

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



**ITEM: 3.23
(ID # 13999)**

MEETING DATE:

Tuesday, December 08, 2020

FROM: TLMA - AVIATION:

SUBJECT: TRANSPORTATION AND LAND MANAGEMENT AGENCY/AVIATION: Receive and File Exclusive Negotiation Agreement between Riverside County and CCR USA Airport Management, Inc., a Delaware corporation, and Coachella Airport, LLC a California Limited liability company (CCR/CA). District 4. [\$100,000 Total Cost - 100% CCR/CA - to be Expended by TLMA-Aviation]

RECOMMENDED MOTION: That the Board of Supervisors:

1. RECEIVE AND FILE the Exclusive Negotiation Agreement (ENA) between Riverside County and CCR USA Airport Management (CCR USA), Inc., a Delaware corporation, and Coachella Airport, LLC (CA) a California Limited liability company. This ENA resulted from a request for proposal (RFP) for a developer/operator to establish, develop, construct, lease, market, operate, and manage airline passenger and cargo facilities and services at the Jacqueline Cochran Regional Airport (Airport). The ENA establishes a six (6) month period for the selected firm CCR USA and CA to present a business plan outlining the rights and obligations of CCR USA and CA as operator to develop cargo and airline operations. This ENA does not commit the County to any funds or to enter into a final agreement with CCR/CA for the development of the Airport; and
2. Authorize the TLMA to appropriate \$100,000 received from CCR/CA to cover specialty services required to cover cost for review of this project, including ENA, specialty services and counsel.

ACTION: Policy

Charissa Leach, Interim TLMA Director

11/30/2020

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Spiegel, seconded by Supervisor Perez and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: December 8, 2020
xc: Aviation

Kecia R. Harper
Clerk of the Board

By:
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 100,000	\$ 0	\$ 100,000	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: 100% CCR/CA			Budget Adjustment:	No
			For Fiscal Year:	20/21

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On October 11, 2018, the Aviation Division issued a request for proposals to establish a developer/operator to construct, lease, market, operate, and manage airline passenger and cargo facilities and services at the Jacqueline Cochran Regional Airport (Airport). Two respondents submitted proposals for this RFP, 1) CCR USA Airport Management (CCR USA), Inc., a Delaware corporation, and Coachella Airport, LLC (CA) a California Limited liability company, collectively (CCR/CA) and 2) Western LLC. Upon review of submitted proposals and interview of these two companies, staff recommends CCR USA as the selected company to continue negotiations for this project as their plan included a more comprehensive and robust approach to pursuing cargo and airline services at the Airport.

To ensure CCR USA is provided with sufficient time to further study the current aviation market and economic impact to the aviation industry resulting from COVID-19, this ENA will provide six (6) months exclusivity period to CCR/CA to develop a business plan to be provided to the County for final consideration of this project. This ENA does not commit any County funds or a final agreement for this project. As part of this ENA CCR/CA will provide a payment of \$100,000 to the County to cover cost of due diligence required to engage specialty counsel and industry consultants.

Impact on Residents and Businesses

This ENA does not commit any funds from the County but does require the CCR/CA provide a fee payment of \$100,000 to cover due diligence cost from the County.

ATTACHMENTS:

- RFP
- CCR/CA Proposal
- ENA


 Jason Farin, Principal Management Analyst 12/2/2020


 Gregory H. Priamos, Director County Counsel 12/1/2020

Exclusive Negotiation Agreement

This Exclusive Negotiation Agreement (this "Agreement") is made and entered into this 14th day of September, 2020, by and among the County of Riverside (the "County"), CCR USA Airport Management, Inc., a Delaware corporation ("CCR USA"), and Coachella Airport, LLC, a California limited liability company ("CA" and together with CCR USA, "CCR/CA").

RECITALS

WHEREAS, the County owns, controls, and, through its Transportation and Land Management Agency, operates the Jacqueline Cochran Regional Airport, located in Thermal, California (the "Airport" or "TRM") and certain other airport properties;

WHEREAS, pursuant to and in compliance with applicable procurement laws, rules, and regulations of the State of California and the County, the County (through the Aviation Division of the County's Economic Development Agency) issued Request for Proposals No. 2018-001 (as amended, the "RFP") soliciting competitive proposals from potential developers/operators for the establishment, development, construction, leasing, marketing, operation, and management of airline passenger and cargo facilities and services at the Airport;

