

**HEADWATERS FUND - GRANT FUND CONTRACT**

**Subject:**

Contract with RREDC for grant award #20-CIF-40.

**Route To:**

Department	Approved	Disapproved	Date
1 BOS Chair	_____	_____	_____

**Comments:**

3/10/2021 The application for the grant is included in the attached contract.

Please return executed originals to Ryan Heitz, c/o Econ. Dev.,  
520 E Street, Eureka, CA., once the above signatures have been obtained.

Thanks!

**Contact Information:**

Phone:

Ryan Heitz

476-4804

Email:

[rheitz@co.humboldt.ca.us](mailto:rheitz@co.humboldt.ca.us)

**GRANT AGREEMENT  
BETWEEN THE COUNTY OF HUMBOLDT, HEADWATERS FUND  
AND  
REDWOOD REGION ECONOMIC DEVELOPMENT COMMISSION**

Contract #20-CIF-40

This Agreement is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2021 by and between the County of Humboldt, Headwaters Fund, a political subdivision of the State of California (hereinafter called “the County”) and the Redwood Region Economic Development Commission, a joint powers authority located in Humboldt County, California (hereinafter called “the Grantee”), together referred to as “the Parties”.

WHEREAS, the Grantee has applied for funding through the Headwaters Grant Fund competitive awards process; and

WHEREAS, the Grantee’s proposed project supports the Headwaters Grant Fund’s mission and funding priorities of facilitating economic development for Humboldt County; and

WHEREAS, on November 12, 2019 the Headwaters Fund Board (“HFB”) recommended the Grantee’s proposed project for Headwaters Community Investment Fund funding on the terms and conditions set forth herein; and

WHEREAS, on January 28, 2020 the Humboldt County Board of Supervisors (“Board”) approved the Grantee’s proposed project for Headwaters Community Investment Fund funding on the terms and conditions set forth herein.

NOW, THEREFORE, the parties hereto mutually agree as follows:

**I. PROJECT DESCRIPTION**

A. Grantee shall utilize the grant funds to conduct surveys of the Humboldt County Airports (ACV) business needs and passenger leakage (hereinafter referred to as the “Project”). The specific tasks to be carried out are set forth in Exhibit A- Scope of Work (to include activities, objectives and deliverables) and Exhibit B (Grantee’s grant proposal), both of which are attached hereto and incorporated in full herein.

**II. AWARD AMOUNT AND DISBURSEMENT**

A. County agrees to pay Grantee from the Headwaters Fund a sum not to exceed Twenty Thousand Dollars (\$20,000) to cover Grantee’s costs in carrying out this part of the Project. Costs for labor and materials shall be as set forth in the Project Budget attached hereto as Exhibit C and incorporated herein full by reference. Grantee shall bear the responsibility for any Project costs in excess of \$20,000.

B. Grantee shall submit an itemized invoice, no less frequently than quarterly and no more frequently than monthly, to the County itemizing all work completed and costs incurred as of the invoice date. Eligible expenses include Project costs beginning on the Agreement date listed above and ending at the termination date of this Agreement. The invoice will

utilize Funds Request Form (Exhibit D) and reference relevant sections and categories of Project Budget (Exhibit C). Payment for work performed will be made within thirty (30) days after receipt of the invoice. Although payment will customarily be made in arrears, Grantee may request prospective payment. Prospective payments must be approved in writing by the Humboldt County Auditor (or his designee), and shall be supported by written justification.

- C. Ten percent (10%) of the total grant amount specified in Section II-A above will not be released to Grantee until Grantee submits the Final Report (*see* Section V(A)(3)) for the Project.
- D. No later than forty-five (45) days after expenditure of all grant funds, or completion of the Project, whichever is sooner, Grantee shall submit adequate written documentation summarizing all costs incurred in connection with performance of services under this Agreement.
- E. Any unspent funds shall be returned to the County with no negative consequences for future grant applications as long as all reasonable efforts were made to execute the Project within the Project Budget (Exhibit C) in a timely manner.
- F. Matching Funds
  - 1. Grantee has documented that required grant matching funds (outlined in Project Budget, Exhibit C) have been received for the Project.
  - 2. If Grantee determines that Project funding from other source(s) can no longer be used, County's funding may be reduced, suspended, or terminated. Grantee must contact Headwaters Fund Executive Director immediately under such conditions.
- G. If Grantee deviates by more than six months from the Project timeline dates outlined in Exhibit A, the Headwaters Fund Board shall have the discretion to modify, terminate, or disencumber unspent funds from the grant.

### III. TERM

- A. This Agreement shall commence on the date indicated above and shall terminate on May 1, 2022, unless extended by the written agreement of the parties or sooner terminated as provided for herein.

### IV. GRANT MODIFICATIONS

- A. Deviations of any single category proposed in the line item budget must receive written approval of the County at the following levels of approval:
  - 1. Headwaters Fund Executive Director may adjust changes in grant timelines, activities, and partners that are consistent with original Project goals, target populations, and geographical focus. Headwaters Fund Executive Director may approve budget changes under \$10,000.
  - 2. The Headwaters Fund Board must approve changes in Project goals, target population, and geographic focus. Budget changes of \$10,000 or more require Headwaters Fund Board approval.
- B. If additional time beyond the timeline provided by the Grantee (listed in Exhibit A) is required and exceptional circumstances warrant, a formal request must be submitted to the Headwaters Fund Executive Director. The request must be submitted at least forty-five (45)

days prior to the expiration date of the grant. The request must explain the need for the extension and include an estimate of the unobligated funds remaining and a plan for their use. Unobligated funds remaining at the expiration of the grant is not sufficient justification for an extension. The plan must adhere to the previously approved objectives of the Project.

