

**TO:** CITY COUNCIL  
**FROM:** JAMES L. APP, CITY MANAGER  
**SUBJECT:** AIRPORT CONSULTANT AGREEMENT  
**DATE:** MARCH 21, 2000

**Needs:** For the City Council to adopt a resolution approving the terms and conditions of a Consultant Services Agreement between the City and Black & Veatch Corporation, for consulting services in conjunction with the further development and promotion of the Municipal Airport.

- Facts:**
1. The City of Paso Robles continues to operate the Municipal Airport as an essential element of the transportation services of the City.
  2. The City has determined the Airport to be an essential part of the further development of the City's economic viability.
  3. There is a definite need for the provision of additional aviation-related services at the Airport.
  4. The development of a clear Vision and associated Business Plan is essential to the further promotion of this effort.
  5. The subject consultant firm has demonstrated abilities and assets that are determined to be of benefit to the City in the pursuit of this effort.

**Analysis  
and**

**Conclusion:** As the City continues to work towards development of increased activity and aviation services at the Airport, it is evident that there is a need for clear direction and definition of the overall objectives and a more clear picture of the implementation process that will need to be followed. It is necessary to engage the services of outside resources, in order to provide more adequate direction to this effort.

**Policy**

**Reference:** Airport Promotion Policy; City Economic Development Policy

**Fiscal**

**Impact:** A contract amount based on time and materials provided in an amount not to exceed \$25,000.00 Said amount to be funded from the unappropriated reserves within the Airport Enterprise Fund.

- Options:**
- A. Approve the attached resolution to enter into the subject agreement.
  - B. Reject the proposed request, as presented.
  - C. Amend, modify, or reject the above options.

Attachments: (1)

RESOLUTION NO. 00-

A RESOLUTION OF THE CITY OF EL PASO DE ROBLES  
APPROVING AN AGREEMENT FOR CONSULTANT SERVICES  
AT THE MUNICIPAL AIRPORT

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WHEREAS, the City of Paso Robles continues to operate the Municipal Airport for the aid and benefit of the public and their air transportation needs; and

WHEREAS, the City of Paso Robles has determined that the Airport remains a viable element of the City's infrastructure and economic viability; and

WHEREAS, there is a need to provide more clear direction to the further development of said efforts,

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of El Paso de Robles that

1. The Consultant Services Agreement between the City and Black & Veatch Corporation is approved.
2. The contract amount shall not exceed \$25,000.00
3. Appropriation of said funding from the Airport Enterprise fund is approved.
4. The execution of the associated document is approved.

PASSED AND ADOPTED by the City Council of the City of El Paso de Robles this 21<sup>st</sup> day of March, 2000 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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Duane Picanco, Mayor

ATTEST:

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Sharilyn M. Ryan, Deputy City Clerk



## BLACK & VEATCH

Airport Management Consulting Group  
1855 Gateway Boulevard, Suite 1000  
Concord, California 94520 USA

Black & Veatch Corporation

Tel: (925) 246-8000

Fax: (925) 246-8082

February 21, 2000

Mr. James L. App  
City Manager  
City of Paso Robles  
1000 Spring Street  
Paso Robles, California 93446

Re: Proposal to Provide General Advisory Airport Consulting Services -  
Paso Robles Municipal Airport

Dear Mr. App:

In accordance with our recent conversation, we are pleased to submit this letter proposal to provide airport consulting services to the City of Paso Robles (City) in connection with the operation and management of Paso Robles Municipal Airport (Airport).

### **Background**

The City owns and operates the Airport. The City has determined that the Airport is an important element of its infrastructure. The City has determined that for the Airport to make its full contribution to the economy of the region and meet the expectation of its constituents that the overall quality of management, facilities and services at the Airport must be upgraded.

To assist the City with upgrading the Airport, we propose providing services in the areas of business planning, Airport planning, development and financing of Airport improvements, management, operation, air service and revenue development. Therefore, we are pleased to submit this proposal to serve as the independent airport management consultant and provide general advisory airport consulting services to the City.