WHEREAS, CCR/CA submitted a response to the RFP to propose a long-term agreement for the establishment, development, construction, leasing, marketing, operation, and management of the Airport;

WHEREAS, subsequent to the submission of CCR/CA's response to the RFP, responsibility for the oversight and management of the Airport was transferred from the Aviation Division of the County's Economic Development Agency to the County's Transportation and Land Management Agency, which assumed responsibility for the completion of the RFP selection process; and

WHEREAS, upon examining the qualifications, experience, proposals, financial capabilities, and other selection criteria identified in the RFP of CCR/CA and each of the other respondents to the RFP, and following the recommendation of the evaluation committee, County management has requested CCR/CA to conduct, during the Exclusivity Period (as defined below), an analysis of the Airport and to propose a Business Plan (as defined below) and a partnership structure for the establishment, development, construction, leasing, marketing, operation, and management of airline passenger and cargo facilities and services at the Airport and the commercial development of certain non-aviation revenue producing areas of the Airport, each as identified in Exhibit A attached hereto.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the County and CCR/CA agree as follows:

AGREEMENT

1. **Business Plan.** Within a period of six (6) months following the date hereof, CCR/CA may present to the County a proposed business plan for the Airport with the primary objective to support the responsible and robust development and operation of TRM (the "**Business Plan**"). CCR/CA may further provide a proposed form of agreement (the "**Proposed Agreement**") as a means to fund and implement the Business Plan. The purpose of such Proposed Agreement, if delivered, will be to set forth the rights and obligations of CCR/CA as operator of all or a portion of the Airport. Notwithstanding the foregoing, submission of the Business Plan and the Proposed Agreement shall be solely at CCR/CA's discretion, and CCR/CA may notify the County in writing of its intent to no longer submit such documents at any time, for any reason, during the Exclusivity Period (as defined below). Submission of the Business Plan and the Proposed Agreement will constitute and complete the "**Due Diligence Phase**" for the activities described under this Agreement. The foregoing does not affect in any way CCR/CA's due diligence and investigation rights arising under the Proposed Agreement. Within ninety (90) days following the end of the Due Diligence Phase, the County shall review the Business Plan and Proposed Agreement and provide written notice to CCR/CA indicating the County's agreement to continue negotiations with CCR/CA for the purpose of preparing a definitive agreement for the establishment, development, construction, leasing, marketing, operation, and management of TRM or any part thereof by CCR/CA (a "**Definitive Agreement**") (such notice, the "**Continuation Notice**") or the County's decision to end further negotiations and terminate this Agreement as provided in Section 7 (such notice, the "**Termination Notice**"). Prior to sending a Termination Notice, the County shall meet and confer in good faith with CCR/CA in an effort to resolve any objections that the County has to either the Business Plan or Proposed Agreement. The County's decision to continue or terminate negotiations shall be within the County's sole and absolute discretion, subject only to the County's obligations under this Agreement.

2. **Scope of Due Diligence; Access to Information.** In order to prepare the Business Plan and the Proposed Agreement, CCR/CA and their advisors will need to complete due diligence on the Airport, the scope of which will be discussed and agreed upon by the parties hereto following execution of this Agreement. The purpose of such due diligence process is to assist CCR/CA to identify operating costs, aviation services, and property development opportunities at TRM, capital expenditure requirements for potential new investments in the short and medium term, and other information deemed relevant by CCR/CA for preparation of the Business Plan and the Proposed Agreement. During the Exclusivity Period, the County shall provide CCR/CA and their employees, consultants, and advisors (collectively, "**CCR/CA Representatives**") with access to data and information pertaining to the business and properties of the Airport as reasonably requested by CCR/CA. The County agrees to reasonably cooperate with CCR/CA and CCR/CA Representatives for the performance of CCR/CA's due diligence, including to provide information beyond what is in the public domain and access to the Airport's facilities and management; provided, that CCR/CA and any of CCR/CA Representatives (i) shall use reasonable efforts to minimize interference with, or interruption of, the Airport's and its users' business activities and operations, (ii) shall comply with all applicable Airport's rules and policies, and (iii) shall not cause any damage or harm to Airport's property and

personnel, and those of its users. Additionally, to the extent CCR/CA requires physical access to any property of the County in connection with their due diligence, CCR/CA shall notify the County in writing of such requested visit no less than five (5) days prior to the desired date of the visit. CCR/CA agree (A) to obtain, at their sole cost and expense, insurance coverage against any and all liability arising by reason of bodily or property damage to the County, its officers, employees, and contractors, and third-parties during such visit to airport property, and (B) to indemnify the County, its officers, employees, and contractors harmless from and against any and all losses, costs, liabilities, claims, damages, expenses (including reasonable attorneys' fees incurred in connection with enforcing this provision), penalties or fines ("**Damages**") of any kind whatsoever paid, incurred or suffered by, or asserted against, any of such indemnified party, resulting from CCR/CA's actions or omissions in the property of the County, except to the extent such Damage shall have been caused by an indemnified party's negligence or willful misconduct.