## V. GRANT REPORTING AND AUDITING

### A. Reporting

1. Grantee will submit Quarterly Reports to Headwaters Staff. Each of these reports covers three months of the calendar year and is due thirty days after the end of the quarter (April 30, July 31, October 31, January 31). Reporting will begin after the first full quarter after the start date of the contract (i.e. if the contract start date is February 1, the first Quarterly Report is not due until July 31). Quarterly reports will utilize the format in Exhibit E and shall include:
  - i. Documentation of activities contracted and completed with grant funds;
  - ii. Financial accountings of grant funds. Grant funds should be tracked separately. Receipts documenting purchases may be requested;
  - iii. Subcontracts signed and/or completed;
  - iv. Narrative of accomplishments to date and schedule of activities and expected completion date;
  - v. Progress on meeting match requirements and fundraising activity report; and
  - vi. Requests for revisions of timeline, budget, and other Project items.
2. County Staff may review any records or documents pertinent to the Project at any time. Such records include information about the Grantee's organization and budget.
3. A Final Report, describing the work accomplished during the entire period of the Agreement, shall be submitted to County no later than the thirtieth (30th) day of the month following the Agreement's termination date. The Final Report will follow the format of Quarterly Reports (Exhibit E) and also include a Grant Evaluation (*see* Section VI and Exhibit F). County may require Grantee to report on other Project activities, processes, and outcomes as needed in the Final Report.
4. County will send a Grant Closeout letter to Grantee after the Final Report. When Grantee returns the letter, the grant is considered closed.

### B. Auditing

1. Grantee shall retain, and County Staff shall have access to, any pertinent books, documents, papers and records of the Grantee organization (and of the performing organization, if different) to make audits, examinations, excerpts and transcripts for up to four (4) years after grant termination date. County Staff and its representatives may conduct periodic site visits to review the effectiveness of the grant.
2. Grantee agrees to timely prepare and maintain accurate and complete financial and performance records for a minimum of four (4) years from the date of final payment under this Agreement or until all pending County, State, and Federal audits are completed, whichever is later. The books and records shall be original entry books with a general ledger itemizing all debits and credits for the work.

3. Grantee shall maintain detailed payroll records. Grantee agrees to maintain such records locally and make them available for inspection by County Staff and representatives, during normal business hours, upon one (1) working day notice.
4. Grantee will permit the County to audit all books, account or records relating to this Agreement for the purpose of compliance with applicable audit requirements relative to this Agreement. Grantee shall provide the County with any relevant information required and shall permit access to its premises during normal business hours upon five (5) days' notice.
5. In the event of an audit exception or exceptions, the party responsible for not meeting the program requirement or requirements shall be responsible for the deficiency and for the cost of the audit. If Grantee is the party responsible for the deficiency, the cost of the audit and the deficiency shall be paid by Grantee within thirty (30) days of notice.
6. Grantee assures that it maintains appropriate internal financial controls over grant funds received and disbursed, including procedures for authorizing disbursements, tracking grant expenditures, and reporting grant revenue and expenditures.
7. The County's rights and obligations under this provision shall continue after termination of the Agreement until May 1, 2026. In the event the term of this grant is extended under Paragraph III of this Agreement, the County's rights and obligations under this provision shall be extended for the same period of time.

#### VI. GRANT EVALUATION

- A. At the completion of the Project, Grantee will complete a self-evaluation for the Project using the Project Evaluation Form (Exhibit F). The self-evaluation will be part of the Project's Final Report, and due no later than the thirtieth (30th) day of the month following the Agreement's termination date. County may require Grantee to present Project overview, results, and evaluation to the Headwaters Fund Board. County representatives may also conduct site visits to the Grantee and its Project for the purpose of grant evaluation. County may modify Project evaluation requirements as needed during the Project.
- B. Grantee shall submit quarterly reports and a Final Report to County as specified in Section V(A).
- C. In connection with the Headwaters Fund's mission to facilitate economic development for Humboldt County, Headwaters Fund Staff may conduct follow-up interviews with Grantee after the grant has been closed and/or the termination of this Agreement in order to evaluate the Project's long-term results, outcomes, and effectiveness in supporting the Headwaters Fund's purpose. Grantee agrees to be interviewed and shall cooperate and respond to any requests for information from Headwaters Fund Staff.

#### VII. FUNDER RECOGNITION AND MEDIA RELEASE

- A. Grantee shall identify The Headwaters Fund as a support organization on all published material relating to the subject matter of the award.
- B. Grantee shall provide information in a timely manner and otherwise cooperate with the County in completing Headwaters Fund reports on grants and other documents related to grants. This cooperation may include Grantee attendance at events publicizing Headwaters Fund grants.

- C. All press releases and informational material related to this Agreement shall receive approval from the County prior to being released to the media (television, radio, newspapers, Internet). In addition, Grantee shall inform the County of requests for interviews by media related to this Agreement prior to such interviews taking place. The County reserves the right to have a representative present at such interviews.
- D. Grantee must abide by the specific requirements in the Headwaters Fund Recognition Policy attached as Exhibit G.

VIII. INSURANCE REQUIREMENTS:

This Contract shall not be executed by County and the Grantee is not entitled to any rights, unless certificates of insurances (or other sufficient proof that the following provisions have been complied with) and such certificate(s) are filed with the Clerk of the Humboldt County Board of Supervisors.