Black & Veatch Airport Management Consulting Group has unequalled credentials and capabilities to assist the City with its planning, development, operation, management, and financing activities at the Airport.



## **Qualifications and Experience**

Black & Veatch, founded in 1915, is recognized as one of the leading professional services firms in the world providing engineering and financial management consulting services. Black & Veatch has engaged in over 31,000 assignments for more than 6,000 clients throughout the United States and in more than 65 countries

The firm has prepared financial feasibility studies in connection with more than \$26 billion in revenue bonds. Clients include state and county governments, municipalities, public authorities and districts, private industry, government agencies, and utilities.

Black & Veatch offers a complete scope of services to best accommodate each client's unique needs. Extensive management and financial experience and diversified staff capabilities enable Black & Veatch to assume total responsibility for diverse projects all over the world.

Black & Veatch provides airport management consulting services through its Airport Management Consulting Group which functions as an independent group within the firm's Management Consulting Division. The Principals of Black & Veatch Airport Management Consulting Group have in excess of 60 years of airport consulting experience at airports around the globe. Black & Veatch has provided airport-consulting services since 1992.

Black & Veatch Airport Management Consulting Group provides a full range of consulting services to airport operators. Our services include:

- Financial Services
- Concession and Commercial Services
- Economic Services
- Strategic Management Services
- Planning and Environmental Services

The figure on the next page presents a summary of the Black & Veatch principals' experience by category of service for various clients.

Airport	Financial Planning	Financial Strategies	Airport Rents and Fees Analysis	Capital Program Evaluation	Financial Feasibility Studies	Report of the Airport Consultant	Cost Allocation Studies	Financial Modeling	Airline Use and Lease Agreements	Airline Negotiations	Revenue Development Programs	Concession Planning & Development	Lease Policy Development	Property Management Programs	Organization & Personnel Studies	Management Reviews/Studies	Compensation Survey/Studies	Management Advisory Services	Air Trade Area Analyses	Market Development Strategies	Economic Impact Studies	Airport Master Plans	Terminal Plans	Physical Airport Planning	Airport System Plan	Parking and Access	Fueling Studies	Institutional/Privateization Planning	Airport Acquisition	Passenger Facility Programs
Alaska Aviation System																														
Albuquerque Sunport																														
Allen Army Airport (Delta Junction, AK)																														
Anchorage International Airport																														
Atlanta Hartsfield International Airport																														
Baltimore Washington International Airport																														
Barcelona Airport (Barcelona, Spain)																														
Ben Gurion International Airport																														
Billings Logan International Airport																														
Boston Logan International Airport																														
Cape Town International Airport (So. Africa)																														
Yeager Airport (Charleston, W. V.)																														
Colorado Springs Airport																														
Cardoba Airport (Spain)																														
Cleveland Hopkins International Airport																														
Daytona Beach Regional Airport																														
Detroit Metropolitan Wayne County Airport																														
Denver International Airport																														
Durban International Airport (So. Africa)																														
Edmonton International Airport																														
Edmonton Municipal Airport																														
Evansville Dress Regional Airport																														
Fairbanks International Airport																														
Fort Lauderdale International Airport																														
Fresno Air Terminal																														
General Mitchell International Airport (Milwaukee)																														
George Bush Intercontinental Airport (Houston)																														
Grant County Airport (Moses Lake, WA)																														
Great Falls International Airport																														
Guam International Air Terminal (Mariana Isles.)																														
Hollywood Burbank Pasadena Airport																														
Indianapolis International Airport																														
Juneau International Airport																														
King Salmon Airport (Alaska)																														
Las Vegas McCarran International Airport																														
Los Angeles International Airport																														
Madrid Barajas Airport (Spain)																														
McAllen-Miller International Airport																														
Miami International Airport																														
Ministry of Transportation & Public Works																														
Minneapolis St. Paul International Airport																														
Missoula County Airport																														
Moffett Federal Airfield																														
Norfolk International Airport																														
North Las Vegas Air Terminal																														
New Hong Kong Airport																														
Oakland International Airport																														
Philadelphia International Airport																														
Pearson International Airport (Toronto)																														
Pensacola Regional Airport																														
Regional Southwest International Airport																														
Ralph Wien Memorial Airport (Kotzebue, AK)																														
Reno Cannon International Airport																														
Sacramento Mather Airport																														
Sacramento International Airport																														
San Antonio International Airport																														
San Diego International Airport																														
San Jose International Airport																														
Sarasota-Bradenton International Airport																														
Seattle-Tacoma International Airport																														
South Lake Tahoe Airport																														
Smith Airport																														
Spokane International Airport																														
Tampa International Airport																														
Tenerife Norte Los Rodeos Airport																														
Stewart International Airport (NY)																														
Tenerife Sur Reina Sofia Airport (Canary Isles.)																														
Unalaska Airport (Alaska)																														
Will Rogers World Airport (Oklahoma City, OK)																														
Wiley Post Airport (Barrow, AK)																														