3. **No Commitment.** This Agreement shall not represent a commitment, legal or otherwise, on the part of the County to select, enter into a Definitive Agreement (as defined below) with, or procure any services or products from CCR/CA, nor a commitment, legal or otherwise, on the part of CCR/CA to create and deliver to the County any document, proposal, or work product other than (subject to Section 1 hereof) the Business Plan and the Proposed Agreement, or to enter into any separate definitive agreement with the County. Nevertheless, if CCR/CA delivers a Business Plan and a Proposed Agreement to the County, then within ninety (90) days after receipt of the Business Plan and the Proposed Agreement, the County shall deliver to CCR/CA either a Continuation Notice or a Termination Notice in accordance with Section 1 hereof. Additionally, the County shall not be liable for any costs and expenses of CCR/CA or any commissions or fees in connection with this Agreement.
4. **Exclusivity.** In consideration for the costs and expenses to be incurred by CCR/CA in connection with the Due Diligence Phase, from the date hereof to and including the date of termination of this Agreement as provided in Section 7 hereof (the "**Exclusivity Period**"), the County shall not, directly or indirectly, solicit, initiate or knowingly encourage the submission of proposals or offers from any person, corporation, limited liability company, joint venture, partnership, or any business entity or organization of any kind for (i) the operation and management of the Airport or any passenger or cargo terminal thereof or (ii) the commercial development of the non-aviation revenue producing areas identified in Exhibit A (a "**Competitive Proposal**"). The County shall promptly (and, in any event, within forty-eight (48) hours) notify CCR/CA in writing of the receipt of any submissions, proposals, offers, or inquiries concerning a possible Competitive Proposal and communicate, to the extent permitted by law, to CCR/CA all details associated therewith. For purposes of clarity, nothing in this Section 4 shall prevent the County from undertaking any activity in the ordinary course of the Airport's business and operations.
5. **Ownership of Work Product.** The County and CCR/CA agree that this Agreement is not a work-for-hire agreement. The copyright in all deliverables created hereunder for the County shall belong to CCR/CA. The Business Plan, the Proposed Agreement, and all intellectual property rights in all pre-existing works and derivative works of such pre-existing works and other deliverables and developments made, conceived, created,

discovered, invented or reduced to practice in the preparation of the Business Plan and the Proposed Agreement are and shall remain the sole and absolute property of CCR/CA. Notwithstanding the foregoing, in the event the County and CCR/CA (or any affiliate thereof) enter into a Definitive Agreement, the Business Plan shall become property of the County pursuant to the terms of such Definitive Agreement. If no such Definitive Agreement is entered into within five (5) months following the completion of the Due Diligence Phase, at the request of CCR/CA, the County shall return to CCR/CA or destroy all physical and electronic copies of the Business Plan and the Proposed Agreement, except as may be required by law or the County's formal document retention policy.