- A. Without limiting Grantee's indemnification obligations provided for herein, Grantee shall take out and maintain and shall require any of its subcontractors to take out and maintain, throughout the period of this Agreement and any extended term thereof, the following policies of insurance placed with insurers authorized to do business in California and with a current A.M. Best rating of no less than A:VII or its equivalent against injury/death to persons or damage to property which may arise from or in connection with the activities hereunder of Grantee, its agents, officers, directors employees, licensees, invitees, 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) per occurrence for any one incident, including, personal injury, death and property damage. If a general aggregate limit is used, either the general aggregate limit shall apply separately to this Project or the general aggregate shall be twice the required occurrence limit.
  - 2. As stated in Exhibit A – Scope of Services, CONTRACTOR will not drive an automobile in the performance of services for COUNTY. If that changes, CONTRACTOR will take out and maintain 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. Said coverage shall be at least as broad as Insurance Service Offices Form Code 1 (any auto).
  - 3. Workers Compensation and Employers Liability Insurance providing workers' compensation benefits as required by the Labor Code of the State of California. Said policy shall contain or be endorsed to contain a waiver of subrogation against County, its officers, agents, employees, and volunteers. In all cases, the above insurance shall include Employers Liability coverage with limits of not less than One Million Dollars (\$1,000,000) per accident for bodily injury and disease.
- B. Special Insurance Requirements. Said policies shall unless otherwise specified herein be endorsed with, the following provisions:
  - 1. The Comprehensive General Liability Policy shall provide that the County, its officers, officials, employees, agents and volunteers, are covered as additional insured for liability

arising out of the operations performed by or on behalf of Grantee. The coverage shall contain no special limitations on the scope of protection afforded to the County, its officers, officials, employees, agents and volunteers. Said policy shall also contain a provision stating that such coverage:

- i. Includes contractual liability
  - ii. Does not contain exclusions as to loss or damage to property caused by explosion or resulting from collapse of buildings or structures or damage to property underground, commonly referred to “XCU Hazards”
  - iii. Is primary insurance with regards to County of Humboldt
  - iv. Does not contain a pro-rata, excess only, and/or escape clause
  - v. Contains a cross liability, severability of interest or separation of insureds clause
2. The policies shall not be canceled, non-renewed or materially reduced in coverage without thirty (30) days prior written notice being provided to County and in accordance with the Notice provisions set forth under Section XI. It is further understood that Grantee shall not terminate such coverage until it provides County with proof satisfactory to County that equal or better insurance has been secured and is in place.
  3. The inclusion of more than one insured shall not operate to impair the rights of one 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 insured shall not operate to increase the limits of the insurer’s liability.
  4. For claims related to this Project, the Grantee’s insurance is primary coverage to the County, and any insurance or self-insurance programs maintained by the County are excess to Grantee’s insurance and will not be called upon to contribute with it.
  5. Any failure to comply with reporting or other provisions of the Parties, including breach of warranties, shall not affect coverage provided to County, its officers, officials, employees, agents and volunteers.
  6. Grantee shall furnish County with certificates and original endorsements affecting the required coverage prior to execution of this Agreement by County. The endorsements shall be on forms as approved by the County’s Risk Manager or County Counsel. Any deductible or self-insured retention over One Hundred Thousand Dollars (\$100,000) shall be disclosed to and approved by County. If Grantee does not keep all required policies in full force and effect, County may, in addition to other remedies under this Agreement, take out the necessary insurance, and Grantee agrees to pay the cost of said insurance. County is also hereby authorized with the discretion to deduct the cost thereof from the monies owed to Grantee under this Contract.
  7. County is to be notified immediately if twenty-five percent (25%) or more of any required insurance aggregate limit is encumbered and Grantee shall be required to purchase additional coverage to meet the aggregate limits set forth above.

C. Insurance Notices:

COUNTY: County of Humboldt  
Risk Management

825 5<sup>th</sup> Street, Room 131  
Eureka, CA 95501

GRANTEE: Redwood Region Economic Development Commission  
Attn: Gregg Foster  
520 E Street  
Eureka, CA 95501

IX. HOLD HARMLESS AND INDEMNIFICATION

- A. Grantee shall hold harmless, defend and indemnify the County and its officers, officials, employees, agents and volunteers from and against any and all liability, loss, damage, expense, costs (including without limitation costs and fees of litigation) of every nature arising out of or in connection with Grantee's performance of work hereunder or its failure to comply with any of its obligations contained in the Agreement, except such loss or damage which was caused by the sole negligence or willful misconduct of the County.
- B. Acceptance of insurance required by this Agreement does not relieve Grantee from liability under this indemnification clause. This indemnification clause shall apply to all damages or claims for damages suffered by Grantee's operations regardless if any insurance is applicable or not.

X. TERMINATION FOR CAUSE

- A. The County, in its sole discretion, may terminate this Agreement immediately upon notice if, in the opinion of the County, Grantee fails to perform the services required under this Agreement within the time limits specified herein, or otherwise fails to comply with the terms of this Agreement, or violates any ordinance, regulation, or other law which applies to its performance herein. In such event, the County may exercise any of its rights under this Agreement or available to it under the law.

XI. NOTICES

- A. Notices shall be given to the County at the following address:

Headwaters Fund Director  
Economic Development Division  
County of Humboldt  
520 E Street, Eureka, CA 95501  
(707) 445-7745  
[headwaters@co.humboldt.ca.us](mailto:headwaters@co.humboldt.ca.us)

- B. Notices shall be given to Grantee at the following address:

Gregg Foster  
Redwood Region Economic Development Commission  
520 E Street  
Eureka, CA 95501  
(707) 445-9651  
[gregg@rredc.com](mailto:gregg@rredc.com)



- C. Any and all notice(s) 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 above. Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the forgoing.

