MEETING: January 28, 2014

TO: The Board of Supervisors

FROM: Peter Rei, Public Works Director

RE: Approve a Professional Services with the Aeroplex Group Partners

RECOMMENDATION AND JUSTIFICATION:
Approve a Professional Services Agreement with the Aeroplex Group Partners LLC to Study Options for Managing the Mariposa-Yosemite Airport in the Not to Exceed Amount of $12,000, and Authorize the Board of Supervisors Chair to Sign the Agreement.

On December 31, 2013, the contract between the County and KMPI Inc. to provide Fixed Base Operator (FBO) services at the Mariposa-Yosemite Airport was terminated at the request of KMPI. For the past several months staff has been diligently trying to find another firm to provide FBO services.

In August 2013 the Board approved a Request for Proposals (RFP) to solicit firms or individuals interested in providing FBO services to the County. No responses to that RFP were received.

After the response period for the RFP concluded, the County was contacted by a representative of Aeroplex Aerorelease Group expressing interest in providing a wide range of services to the County including, but not limited to, FBO services at the Mariposa-Yosemite Airport.

On November 13, 2013, Curt Castagna, a representative of Aeroplex Group Partners LLC, made a presentation to the Airport Advisory Committee. In his presentation Mr. Castagna presented several alternative ideas for how the Airport might be managed. Those alternatives spanned everything from only FBO services similar to what KMPI provided to complete privatization of the Airport.

In speaking at length with Mr. Castagna staff learned that he manages two airports in Southern California at Van Nuys and Long Beach. He and his team have extensive airport management experience and a wide range of airport expertise. In addition, Mr. Castagna teaches airport management at California State University, Los Angeles. His family owns property in Wawona, and he has been a frequent visitor to Mariposa County for over 40 years.

During the past two months Public Works staff has been contacted by two other individuals interested in providing FBO services to the Airport. On December 8, 2013, Gary Piper provided
a presentation to the Airport Advisory Committee wherein he offered to become the next FBO. We also received interest from a couple, Mr. and Mrs. Vern Smith.

Following substantial review of all three interested parties, it is the recommendation of the Public Works Department that the County proceeds with an Agreement with Aeroplex Group Partners LLC. The attached Scope of Work discusses four Tasks. The current recommendation is that the Board approve Task #1 (Baseline Assessment) and Task #2 (Airport Specific Business Plan). These two tasks will allow Aeroplex Aerolease representatives the opportunity to investigate in depth all operational, regulatory and financial aspects of the Mariposa-Yosemite Airport and then present the County with a very specific Business Plan that includes recommendations and options for how to most effectively manage the Airport.

Once Task #1 and Task #2 are completed and the Business Plan is reviewed, staff will work with Aeroplex Group Partners LLC to refine Tasks #3 and/or Task #4 and bring a contract back to the Board for consideration at a later date. No action on Tasks #3 and #4 is recommended at this time.

BACKGROUND AND HISTORY OF BOARD ACTIONS:
August 2013 the Board directed Public Works staff to prepare an RFP for an FBO to manage the Mariposa-Yosemite Airport.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:
None that can be recommended at this time. The County needs a new Agreement with a firm interested in managing the Airport or the Board needs to direct staff to hire a new Airport Manager and manage the Airport in house. The proposed Business Plan will be very useful in making that decision.

FINANCIAL IMPACT:
Sufficient funds are available in the Special Aviation fund 613-0321-595-0419 (Professional Services - Contracts)

ATTACHMENTS:
Aeroplex Group Partners LLC Agreement (PDF)

CAO RECOMMENDATION
Requested Action Recommended

[Signature]
Rick Benson, County Administrator
RESULT: ADOPTED AS AMENDED [UNANIMOUS]
MOVER: Merlin Jones, District II Supervisor
SECONDER: Lee Stetson, District I Supervisor
AYES: Stetson, Jones, Bibby, Cann, Carrier
TO: PETER REI, Public Works Director

FROM: RENE’ LA ROCHE, Clerk of the Board

SUBJECT: Approve a Professional Services Agreement with the Aeroplex Group Partners LLC to Study Options for Managing the Mariposa-Yosemite Airport in the Not to Exceed Amount of $12,000, and Authorize the Board of Supervisors Chair to Sign the Agreement

RES. 14-42

THE BOARD OF SUPERVISORS OF MARIPOSA COUNTY, CALIFORNIA

ADOPTED THIS Order on January 31, 2014

ACTION AND VOTE:

1. Public Works RES-2014-42

Approve a Professional Services Agreement with the Aeroplex Group Partners LLC to Study Options for Managing the Mariposa-Yosemite Airport in the Not to Exceed Amount of $12,000, and Authorize the Board of Supervisors Chair to Sign the Agreement

Peter Rei made the staff report. He noted that the transition from KMPI to the County has proceeded smoothly and that they have made all necessary changes to the locks and computers, have learned the system for managing the fuel, and have all of the things working on a temporary basis. He also gave an overview of this issue noting the failed RFP, the meetings with the three interested parties, and the considerations that went into determining the proposed agreement as the best for the County. He also noted that Exhibit “A” to the proposed agreement enumerates four tasks but that upon further review, Mr. Rei noted that Task 1 is Fact Finding; Task 2 uses the information determined in Task 1 to develop realistic options for managing that airport; and that he purposely did not include Tasks 3 and 4 in this item as it is premature to try to suggest one or more options until Tasks 1 and 2 are accomplished. He also noted that there is an error, and an updated version which did not get attached in time to be included in the agenda packet; and he noted that under Task 1 in the “Fee” section it says: $150 plus costs not to exceed $5000, but that the not to exceed amount should say $6000, with the same correction being repeated in the “Fee” section under Task 2. Mr. Rei also discussed that staff has been very impressed with the contractor’s professionalism, experience and background in the aviation field.
Supervisor Jones required clarification of the timeline on Task 2, noting that it would take effect in June if signed by February. Supervisor Jones and Mr. Rei discussed the status of the terminal until then. Supervisor Jones noted his concern that the airport needs to be available to use in the event of wild fires. Mr. Rei discussed a proposal to investigate housing the Fire Department or other county departments there, and noted that there may be some concerns regarding the FFA grant language; but, that he has been told that the FFA is not as stringent as they have been in the past.