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### **The Black & Veatch Philosophy**

The Black & Veatch Airport Management Consulting Group's practice is based on the premise that the best approach toward helping airport management solve problems is to provide sound, objective technical advice, research and analysis. We believe that our success is attributable, in part, to our ability to (1) develop and present thorough, credible financial analyses, (2) work constructively as a member of the airport sponsor's team, and (3) recommend creative strategies and technically sound alternatives for consideration in structuring agreements.

During this engagement our project team will not only carry out the assignment at hand, but will be alert for other areas where improvement will provide value-added service to you. We approach each project with a broad focus based on the following perspectives:

1. We work closely with key members of the client's organization impacted directly or indirectly by the project. We explain in detail the objective, purpose, and goal of each individual task. We listen to our client's suggestions during the course of the study and are not inflexible in changing the work plan to better fit the needs of our clients. This approach permits us to reach the end of a study with no surprises or misconceptions of the end results by the client. Agreed to objectives and goals are met in an efficient manner that is cost and schedule sensitive.
2. We are not the only ones with answers. We work jointly with clients and consider ourselves to be an extension of the client's staff. We serve in various capacities during the course of a project including counselor, catalyst, consultant, resource linker, advocate, coach, and planner. We never serve as dictator. We leverage your knowledge of your business and its operating environment with our national experience with airports and problem solving capabilities to formulate implementable and customer focused solutions.

We are dedicated to your success not only with a particular project but also in the future. Your organization's continued health in the future hopefully will provide us with future opportunities to be of service. We always look forward to a long-term relationship with our clients and know this is possible if we produce the measurable results your project deserves.

### **The Black & Veatch Team**

The Black & Veatch team proposes Michael G. Moroney as the Project Manager who would be responsible for the timely provision of all services and to whom all communications would be directed. Mr. Moroney has over 25 years experience in airport planning and development.

Our team brings practical experience with proven results to assist the City. We have assembled a team that includes: Ms. Lisa J. Stanton, an experienced airport consultant,

with experience in airport finance, property management, financial analysis, and air service analysis; and Mr. Daniel C. Orcutt, an experienced airport consultant, and the former Director of Indianapolis International Airport.

**Michael G. Moroney**, Project Manager, has more than 25 years of experience in airport planning and finance, airline property management, and contract administration. He has developed or updated more than 60 financial plans for 39 airport sponsors. He has participated in airline negotiations at over 50 airports and has authored over 40 airline lease agreements. Prior to Mr. Moroney's consulting career, he was manager of properties and contracts/leases administration for two major U.S. airlines.

Mr. Michael G. Moroney, the Principal of Black & Veatch Airport Management Consulting Group has provided general advisory airport consulting services to a number of airport sponsors, including, Anchorage, Billings, Burbank, Charleston (West Virginia), Colorado Springs, Cleveland, Boston, Daytona Beach, Edmonton (Alberta, Canada), Evansville, Fairbanks, Fort Lauderdale, Great Falls, Guam, Indianapolis, Juneau, Las Vegas, Madrid (Spain), Minneapolis, Missoula, Norfolk, Oklahoma City, Pensacola, Reno, Sacramento, San Antonio, San Diego, San Jose, Sarasota, Spokane, Tampa Tel Aviv (Israel), and Tenerife (Canary Islands), and Toronto (Ontario, Canada).