## XII. MISCELLANEOUS

- A. Grantee Status: Grantee certifies that it is a non-profit corporation or tax-exempt governmental unit located in Humboldt County, California.
- B. Restrictions, Limitations or Conditions: This Agreement is subject to any additional restrictions, limitations, or conditions enacted by the Federal and/or State Governments that may affect the provision, terms or funding of this Agreement.
- C. Relationship of Parties: Grantee shall perform all work and services as described herein as an independent contractor. No person performing any of the work or services described herein shall be considered an officer, agent, servant or employee of the County nor shall any such person be entitled to any benefits available or granted to employees of the County. Grantee shall be solely responsible for the acts or omissions of its officers, agents, employees, and subcontractors. Nothing herein shall be construed as creating a partnership or joint venture between the County and Grantee.
- D. Assignment: Neither Party shall assign its obligations under this Agreement without the prior written consent of the other. Any assignment by Grantee in violation of this provision shall be void, and shall be cause for immediate termination of the Agreement.
- E. Subcontracting: Grantee shall not subcontract any portion of the work required by the Agreement without prior written approval of the County.
- F. Licensing: If Grantee is required to be licensed by the State of California, Grantee shall maintain the appropriate licenses throughout the life of this Agreement.
- G. Nuclear Free Humboldt County Ordinance Compliance: Grantee certifies by its signature below that Grantee 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. Grantee 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 forgoing certification is false or if Grantee becomes a nuclear weapons contractor.
- H. Title to Information and Documents: It is understood that any and all documents, information, and reports concerning this Project prepared by and/or submitted by Grantee shall become the property of the County. Grantee may retain copies for its own records. In the event of termination of this Agreement, for any reason whatsoever, Grantee shall promptly turn over all information, writings and documents to the County without exception or reservation.
- I. Nondiscrimination Clause Compliance (Employment And Services): In connection with the execution of this Agreement, Grantee shall not discriminate in the provision of services or against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical or mental disability (including HIV status and AIDS), medical condition (including cancer and genetic characteristics), marital status, political affiliation, sex (including gender identity and expression, pregnancy, childbirth and related medical conditions), age (over 40 years of age), sexual orientation (including

heterosexuality, homosexuality and bisexuality), military service, or any other classifications protected by local, state and federal laws and regulations. Nothing herein shall be construed to require the employment of unqualified persons.

Grantee further assures that it shall abide by the provisions of Title VI and Title VII of the Civil Rights Act of 1974, Section 504 of the Rehabilitation Act of 1973, as amended, the Age Discrimination Act of 1975, United States Executive Order 11246, as amended by United States Executive Order 11375 and as supplemented in 45 CFR, Part 60, and other applicable federal, state, and local laws and regulations to ensure that employment practices and the delivery of services are non-discriminatory. Practices in hiring, compensation, benefits and firing are among the employment practices subject to this requirement.

- J. Entirety of Contract: This Agreement shall constitute the entire Agreement between the parties relating to the subject matter of this Agreement, and shall supersede any previous agreements, promises, representation, understanding and negotiation, whether oral or written, concerning the same subject matter. Any and all acts, which may have already been consummated pursuant to the terms, which are embodied in this Agreement, are hereby ratified.
- K. Amendment: No addition to, or alteration of, the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto.
- L. Compliance with Applicable Laws: Grantee shall comply with any and all applicable federal, state and local laws.
- M. Jurisdiction and Venue: This Agreement shall be construed in accordance with the laws of the State of California. Any dispute arising hereunder or relating to this Agreement 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 §§ 394 or 395.
- N. 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.
- O. No Waiver: The waiver by either party of any breach or violation of any requirement 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 provision of this Agreement. In no event shall any payment by County constitute a waiver of any breach of this Agreement or any default which may then exist on the part of Grantee. Nor shall such payment impair or prejudice any remedy available to County with respect to any breach of default. County shall have the right to demand repayment of, and Grantee shall promptly refund, any funds disbursed to Grantee, which in the judgment of County were not expended in accordance with the terms of this Agreement.
- P. Confidential Information: In the performance of this Agreement, Grantee may receive information which is confidential information under state or federal law. Grantee agrees to comply with all laws regarding confidentiality and shall advise and require all subcontractors to comply with the laws of confidentiality.
- Q. Public Works: To the extent the Project, or any part thereof, constitutes a public work under the California Labor Code and/or the Public Contract Code, Grantee will abide by the prevailing wage laws and the contracting requirements of the respective codes. Grantee's indemnification and insurance obligations in favor of County under this Agreement specifically extend to these obligations.

R. 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 for or on behalf of the parties to this Agreement. Each party represents and warrants to the other that the execution and delivery of the Agreement and the performance of such party's obligations hereunder have been duly authorized.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first herein above written.

(SEAL)

COUNTY OF HUMBOLDT

ATTEST:  
CLERK OF THE BOARD

\_\_\_\_\_  
DEPUTY

BY: \_\_\_\_\_  
CHAIR, BOARD OF SUPERVISORS  
COUNTY OF HUMBOLDT  
STATE OF CALIFORNIA

GRANTEE

BY: \_\_\_\_\_  
*(Signature)*

TITLE: \_\_\_\_\_  
*(Print Title)*

BY:   
*(Signature)*

TITLE: Executive Director  
*(Print Title)*

APPROVED FOR INSURANCE  
REQUIREMENTS

BY:   
Risk Management

Exhibit A – Project Description, Activities, Objectives, Deliverables and Timeline  
Exhibit B – Project Application  
Exhibit C – Project Budget  
Exhibit D – Funds Request Form  
Exhibit E – Quarterly Report Form  
Exhibit F – Project Evaluation Form – Final Report  
Exhibit G – Headwaters Fund Recognition Policy

**EXHIBIT A**  
**Project Description, Activities, Objectives, Deliverables and Timeline**

**Project Description**

**Develop and implement survey to be used at ACV to collect various data focusing on passenger demographics, travel patterns, transportation needs, and satisfaction with terminal services and available transportation.**

**Activities**

Creation and implementation of ACV business needs survey and leakage study in conjunction with Volaire Aviation.

