**. He attended Cypress College and San Diego State University, majoring in aeronautics and mass communications. He has a commercial pilot license with an instrument rating, is a Certified Flight Instructor, and is a Certified Member of AAAE.

He has **30 years** of direct airport management experience at high profile general aviation reliever airports including serving as Airport Manager/Director at Santa Monica Airport (Santa Monica, California), Reno Stead Airport (Reno, Nevada), and Hawthorne Municipal Airport (Hawthorne, California). During Bob's tenure in airport management, he was actively involved in developing and implementing strategic airport business plans, primary management and compliance documents, facilitating community engagement, managing airport development projects, and negotiating land, improvement, and commercial aeronautical use agreements.

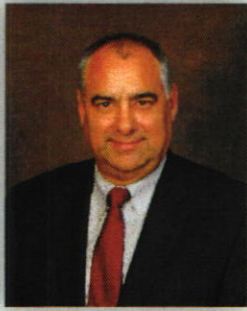
Additional information on Bob's qualifications and experience is available upon request.

Bryan E. Johnson, A.A.E., Senior Consultant

Bryan Johnson has over **30 years** of aviation planning, operations, executive management, business and property development experience at a mix of general aviation and commercial air carrier service airports. He has a Bachelor of Science degree in Aviation Management from Metropolitan State University of Denver and a Master of Public Administration degree from the University of Nebraska. He is a commercial pilot with an instrument rating and is an Accredited Airport Executive of AAAE.

Immediately prior to joining AMCG, Bryan was the Airport Director at Rocky Mountain Metropolitan Airport (BJC – Broomfield, Colorado). Prior to moving to Colorado, he was the Assistant Director of Aviation at Quad City International Airport. Bryan is also a AAAE instructor for the association's Certified Member program. During Bryan's tenure in airport management, he was actively involved in developing and implementing strategic airport business plans, primary management and compliance documents, managing airport property development projects, and negotiating associated development and lease agreements.

Additional information on Bryan's qualifications and experience is available upon request.

Douglas P. Joest, Consultant

Doug has over **35 years** in aviation experience that includes FBO management, Airport Authority Board Member, Airport Authority CFO, and Airport Authority Executive Director. In addition, he has substantial financial and accounting experience outside of the aviation industry. Doug is past president and board member of Aviation Indiana and a member of AAAE. He previously served on the Indiana Governor's Blue-Ribbon Transportation Infrastructure Panel and was the 2015 Executive in Residence at the Romain College of Business at the University of Southern Indiana. He has a Bachelor of Science degree in Accounting from the University of Southern Indiana and is an instrument rated private pilot.

Doug's most recent experience was serving as the Executive Director of the Evansville Vanderburgh Airport Authority ("EVAAD"). Prior to being promoted to the Executive Director position, he served as the Authority's Treasurer and CFO. At EVAAD his experience included the development of aeronautical and non-aeronautical properties, management of large construction projects, air service development, and active involvement in regional economic development efforts. Before joining the Authority's staff, he served as a member of the EVAAD board of directors for five years. Doug's experience includes 13 years as the Treasurer and Chief Administrative Officer of Tri-State Aero, Inc., a full service FBO. His other finance and accounting experience includes large publicly held companies, as well as a small closely held business. Doug learned to fly while attending high school and put himself through college working in the line service department of an FBO.

Additional information on Doug's qualifications and experience is available upon request.

Brandon K. Borne, C.M., Managing Analyst

Brandon Borne has over **10 years** of aviation management consulting (airports and aviation businesses) and government relations experience including policy development and civic engagement and leads AMCG's project research efforts. He has a Bachelor of Science degree in Public Policy and Administration from James Madison University and a Master of Public Administration degree from Old Dominion University. Brandon is a Certified Member of AAAE and is a private pilot.

Additional information on Brandon's qualifications and experience is available upon request.