Supervisor Carrier noted that neither Task 1 nor Task 2 currently defines that the issue is that we lost the airport FBO who was paying the county, and that Tasks 3 and 4 look like the county would be paying them to manage the terminal. He also noted that he shared the idea regarding locating a county department at the terminal; noted that if the Fire Department administrative staff was located at the terminal it would address some of the safety and security issues and has linkage in case of summer fires; and noted that he would like hard reasons before discounting the idea. Mr. Rei responded that Supervisor Carrier’s concern could be included in Task 2; noted that he shares the conclusion that if we ask the FFA, the likely answer will be no; and discussed that the tipping point may be in the way it is described. Mr. Rei also discussed the fact that, conversely, a fire presence is required at airports with runways that are four thousand feet long, or longer; and discussed a crash at the Colombia Airport yesterday, noting that CAL FIRE was the first responder as they have a base there. Discussion ensued between Supervisor Carrier and Rei regarding the potential benefits of such a relocation.

Supervisor Cann required confirmation of his understanding that if something was put at the airport that is not directly related to the functioning of the airport, it is potentially at risk of needing to be removed if an airport-related need arises. Mr. Rei affirmed that as a reasonable interpretation. Supervisor Cann also required clarification regarding the Special Aviation Fund. Mr. Rei responded that the Special Aviation Fund is where revenues from either the FFA or the State Aeronautics Division are placed, but that one of the goals of this effort will be to recommend consolidating the two budgets currently in place into one.

CAO recounted recent contact with a city whose City Manager’s Office is located at an airport.

Supervisor Bibby noted that she likes the idea of having the Fire Department located at the airport as it would provide staff and services; and discussed that the argument could be made that services are being provided in exchange for space. She also reminded everyone that if locks are being changed then we need to have a key left with Sheriff’s dispatch. Mr. Rei clarified that the keys to the terminal building have been changed, but that the keycards to the gate did not change; and that it is his understanding that keys have already been provided to the Sheriff’s Department, but that he will double check. Discussion ensued between Mr. Rei and Supervisor Bibby regarding the Airport Plan.

Supervisor Jones remarked that he likes the objectives of moving the Fire Department to the Airport as stated by Supervisor Carrier, but urged careful investigation as he doesn’t want the FFA to be able to request their money back.

Supervisor Carrier required clarification as whether Aeroplex will be updating the Airport Master Plan as part of Task 1. Mr. Rei responded that the Master Plan is not that far out of date; noted that the Airport Advisory Commission (AAC) reviewed it during its meetings in 2011 and 2012; noted that he doesn’t see anything urgent in their recommendations but that Aeroplex will certainly review it; and remarked that the Land Use Plan should be the next thing to be reviewed. Supervisor Carrier inquired as to whether the
contractor will recommend corrective actions. Mr. Rei responded that his assumption is that the things they learn in Task 1 will be rolled into the business plan in Task 2.

Supervisor Bibby inquired as to whether we have to add another term to the contract concerning the issue of whether another county department can occupy the space at the airport. County Counsel responded that would be included under Task 1, Item 2 which deals with considering alternative options for short term FBO operations and staffing. Mr. Rei noted that he can advise the consultant that he is being requested to also consider that possibility.

Public comment opened.

Ruth Catalan noted that it appears that this contract will pay a consultant to recommend whether or not he should run the airport. She also inquired if this has been reviewed by the AAC.

Public comment closed.

Supervisor Bibby required clarification of whether the AAC reviewed the agreement. Mr. Rei noted that there have been discussions with them and that they saw the draft, but that no formal position was requested or given.

Supervisor Jones recounted his recollections noting that AAC members knew that this was going to take place. He also noted that it is his understanding that this contractor is not applying to run the FBO himself. Mr. Rei responded that he doubts that the contractor would ever seriously consider doing that as he's already operating two fairly large airports and a sizeable corporation. Mr. Rei noted that the likelihood is that a recommendation for an FBO, or multiple FBOs, is what will most likely come out of this. Supervisor Jones discussed the need for answers and a plan.

Supervisor Cann announced that County Counsel has confirmed his review for legal sufficiency.

Supervisor Bibby noted that it would be nice to get input on fuel operation and sales as well as the lease and rental agreements. Mr. Rei noted some options already discussed.

Supervisor Carrier noted that this information was shared with the AAC, but he does not know if they were aware of the actual cost. He also remarked that he does know that they want questions answered regarding how to make the airport more profitable, and what can be done to improve it.

Action was taken to approve the item as requested, with the not to exceed amount stated in the “Fee:” section of Tasks 1 and 2 being changed from $5,000 to $6,000.

RESULT: ADOPTED AS AMENDED [UNANIMOUS]

MOVER: Merlin Jones, District II Supervisor

SECONDER: Lee Stetson, District I Supervisor

AYES: Stetson, Jones, Bibby, Cann, Carrier

Cc: Bill Davis, Auditor

File