**Objectives**

- Business Travel Survey
  - Survey delving into travel patterns, demands for service, co-located businesses and offices, vendor travel, business travel spend, future business travel changes, and other pertinent market research.
- Drive Diversion/Passenger leakage study
  - Details airport use for the catchment of passengers. Includes zip code level detail including passengers, average fares, revenue, top markets, and carrier usage.

**Deliverables**

Presentation of survey and study data to airline network planner.

**Timeline**

<b>Date</b>	<b>Milestone</b>
March 2021	Project kickoff
March- April 2021	Business Travel Survey
April 2021	Complete Drive Diversion/Passenger Leakage Study
May 2021	Presentation of results of both studies
June 2021- Ongoing	Preparation and presentation of service proposals to airline network planners.

**EXHIBIT B**  
**Project Application**

**APPLICATION FORM  
FINANCING FOR INDUSTRY PROGRAM**

**COMMUNITY INVESTMENT FUND  
THE HEADWATERS FUND OF HUMBOLDT COUNTY**

Use this form to begin applying for loan and/or grant project financing. Send or drop off two (2) copies of this application package to: Headwaters Fund Coordinator, 520 E Street, Eureka, CA 95501. Please also email this completed application to [kspain1@co.humboldt.ca.us](mailto:kspain1@co.humboldt.ca.us).

Before completing this form, you must read the *Overview and Application Instructions* for the “Financing for Industry Program” (available online at [www.theheadwatersfund.org](http://www.theheadwatersfund.org) under the Community Investment Fund section). It is strongly suggested that you contact the Coordinator in advance of submitting your application. Staff are available to guide you in the application process. As the Headwaters Fund is a public program, any funding application is available for review by the public.

Please type, word process (this form may be downloaded from our website) or print neatly.

**A. Applicant Information**

1. Date of application: September 4, 2020
2. Legal Name of Applicant: Redwood Region Economic Development Commission
3. Type of Applicant (specify City, Special District, Non-Profit, Joint Powers Authority, Assessment District, Redevelopment Agency, Mello-Roos Community Facilities District, or other (specify  
  
Joint Powers Authority
4. Mailing Address: 520 E Street, Eureka, CA 95501
5. Contact Person  
Name: Gregg Foster Title: Executive Director  
Address (if different): \_\_\_\_\_  
Phone: 707-445-9651 Fax: 707-445-9652  
e-Mail: [gregg@rredc.com](mailto:gregg@rredc.com)

**B. Project Summary**

6. Name of Project: ACV Business Needs Survey and Leakage Study
7. Location/Address of Project (attach site map if applicable): California Redwood Coast – Humboldt County Airport (ACV)
8. Brief Description of Project Seeking Headwaters Funding: In 2019, ACV experienced record growth in passenger service. However, there were still gaps in service and passenger levels were still not at their historical high which was achieved in 2005. Key to recruiting new service is the completion of a “leakage study,” which is a market analysis that will provide a deep analysis of air travel patterns and opportunities for new service. The last leakage study, completed for the year 2016 and was used for the basis of our

recruitment programs for both LAX and DEN. As we look to rebuild service after the COVID-19 pandemic, we will need to update this data for new market presentations to airlines.

9. Project Start Date: October 1, 2020 10. Project End Date:

11. Period grant will cover: October 1, 2020 –31, 2021.

12. Status of Project

- A. Is Technical Feasibility Study complete? N/A
- B. Is Preliminary Design complete? N/A
- C. Is Cost Analysis complete? N/A
- D. Is Final Design complete? N/A
- E. Have construction bids been submitted? N/A
- F. What is the site control status? N/A
- G. Any other comments on project status? N/A

13. Expected/determined level of required environmental clearance:

- A. Is a Notice of Exemption required? No
- B. Is a Negative Declaration required? No
- C. Is an Environmental Impact Report required? No

14. What is the status of CEQA compliance (*Not Started/In-Progress/Adopted*; specify completion date if applicable)? N/A Completion date: \_\_\_\_\_

*If completed, attach a date stamped copy of the Notice of Determination filed with the local County Clerk's office.*

**C. Project Financing**

15. Requested Loan Amount: \_\_\_\_\_ 16. Requested Grant Amount: \$20,000

17. Estimated Loan Term: N/A

18. Source of Loan Repayment: N/A

*Attach most current audited financial statement reflecting the loan repayment source*

19. Specify any outstanding debt secured by this repayment source: N/A

20. Loan Security (description and value): N/A

21. Summary Project Budget: specify cost category (e.g. design, land, construction, equipment) and amount for each category

22. Total match amount: \$11,500 Cash match: \$1,500 In-kind match: \$10,000

23. List all match/other funding sources for this project. For each source, list:

- A. Amount committed or expected
- B. Whether the amount is received, committed, application pending, or not yet solicited
- C. Receipt date of funds (actual or expected)
- D. Restrictions on funds (if any)
- E. If appropriate, describe your plans for future fund raising.



**D. Project Narrative**

For this section, attach pages as needed up to a maximum of five pages (single-sided, 12 point font; number responses and include them in numerical order).