**ATTACHMENT B
STATEMENT OF QUALIFICATIONS****Clayton A. Hevey, C.M., Project Analyst**

Clayton Hevey has approximately one year of experience of B2B and management consulting experience. He has a Bachelor of Science degree with a double major in International Business & Management and Spanish from Dickinson College. He also holds a Master of Business Administration degree in Aviation Management from Embry-Riddle Aeronautical University. Clayton is a private pilot currently pursuing his instrument rating.

Additional information on Clayton's qualifications and experience is available upon request.

Katelyn E. Kueber, C.M., Special Projects Coordinator

Katelyn Kueber has approximately **5 years** of aviation operations, management, and customer service experience including tourism, business operations, and aviation (airports and aviation business) management consulting. She has a Bachelor of Science degree in Aviation Management with a concentration in Aerospace Operations and a minor in Tourism Management from Metropolitan State University of Denver. Katelyn also has a certificate in Airport Management, is a Certified Member of AAEE, and is a private pilot.

Additional information on Katelyn's qualifications and experience is available upon request.

Rachel A. Blackford, Marketing Coordinator

Rachel Blackford has approximately **5 years** of business administration and marketing experience including graphic design, lease analysis, and corporate philanthropic efforts. She has a Bachelor of Science degree in Business Management from Colorado State University. Rachel's creative abilities and business administrative background enhance AMCG's marketing efforts as well as operational coordination of the firm.

Additional information on Rachel's qualifications and experience is available upon request.



**ATTACHMENT B
STATEMENT OF QUALIFICATIONS**

3. AMCG SERVICES, SUPPORT, AND RESOURCES

AMCG has been providing aviation management consulting services, support, and resources (see Table 1) to airports, aviation businesses, agencies, associations, and other industry stakeholders (e.g., airport lessees, airport developers, industry vendors, financial institutions, aircraft owners and operators, etc.) for over **20 years** and is a preferred provider of these services, support, and resources within the aviation industry.

Table 1. AMCG Services, Support, and Resources	Airports	Aviation Businesses	Agencies	Associations	Industry Stakeholders
Strategic Planning/Business Planning	→	→	→	→	
Primary Management and Compliance Documents <i>Rules and Regulations, Leasing Policy, Rents and Fees Policy, Minimum Standards, and Development Standards</i>	→	→	→	→	
Rent Study <i>Wholesale and Retail – Land, Hangar, Office, Shop, Cargo, etc.</i>	→	→	→	→	→
Fee Study <i>Landing, Based Aircraft, Fuel Flowage, etc.</i>	→		→	→	
Appraisal* <i>Fee Simple Estate, Leasehold Interest, and Leased Fee Estate</i>	→	→		→	→
Valuation <i>Business, Stock, and Asset</i>	→	→			→
Transaction Services <i>Acquisition, Divestiture, and Due Diligence</i>	→	→			
RFP Development and Proposal Evaluation	→		→	→	
RFP Proposal Development		→		→	→
Agreement Development and Negotiation <i>Lease, Use, Operating, and Through-The-Fence</i>	→	→	→	→	→
Through-the-Fence Assessment	→	→	→		→
Assessment <i>Managerial, Operational, and Financial</i>	→	→	→		
Market Assessment/Feasibility Study	→	→	→	→	→
Regulatory Compliance <i>Federal, State, and Local</i>	→	→	→	→	→
Interim Management and Transition Services	→	→			
Land Use, Site Planning, Facility Programming	→	→			→
Marketing and Business Development	→	→		→	
Litigation Support and Expert Testimony	→	→	→	→	→

* AMCG works with an exclusive teaming partner

AMCG DOES NOT TRY TO BE SOMETHING IT IS NOT. RATHER THAN PURSUING PROJECTS THAT THE FIRM MAY BE ABLE TO DO, AMCG ONLY PURSUES PROJECTS THAT ALIGN DIRECTLY WITH THE FIRM'S CORE COMPETENCIES. THIS SELECTIVITY ENSURES THAT SUCCESSFUL RESULTS ARE CONSISTENTLY ACHIEVED.