We believe the success of this project will be dependent upon the skills, competencies, and working relationships to be established between the City's staff and the Project Manager. We believe Mr. Moroney brings the necessary technical and people skills to the task at hand. Furthermore, Mr. Moroney excels at providing general advice and guidance across a broad spectrum of airport management issues.

**Lisa J. Stanton**, a Black & Veatch Principal, has more than 12 years experience in airport finance, property management and contract administration. Ms. Stanton served for over five years as the County of Sacramento, Department of Airports' manager of properties and business development. In this capacity she oversaw the administration of tenant leases, subleases, and consulting agreements for all of the County's airports – Sacramento International, Mather Field, Sacramento Executive and Franklin Field airports. Ms. Stanton excels at financial analysis and modeling.

**Daniel C. Orcutt**, a Black & Veatch Consultant, served as Director of the Indianapolis International Airport for 25 years and is widely recognized as an authority on economic development, developing small package freight facilities, special purpose facility financing, and building airline tenant relationships.

### **Proposed Scope of Services**

To assist the City, Black & Veatch Airport Management Consulting Group will provide the City, in connection with the planning, development, management, operation, revenue development and finances of the Airport, such general advisory airport consulting services as may, from time to time, be specifically requested and authorized by the City.

Such services may include the performance of studies, analyses, and research; participation in meetings with the City's staff and others; and the provision of other general advisory services and assistance.

**Proposed Fees and General Conditions**

Our experience in consulting assignments at other airports suggests that the degree of the Black & Veatch Airport Management Consulting Group's involvement and associated cost to the airport sponsor can vary significantly, depending upon such factors as (1) the duration and complexity of assignments, (2) airport management preferences as to the use of consulting services, (3) the number of unforeseen "problem areas" that come to attention during assignments. As such, we typically provide consulting services under what we refer to as a "general advisory" services arrangement. This type of arrangement is designed to be flexible and allows us to respond quickly to requests for services that a client may require.

As indicated in the previous section of this letter, the "Proposed Scope of Service" is very broad so that the client may request assistance on a wide range of matters; however, work may be performed only upon specific authorization of the client. Thus, when the client determines the need for assistance, we work out (through correspondence or by telephone) a specific scope of work and budget for that assignment, which the client then approves, before we perform any work.

The value of such a contractual arrangement is that approval of an individual contract is not required each time an assignment is identified. On the other hand, through the "assignment" approach, the client retains direct control over the scope and cost of our work.

Fees for our services would be determined on the basis of actual time and materials expended on the work (airfares, meals and lodging, printing, long distance telephone calls, postage, small package freight, and other direct costs). Fees for professional services would be billed at our current standard hourly billing rates. Our invoices would be submitted to the City on a four-week billing cycle.

It is not possible at this time to estimate, with any degree of precision, either the scope or cost of services you might require of us during the immediate future. Therefore, in order to get started, we propose establishing an initial budget of \$24,500 (including work performed to date) for our services and you can authorize specific assignments against this budget, as you deem appropriate for the circumstances.

If you desire, this letter can serve as an agreement between Black & Veatch Airport Management Consulting Group and the City to perform any of the services outlined herein, as authorized by Mr. James L. App, City Manager. Please indicate your agreement and acceptance by signing in the space provided on each copy, and return one copy to us for our files.

\* \* \* \* \*

*JS*



Mr. James L. App  
February 27, 2000

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We look forward to the opportunity of working with you on important issues. Please call if you have any questions.

Respectfully submitted,

Black & Veatch Airport Management Consulting Group



Michael G. Moroney  
Principal

**AGREED TO AND ACCEPTED:**

CITY OF PASO ROBLES:

ATTEST:

By \_\_\_\_\_  
Title \_\_\_\_\_  
Date \_\_\_\_\_

By \_\_\_\_\_  
Title \_\_\_\_\_  
Date \_\_\_\_\_