- 24. Describe the existing facilities and the need/problem.
- 25. Describe the project (e.g. proposed changes/improvement).
- 26. What are the project’s goals and benefits?
  - Describe who will be the primary/major beneficiary of the project and why.
  - Describe and quantify, if possible, the economic benefit to the primary/major beneficiary and Humboldt County (e.g. jobs created, businesses retained). Explain how outcomes were calculated – e.g. explain how you estimated the number of jobs created by the project (be specific and state assumptions). Distinguish between jobs/economic impact during the project construction/set-up phase and the long-term.
- 27. Will any entity, other than the Applicant or another governmental entity, derive any special benefits or rights from the Project? (For example, will an entity own, lease, manage, operate, acquire the output of, obtain a priority right or other special arrangement with respect to, or otherwise derive a direct economic benefit from the Project. Priority rights or special rates and charges anticipated for a particular user or group of users should also be explained.)
- 28. Provide a general timeline for the project, with major milestones noted.
- 29. Describe the public support and opposition to this project.
- 30. How will the project be sustained after the grant?
- 31. Explain what would happen to the project if Headwaters Funds were not granted.

**E. Acknowledgement and Signature**

I, the undersigned, have reviewed the Overview and Application Instructions for the Financing for Industries program of the Headwaters Fund’s Community Investment Fund. I certify that I am an authorized representative of the Applicant, and that I have been authorized by the Applicant to execute this Preliminary Application for funding.

Signature:  Date: 9-21-20

Name (print): Greg Foster

Title (print): Executive Director

## 21. Summary Project Budget

<b>Item</b>	<b>Grant Funded</b>	<b>In-Kind Match</b>	<b>Total</b>
Project Management (RREDC)	0	\$5,000	\$5,000
Project Management (ACV)	0	\$5,000	\$5,000
Volaire Aviation Business Travel Survey. Drive diversion/passenger leakage	\$18,500	0	\$18,500
Travel costs for presentations	\$1,500	\$1,500	\$33,000
Total	\$20,000	\$11,500	\$31,500

### **Project Narrative**

#### **24. Project Need**

RREDC, through its “Fly Humboldt” initiative has been working closely with the County of Humboldt and ACV to recruit and retain passenger air service. This project started in 2003 with the first service recruitment of Alaska Airlines service to Los Angeles Airport. After a period of contraction, from 2011 to 2015, we have been successful in building new service, having added both Los Angeles and Denver to the flight schedule in the past two years.

RREDC and the Aviation Department had planned to conduct this study with the primary purpose of expanding service to existing destinations and to recruit new service to the north and Sacramento. However, the COVID-19 pandemic decimated air service worldwide. By April, ACV’s traffic had dropped over 90%. Traffic has rebounded somewhat, with over 3,000 passenger enplanements in August 2020. While this was a strong showing in the current market, it nevertheless represented a 66% drop in air traffic from August 2019. ACV currently enjoys 2 departures per day to San Francisco and 1 departure per day to LAX. This represents a reduction of 60% in departures and total seats.

Rebuilding air service will require aggressive marketing and recruitment of airlines. In this time, those airports, both large and small, that show that where was past and future market demand will be successful in restoring service. Because of our success, and the strong market growth from 2017 through 2019, we believe we will be very competitive in attracting new service. To do so, however, will require accurate market data and presentation of convincing arguments to the airlines.

#### **25. General Project Description and Management**

This project will involve the development of the data required to develop presentations to the airlines. Specifically, two analyses will be developed:

##### **Business travel survey**

The project consultant, Volaire Aviation, will prepare an on-line survey, targeted at Humboldt County business travelers, using its in-house software subscriptions. This will allow survey-takers to participate from home or office. The survey will include questions to delve into travel patterns, demand for service, co-located businesses and offices, vendor travel, business travel spending, business re-opening detail,

future business travel changes, and other pertinent market research. Consultant will vet question list with Company and stakeholders during a community visit to ensure all requested information is collected. At the conclusion of the survey period, which should be targeted for two to three weeks total in order to quickly collect information, Consultant will prepare a report of results that can be shared with airline network planners to help guide decisions on the re-instatement of service.

**Drive diversion/passenger leakage study**

Consultant will also develop a drive diversion/passenger leakage study detailing airport use for catchment area passengers. The study will include zip code level detail including passengers, average fares, revenue, top markets, and carrier usage.

The analysis will include both filed passenger data and booking data by zip code. The study will use Consultant's proprietary methodology to determine the drive diversion of passengers to and from other airports and to develop an actual market size for the catchment area. This data will be collected for 2019, to ensure airline network planners have a clear idea of the market size and strength before the pandemic

Gregg Foster, Executive Director of RREDC, will be the project manager. Mr. Foster has over 30 years of experience in project management and has led air service development efforts for RREDC and ACV since 2003. Most recently, Foster led the successful recruitment of new service to LAX and DEN. Foster has a degree in Political Science from the University of California, Davis.

Working closely with Foster will be Humboldt County Director of Aviation, Cody Roggatz. Mr. Roggatz is an expert in airport operations and has led the Humboldt County Department of Aviation for two years. Roggatz has more than 14 years of experience in the aviation industry. He has worked on a wide variety of capital improvement projects at previous airports he has served, including: Runway, Taxiway, Apron, Drainage and Equipment Improvement Projects. In his 4-plus years serving as the Transportation Director for the City of Aberdeen, he led his department to more than \$15 million in airfield, facility and equipment improvements while simultaneously improving safety and growing passenger traffic.