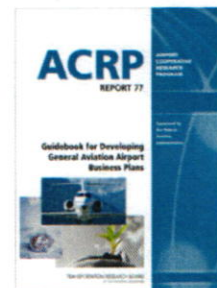
AMCG has conducted numerous research driven projects, including for the Airport Cooperative Research Program (ACRP). ACRP is an industry-driven, applied research program that develops near-term, practical solutions to problems faced by airport operators. ACRP is managed by the Transportation Research Board (TRB) of the National Academies, sponsored by the FAA, and research teams are selected based on competitive proposals.

Table 2. ACRP Publications	Airports	Aviation Businesses	Agencies	Associations	Industry Stakeholders
Guidebook for Developing General Aviation Airport Business Plans (<i>Report 77</i>)	→	→	→	→	→
Guidebook for Through-the-Fence Operations* (<i>Report 114</i>)	→	→	→	→	→
Guidebook for Managing Compliance with Federal Regulations: An Integrated Approach (<i>Report 156</i>)	→	→	→	→	→
Survey of Minimum Standards: Commercial Aeronautical Activities at Airports (<i>Legal Research Digest 11</i>)	→	→	→	→	→
A Guide for Compliance with Grant Agreement Obligations to Provide Reasonable Access to an AIP-Funded Public Use General Aviation Airport (<i>Legal Research Digest 23</i>)	→	→	→	→	→
Operational and Legal Issues with Fuel Farms (<i>Legal Research Digest 28</i>)	→	→	→	→	→

* AMCG and Mead & Hunt teamed as Principal Investigators

Report 77 – Guidebook for Developing General Aviation Airport Business Plans

AMCG lead the effort to conduct research for and develop the *Guidebook for Developing General Aviation Airport Business Plans*. This ACRP publication provides airport policymakers and managers with the practical guidance needed to develop and implement an airport business plan at a general aviation airport. This includes the development and implementation of an airport's mission, vision, goals, objectives, and action plans.



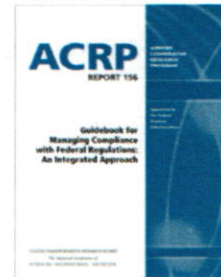
Report 114 – Guidebook for Through-The-Fence Operations

AMCG co-lead the effort to conduct research for and develop the *Guidebook for Through-The-Fence Operations*. This ACRP publication provides airport policymakers, airport managers, and potential and existing through-the-fence (TTF) property developers and users practical guidance needed to assess, structure, and manage TTF operations (and maintain compliance with airport sponsor assurances and applicable regulatory measures).



Report 156 – Guidebook for Managing Compliance with Federal Regulations

AMCG lead the effort to conduct research for and develop the *Guidebook for Managing Compliance with Federal Regulations*. This ACRP publication (1) identifies the federal regulations that affect airports; (2) provides proposed methods and techniques to integrate resources, plans, policies, and procedures for regulatory compliance; and (3) provides a stand-alone tool to assist airports in tracking regulatory compliance.



Legal Research Digest 11 – Survey of Minimum Standards: Commercial Aeronautical Activities at Airports

AMCG was engaged as part of a team to conduct research for and develop Legal Research Digest 11. This ACRP publication provides practical guidance for developing, implementing, and enforcing airport minimum standards for commercial aeronautical activities (which set forth the requirements that need to be met – by an entity – as a condition for conducting commercial aeronautical activities at an airport). This research outlines related legal principles as well as summarizes minimum standards customary at airports.



Legal Research Digest 23 – A Guide for Compliance with Grant Agreement Obligations to Provide Reasonable Access to an AIP-Funded Public Use General Aviation Airport

AMCG was engaged as part of a team to conduct research for and develop Legal Research Digest 23. This ACRP publication examines the foundational requirements for providing access to general aviation airports, conveys specific real-life examples of disputes, and provides recommendations for handling disputes and/or resolving compliance related issues. This research focuses on access issues related to (1) aeronautical activities, (2) aircraft operations, and (3) leasing practices and use of airport property.



