



# COUNTY OF HUMBOLDT

For the meeting of: 3/21/2023

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File #: 23-286

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**To:** Board of Supervisors

**From:** Aviation

**Agenda Section:** Consent

**Vote Requirement:** Majority

**SUBJECT:**

Professional Services Agreement with Aviation Management Consulting Group (AMCG) to Develop Primary Management and Compliance Documents (PMCDs), including: Minimum Standards, Rules and Regulations, Rent and Waitlist Policies, and Assist with Lease Negotiations

**RECOMMENDATION(S):**

That the Board of Supervisors:

1. Approve and authorize the Director of Aviation to execute the attached Professional Services Agreement with Aviation Management Consulting Group (AMCG) to develop primary management and compliance documents (PMCDs), including minimum standards, rules and regulations, rent and waitlist policies, and assist with lease negotiations, after updated insurance certificates are received and reviewed by Risk Management; and
2. Authorize the Director of Aviation to execute any amendments and successor agreements after review by County Counsel and Risk Management.

**SOURCE OF FUNDING:**

Aviation Enterprise Fund (3530)

**DISCUSSION:**

PMCDs are a compendium of rules, regulations, policies, and standards that govern operation, management, and development of an airport. In combination, PMCDs are designed to: contribute to the long-term financial health of an airport; facilitate and foster the orderly development of an airport; encourage the provision of quality products, services, and facilities at an airport; protect the health, safety, interest, and general welfare of the public; and reduce the potential for conflict with tenants, consumers, and users.

The Federal Aviation Administration (FAA), through Advisory Circular 150/5190-7, strongly recommends airports implement minimum standards and related policies as a means to minimize the potential for violations of Federal obligations at federally obligated airports. Federal law requires that

recipients of Federal grants sign a grant agreement or covenant in a conveyance of property that sets out the obligations that an airport sponsor assumes in exchange for Federal assistance. Additionally, airports, in accepting federal grant dollars, agree to comply with 39 different grant assurances. The County of Humboldt’s airports have had issues with grant assurance compliance in the past; specifically, numerous infractions were identified in the FAA’s 2018 Land Use Compliance Inspection of Humboldt County’s six airports. These issues have been addressed and closed out with the FAA. The work under this Professional Service Agreement would help the Humboldt County Department of Aviation ensure compliance with grant assurances and required land uses, moving forward. The FAA’s policy, recommending minimum standards, stems from the airport sponsor’s grant assurances and similar property conveyance obligations to make the airport available for public use on reasonable conditions and without unjust discrimination.

The FAA objective in recommending the development of minimum standards serves to promote safety in all airport activities, protect airport users from unlicensed and unauthorized products and services, maintain and enhance the availability of adequate services for all airport users, promote the orderly development of airport land, and ensure efficiency of operations. Therefore, airport sponsors should strive to develop minimum standards that are fair and reasonable to all on-airport aeronautical service providers and relevant to the aeronautical activity to which it is applied. Any use of minimum standards to protect the interests of an exclusive business operation may be interpreted as the grant of an exclusive right and a potential violation of the airport sponsor’s grant assurances and the FAA’s policy on exclusive rights.

Through the proposed Professional Services Agreement, AMCG will assist in developing minimum standards, rules and regulations, rent and waitlist policy, and will assist in future lease negotiations with any potential Fixed Base Operator (FBO) with an estimated completion date of Dec. 31, 2023. AMCG previously contracted with the County of Humboldt to resolve compliance matters identified by the FAA as a result of a land use inspection in 2018. Through previously providing services to Humboldt County Airports, including appraisals, lease analysis, land use analysis, financial analysis, and land conveyance services, AMCG has already obtained detailed information regarding the local airport system, which will mitigate project costs and shorten the timeline to receive deliverables. AMCG’s work with the Department of Aviation on addressing the findings of the 2018 Land Use Inspection was critical in addressing the historical, non-compliant practices at Humboldt County’s Airports. Lastly, AMCG has assisted hundreds of other airports in the United States on similar projects to develop these documents and structure.

**FINANCIAL IMPACT:**

<b>Expenditures (3530381 2118)</b>	<b>FY22-23 Adopted</b>	<b>FY23-24 Projected</b>	<b>FY24-25 Projected</b>
Budgeted Expenses	\$150,000	\$150,000	\$0
Additional Appropriation Requested	\$0	\$0	\$0
<b>Total Expenditures</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$0</b>

*\*Projected amounts are estimates and are subject to change.*

**Narrative Explanation of Financial Impact:**

The attached Professional Services Agreement with AMCG has a maximum amount payable for services rendered, and costs and expenses incurred, pursuant to the terms and conditions of the Agreement of \$150,000. This amount includes \$113,250 for Elements 1-3 and a not-to-exceed dollar amount of \$36,750 for Element 4.

Expenditure appropriations related to the attached agreement have been included in the approved fiscal year 2022-23 budget for the Department of Aviation, 3530381-2118. Funding for the attached Professional Services Agreement is available through the previously accepted CARES Act Grant, No. 3-06-0010-047-2020. As a result, approval of the agreement with AMCG will not impact the General Fund.

STAFFING IMPACT:

N/A

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework priority of enforcing laws and regulations to protect residents; fostering transparent, accessible, welcoming and user friendly services; and creating opportunities for improved safety and health.

OTHER AGENCY INVOLVEMENT:

N/A

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board may decide not to authorize the agreement with AMCG. However, it is not recommended as there is currently a lack of essential documents recommended by the FAA to create standards that are fair and reasonable for airport users. Additionally, Humboldt County's Airports would be open to a considerable amount of additional risk in not having these documents, and associated structure, in place for fair and equitable use.

ATTACHMENTS:

1. Professional Services Agreement with AMCG

PREVIOUS ACTION/REFERRAL:

Board Order No.: C-1

Meeting of: January 28, 2020

File No.: 20-105