Jack Penning, Volaire's Managing Partner and President will be assigned as the project lead. Jack has been an airport consultant since 2001 when he was recruited by Sixel Consulting Group from his previous career as an aviation journalist. For almost two decades, Jack has been considered a leading expert in air service expansion, strategic business planning, and airline schedule planning. In his career, Jack has helped to recruit service to more than 150 underserved routes around the world.

**26. Project Goals and Benefits**

ACV and its air service development program will be the primary beneficiary of this project. Specifically, the survey will be used for the following:

- Provide customer and market data, which will be used in our discussions with the incumbent airlines to retain and expand existing service.
- Better understand unmet travel needs, which will be used in service proposals for new airlines and new destinations.

**27. Will any entity, other than the Applicant or another governmental entity, derive any special benefits or rights from the Project?**

No special benefits or rights will accrue to any outside entity.

**28. General timeline for the project and major milestones.**

The general timeline is as follows:

October 2020:	Project Kick-Off.
October- November 2020:	Business Travel Survey
November 2020:	Complete Drive Diversion/Passenger Leakage Study
December 2020:	Presentation of results of both studies.
January 2021 – Ongoing:	Preparation and presentation of service proposals to airline network planners.

**29. Describe the public support and opposition to this project.**

Fly Humboldt and air service development in general have received very positive public support for our efforts. Over 100 business and individuals have donated hundreds of thousands of dollars to our recruitment program. These funds are primarily used to provide minimum revenue guarantees for new service.

**30. How will the project be sustained after the grant?**

The data used will provide support for air service development for at least one to two years.

**31. Explain what would happen to the project if Headwaters Funds were not granted.**

At this time, neither RREDC nor ACV have the funds to complete this project. If the grant was not awarded, it would be deferred until such time as an alternative source could be found.

**SCOPE OF WORK**

This Scope of Work is prepared for the Redwood Region Economic Development Commission of Eureka, California (the "Company").

**1. Scope of Work.** Consultant will re-purpose its previous scope of work for passenger experience surveys at Arcata-Eureka Airport (ACV) into a new project to determine passenger demand in support of the retention of air service following the COVID-19 crisis. This intelligence gathering work is critical to ensuring ACV retains its airline service. The project will consist of two main deliverables.

**1) Business travel survey**

Consultant will prepare an on-line survey, targeted at Humboldt County business travelers, using its in-house software subscriptions. This will allow survey-takers to participate from home or office. The survey will include questions to delve into travel patterns, demand for service, co-located businesses and offices, vendor travel, business travel spend, business re-opening detail, future business travel changes, and other pertinent market research. Consultant will vet question list with Company and stakeholders during a community visit to ensure all requested information is collected.

At the conclusion of the survey period, which should be targeted for two to three weeks total in order to quickly collect information, Consultant will prepare a report of results that can be shared with airline network planners to help guide decisions on the re-instatement of service.

**2) Drive diversion/passenger leakage study**

Consultant will also develop a drive diversion/passenger leakage study detailing airport use for catchment area passengers. The study will include zip code level detail including passengers, average fares, revenue, top markets, and carrier usage.

The analysis will include both filed passenger data and booking data by zip code. The study will use Consultant's proprietary methodology to determine the drive diversion of passengers to and from other airports and to develop an actual market size for the catchment area. This data will be collected for 2019, to ensure airline network planners have a clear idea of the market size and strength before the pandemic.

**2. Consultancy Fee and Expenses**

1) Business Travel Survey and Report:	\$3,500
2) Drive diversion/passenger leakage study	\$15,000

Hourly rates. For projects not included in the above list, Company will be invoiced on an hourly basis. The standard hourly rate is \$200 per hour.

Payment. The Consultant shall submit to the Company invoices detailing the Services performed, expenses, and the amount due. All such invoices shall be due and payable within thirty (30) calendar days after receipt thereof by the Company.

**EXHIBIT C**  
**Project Budget**

<b>Item</b>	<b>Grant Funded</b>	<b>In-Kind Match</b>	<b>Total</b>
Project Management (RREDC)	0	\$5,000	\$5,000
Project Management (ACV)	0	\$5,000	\$5,000
Volaire Aviation (Stakeholder meetings, survey development, training, consulting during survey period, final presentation)	\$18,500	0	\$18,500
Presentation materials, meeting supplies, marketing, signage etc.	\$1,500	\$1,500	\$3,000
<b>Total</b>	<b>\$20,000</b>	<b>\$11,500</b>	<b>\$31,500</b>

## EXHIBIT D Funds Request Form

Exhibit C

**Headwaters Funds Request Form**

Grantee: \_\_\_\_\_ Preparer: \_\_\_\_\_ Grant No.: \_\_\_\_\_  
 Address: \_\_\_\_\_ Title: \_\_\_\_\_ Grant Start Date: \_\_\_\_\_  
 \_\_\_\_\_ Phone: \_\_\_\_\_ Grant End Date: \_\_\_\_\_  
 \_\_\_\_\_ E-Mail Address: \_\_\_\_\_

Request Number:				Report Period: From:			To:	
Contract Activities	Budget Category	HWF Budgeted Amount	HWF Requested in Prior Periods	HW Funds Requested in This Period	HW Funds Remaining	Matching Funds Budgeted	Matching Funds Spent to Date	% HW Funds Spent to Date
					0.00			
					0.00			
					0.00			
					0.00			
					0.00			
					0.00			
					0.00			
					0.00			
					0.00			
					0.00			
Sub-total		0.00	0.00	0.00	0.00	0.00	0.00	
10% Retention				0.00				
Total Payment				0.00				

**Grantee Certification:**

I certify to the best of my knowledge that this report is true in all respects, that the reported amounts agree with the official accounting records, and that all disbursements have been made for the purposes and conditions of this grant.