Legal Research Digest 28 – Operational and Legal Issues with Fuel Farms

AMCG was engaged as part of a team to conduct research for and develop Legal Research Digest 28. This ACRP publication (1) describes and explains the various models and legal issues that airports will likely encounter during the consideration, negotiation, and administration of fuel related issues and (2) identifies the breadth of issues associated with airport fuel storage facilities and the risks and liabilities associated with fuel related activities.



4. AMCG CLIENTELE

AMCG's multi-faceted aviation management consulting services, support, and resources are provided throughout the United States and abroad to a diverse clientele that includes:

- **Airports**, ranging from small general aviation airports to large hub commercial service airports;
- **Aviation businesses**, including Fixed Base Operators (FBOs) ranging from single-location independently owned and operated companies to multi-location international corporations and Specialized Aviation Service Operators (SASOs) that provide flight training, aircraft rental, aircraft charter and/or management, aircraft maintenance, and other specialized aviation services;
- **Agencies**, including federal, state, and local agencies that focus on the aviation industry;
- **Associations**, including national, regional, state, and local airport, aviation business, and aviation associations; and
- **Other industry stakeholders**, including, aircraft owners and/or operators; airport property lessees and/or developers; industry vendors; financial institutions; law firms; and architectural, engineering, and planning firms.

5. AMCG RESOURCES

A. Proprietary Aviation Industry Database

As previously mentioned, AMCG has developed and maintains an extensive proprietary aviation industry database to collect, store, analyze, report, and disseminate aviation data, information, and documentation. The firm's database consolidates data, information, and documentation pertaining to airports and aviation businesses published by the FAA with data collected by AMCG through survey and project-related efforts. AMCG's database includes the following data, information, and documentation:



- National Aviation System Resources (NASR) which identifies managerial, physical (e.g., land, infrastructure, etc.), and operational statistics (e.g., aircraft operations, based aircraft, etc.) information for all airports in the National Airspace System (consisting of **19,536** landing facilities)
- National Plan of Integrated Airport Systems (NPIAS) which identifies operational information for **3,332** public-use, NPIAS designated airports (consisting of primary and non-primary airports)
- General Aviation Airports; A National Asset (Asset 1 and Asset 2) which identifies the role of **2,948** general aviation airports identified in the NPIAS
- General aviation aircraft production (type, dollars, and units) and active aircraft (type, use, hours flown, fuel consumption, and geographic location)
- Pilot demographics (category, geographic location, certificate type, gender, and age)
- Fixed base operators (quantity, type, geographic location)
- Airport property development and lease agreement terms, conditions, rents, and fees (and other related) data for **over 600** airports located throughout the United States consisting of more than **4,000** data points

Through development of AMCG's proprietary aviation industry database, AMCG has the unique ability to query all data sources to analyze relationships, trends, and other metrics.

B. Presentations and Workshops

AMCG regularly develops and gives presentations, moderates and participates on panel discussions, and conducts workshops (e.g., half day, full day, and multiple day) for diverse audiences on a wide variety of aviation industry topics. This includes developing agendas on a wide range of aviation topics, creating game plans to facilitate panel discussions, and identifying, securing, and coordinating speakers.

Past audiences include policymakers, leadership, management, and staff from a wide range of aviation industry stakeholders, such as airport owners and operators, aviation businesses (FBOs and SASOs), airport property lessees and developers, aircraft owners and operators, consultants, aviation agencies, aviation associations, financial institutions, law firms, and other industry stakeholders. A list of past and upcoming AMCG presentations and workshops is available on the firm's website. AMCG plays a leading role in two national workshops/conferences:

Airport Sponsor Assurances, Leasing Policies, and Minimum Standards Workshop

AMCG has been conducting this workshop on behalf of AAAE for the past **20 years**. This dynamic and interactive one and one-half day workshop has educated hundreds of airport policymakers, managers, property managers, attorneys, and other industry stakeholders on the best practices related to the development, implementation, and enforcement of critical airport management and compliance documents, including Leasing/Rents and Fees Policies, Minimum Standards, Rules and Regulations, and Development Standards.



Building on the foundation of the Airport Sponsor Assurances and other compliance requirements, this workshop thoroughly examines each of these documents and delves into the intricacies, subtleties, and challenges associated with the development (or updating) and implementation process. Throughout this workshop, key issues such as exclusive rights, economic non-discrimination, agreement terms and conditions, rents and fees, appraisals and rent studies, reversion, through-the-fence properties, self-fueling, and independent operators are examined; recent case studies (including complaints under 14 CFR Part 16) are discussed; and relevant real-world examples are given.

General Aviation Issues Conference

Since the conference's inception in 2006, AMCG has played an instrumental role as a key sponsor, program/agenda planner, and session moderator/presenter. Working closely with AAAE, AMCG assisted with the development of this conference to address the key issues the general aviation industry faces and the key challenges the industry may face (tomorrow). This one and one-half day conference typically begins with a session on the State of the Industry (with participation from representatives of all the major aviation associations) and concludes with a session on Best Practices. Historically, both marquee sessions have been led by a principal of AMCG.

C. Aviation Associations

AMCG is an active member of numerous national, regional, and state aviation associations and members of the AMCG team regularly attend and speak at aviation conferences held by the following aviation associations (listed alphabetically):

- National
 - Aircraft Owners and Pilots Association (AOPA)
 - Airports Council International – North America (ACI-NA)
 - American Association of Airport Executives (AAAE)
 - Flight School Association of North America (FSANA)
 - National Air Transportation Association (NATA)
 - National Association of State Aviation Officials (NASAO)
 - National Business Aviation Association (NBAA)
- Regional
 - Great Lakes Chapter of AAAE
 - Northeast Chapter of AAAE
 - Northwest Chapter of AAAE
 - South Central Chapter of AAAE
 - Southeast Chapter of AAAE
 - Southwest Chapter of AAAE
- State (this is only a sampling of state associations)
 - Association of California Airports
 - Aviation Association of Indiana
 - Aviation Council of Alabama
 - Aviation Council of Pennsylvania
 - Colorado Airport Operators Association
 - Colorado Aviation Business Association
 - Florida Airports Council
 - Florida Aviation Business Association
 - Georgia Airport Association
 - Idaho Airport Managers Association
 - Iowa Aviation Association
 - Kansas Association of Airports
 - Maryland Aviation Association
 - Michigan Association of Airport Executives
 - Nebraska Association of Airport Officials
 - Nevada Airport Association
 - New York Aviation Management Association
 - South Carolina Aviation Association
 - South Dakota Airport Managers Association
 - Washington State Community Airports Association
 - Wisconsin Airport Management Association

D. Articles and White Papers

For over **20 years**, AMCG's principals and consultants have written articles or have been interviewed for articles on a wide variety of aviation industry topics for industry trade publications. Additionally, AMCG has written white papers on a wide variety of general aviation topics. A list of these articles and white papers is available on the firm's website.

6. AMCG PROJECT ABSTRACTS AND CLIENT REFERENCES

AMCG believes that the achievement of a successful result is the best indicator of the firm's capabilities and truly reflects the firm's commitment to providing only the highest quality services, support, and resources possible in a timely and professional manner.

The firm's clients can attest to AMCG's ability to:

- Understand complex issues, problems, and challenges
- Provide services, support, and resources that fully accomplish the scope of work
- Communicate professionally and effectively
- Complete projects on time and within budget

AMCG is fully committed to achieving these objectives. Project abstracts and client references are available upon request.