Name: \_\_\_\_\_  
 Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT E**  
**Quarterly Report Form**

The Headwaters Grant Fund  
Quarterly Report

The purpose of the Quarterly Report is to keep the Headwaters Fund staff and Board up-to-date on grantee projects. A Quarterly Report is due every 90 days: April 30, July 31, Oct 31, Jan 31. Please complete the following form.

Date: \_\_\_\_\_ Project Title: Humboldt Business Challenge  
Organization: \_\_\_\_\_ Preparer: \_\_\_\_\_ Grant No.: \_\_\_\_\_  
Address: \_\_\_\_\_ Title: \_\_\_\_\_ Grant Start Date: \_\_\_\_\_  
\_\_\_\_\_ Phone: \_\_\_\_\_ Grant End Date: \_\_\_\_\_  
Phone: \_\_\_\_\_ email: \_\_\_\_\_

Please respond to the following, using as much space as necessary:

1. Describe your successes on the project to date.
  
2. Are grant activities proceeding according to planned timeline and budget? If not, state and explain any request for change:
  - Delayed/over budgeted activities
  - Revised timeline/budget
  - Impact of delay/over budget on project
  
3. Discuss any problems or unforeseen circumstances in implementing the grant project. Address how these problems/circumstances will be overcome, if appropriate and if there is anything Headwaters Fund staff can do to assist you.
  
4. Is there anything else that the Headwaters Fund staff and Board should know about regarding your project?

I, the undersigned, certify that the information reported in this document is complete and accurate to the best of my knowledge.

Name (print): \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_



**EXHIBIT F**  
**Project Evaluation Form- Final Report**



HUMBOLDT COUNTY

## Headwaters Fund

## Grantee Self-Evaluation Final Report

The information requested on this form will allow the Headwaters Fund to better understand its funding and report to the public. Please return this form within 30 days of your project completion. Headwaters Fund staff may contact you with further questions about your project.

Today's Date:                      Project Start Date:      Project End Date:

Organization Name: Redwood Region Economic Development Commission

Project Title: ACV Passenger Survey

Please answer the following questions, using as much space as necessary on separate pages:

1. What was your plan for improving the local economy?
2. Were you successful in filling the need or solving the problem that you set out to solve?
3. How many jobs did you create?
4. What were the challenges you encountered and how did you overcome them?
5. Which industries and businesses did you work with? Please provide any testimonials or quotes from those businesses related to the impact of your project on them.
6. Based on your identified strategy to promote economic development, what were your measurable objectives and did you achieve those?
7. If your project leveraged outside funds, how much additional funding was brought into the area?
8. Did your project develop knowledge or a product that can be sold outside the area? If so, describe that knowledge or product and its potential market.
9. What are the lasting benefits of the project (provide quantitative and qualitative benefits)?
10. How will you continue the work started by this project?
11. What, if any, are your comments about working with the Headwaters Fund and its staff?
12. Do you have any other comments?
13. Please attach any press releases, stories, or other materials that have been published regarding the project funded by the Headwaters Fund grant, or let us know how you have recognized the Fund for the support.

I, the undersigned, certify that the information reported in this document is complete and accurate to the best of my knowledge. I understand that as a community fund, it is important that the Headwaters Fund is able to report concrete results. Because of this, staff may be contacting me in

future years to follow up on project outcomes over time. Please include this signed cover page with your report.

Name (print): \_\_\_\_\_

Title: \_\_\_\_\_ Signature: \_\_\_\_\_

**EXHIBIT G**  
**Headwaters Fund Recognition Policy**

***Purpose***

The Headwaters Fund is a public fund of the County of Humboldt. Because of this, it is especially important that our community be made aware of the projects and events we are sponsoring. We request that you honor this need and recognize the Headwaters Fund appropriately on materials and in public announcements which are connected with projects funded by the Headwaters Fund.

***Policy***

The Headwaters Fund requires that grantees include the fund name and/or logo whenever publicizing events or projects which have been supported by Headwaters grant funds. This is to acknowledge funding and to promote the purpose of the Headwaters Fund.

***Implementation***

***Logo Use***

The Headwaters Fund logo should be included on all posters, flyers, invitations, websites and announcements for events sponsored by the Headwaters Fund. Headwaters Fund logo size should be equal to that of other sponsors who have contributed a similar amount of funding. If there is a sponsor section on your website or any associated social media sites, the Headwaters Fund logo should be posted. If possible, the logo should also be a link to the Headwaters Fund website. Contact staff with any questions about appropriate placement or use of the Headwaters Fund logo. Include copies of any materials on which you placed the logo with your Quarterly Grant report.

***Press Releases***

Press releases related to projects or events sponsored by the Headwaters Fund should mention the Headwaters Fund as a sponsor and should be reviewed and approved by Headwaters Fund staff in advance of being sent.

***Public Events***

For openings, ribbon cuttings, open houses, or other ceremonial events related to projects funded by the Headwaters Fund, formal mention of the Headwaters Fund's contribution should be included as part of the program. If appropriate, a Headwaters Fund Board member or member of the Board of Supervisors could be asked to comment. Staff can help make these arrangements.

***Research***

When research or other work generated under the sponsorship of the Headwaters Fund is published or released the contribution should be recognized. (For example: Support provided by the Headwaters Fund.) It is not necessary to include the Headwaters Fund logo unless other sponsor's logos are being included.

***Contact***

Please contact the fund at [headwaters@co.humboldt.ca.us](mailto:headwaters@co.humboldt.ca.us) or 707-445-7745 with any questions or for assistance in implementing this policy.