6. **Confidentiality.** Without the prior written consent of the other party, and unless required by law, rule, regulation, court order, or judicial or other legal process to which a party is subject, neither the County nor CCR/CA will make any disclosure (orally or in writing) regarding any proprietary or non-public information provided to it by the other party. If a party is required by law to make such a disclosure, it will provide the other party with prompt written notice of such disclosure to the extent permitted by applicable law. Notwithstanding the foregoing, CCR/CA acknowledges that the County is subject to the California Public Records Act (California Government Code 6250 et seq.), and certain information provided by CCR/CA to the County may be subject to public release through individual public requests. The confidentiality obligations set forth in this Section 6 are subject to the provisions of the California Public Records Act. The parties agree that, in the event of a non-expected disclosure to the public of information on the evaluation by the parties of the project contemplated in the Business Plan, CCR S.A. (CCR USA's parent company), as a publicly traded corporation in Brazil, may wish to issue clarifications to its shareholders with respect to such project or proposal through its official communication channels and/or the press in accordance with applicable Brazilian laws, and the issuance of such clarifications shall not constitute a breach of this Agreement. The provisions of this Section 6 shall survive the termination of this Agreement for any reason for a period of two (2) years after termination.
7. **Termination.** This Agreement will terminate and have no further effect (except for those provisions which are stated to survive termination) upon the earliest to occur of the following: (a) upon the County's delivery of a Termination Notice in accordance with Section 1 hereof, (b) the County's formal approval of a Definitive Agreement, (c) an agreement in writing by the parties to terminate this Agreement prior to the conclusion of the Exclusivity Period, (d) the parties' inability to reach an agreement on the scope of the Due Diligence, as provided in Section 2, after good faith negotiations and discussions, followed by the written notice of termination by the County, or (e) a written notice from CCR/CA to the County of their intent to no longer deliver a Business Plan and the Proposed Agreement in accordance with Section 1 hereof.
8. **Miscellaneous Provisions.**
 - a. **CEQA Compliance.** Compliance with the California Environmental Quality Act ("CEQA") is not required for this Agreement as County retains the sole and absolute discretion to (i) modify the proposed project as may be necessary to comply with CEQA, (ii) select feasible alternatives to the proposed project to avoid

significant environmental impacts, (iii) balance the benefits of the proposed project against any significant environmental impacts if significant impacts cannot otherwise be mitigated, and/or (iv) determine not to proceed with the proposed project. No project or Definitive Agreement shall be deemed to be approved until after the County complies with CEQA.

- b. **Assignability.** Neither this Agreement nor any of the rights, interests, or obligations hereunder may be assigned or delegated, in whole or in part, by operation of law or otherwise, by either party without the prior written consent of the other party, given or withheld in their sole and absolute discretion and any such assignment without such prior written consent shall be null and void. This Agreement will be binding upon and inure to the benefit of the parties named herein and their respective successors and permitted assigns.
- c. **Amendments; Waivers.** This Agreement may not be modified, amended or supplemented except by a written instrument signed by the parties. In addition, no waiver of any provision of this Agreement will be binding unless set forth in a writing signed by the party affecting the waiver. Any waiver shall be limited to the circumstance or event specifically referenced in the written waiver document and shall not be deemed a waiver of any other term of this Agreement or of the same circumstance or event upon any recurrence thereof.
- d. **Expenses.** Subject to Section 8.g below, each party hereto shall pay its own legal, accounting, and other fees and expenses incident to preparing for, entering into and carrying out this Agreement. CCR/CA agree to pay the County, within seven (7) days following execution of this Agreement by all parties, a non-refundable fee in the amount of one hundred thousand dollars (US\$100,000) for purposes of covering the County's costs during the Due Diligence Phase. The County reserves the right to reasonably request that CCR/CA pay additional fees to the County to cover the County's additional costs associated with this Agreement.
- e. **Notices.** Any notice, consent or waiver required or permitted to be given under this Agreement shall be in writing and be deemed given when delivered by hand or received by registered or certified mail, postage prepaid, or by nationally reorganized overnight courier service addressed to the party to receive such notice at the following address or any other address substituted therefor by notice pursuant to these provisions:

If to the County:
County of Riverside
3403 10th Street, Suite 400
Riverside, CA 92501
Attention: Aviation Division

If to CCR USA:
CCR USA Airport Management, Inc.
1725 Hughes Landing Blvd., #840

The Woodlands, TX 77380
Attention: Gildo A. Rodrigues
Email: gildo.araujorodrigues@ccr-usa.com

If to CA:

Coachella Airport, LLC
47-211 Vintage Drive East, #112
Indian Wells, CA 92210
Attention: Todd Corbett
Email: todd@cicloinvestments.com

With a copy to:

Gresham Savage Nolan & Tilden, PC
550 E. Hospitality Lane, Suite 300
San Bernardino, CA 92408
Attention: Ernest E. Riffenburgh
Email: Ernest.Riffenburgh@GreshamSavage.com

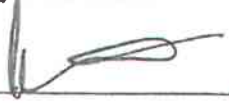
- f. **Governing Law.** This Agreement shall be deemed to be made in and in all respects shall be interpreted, construed and governed by and in accordance with the procedural and substantive laws of the State of California, without regard to its conflicts of law provisions. The provisions of this Section 8.f shall survive the termination of this Agreement.
- g. **Enforcement.** Each party agrees that it shall bring any legal action or proceeding to enforce or interpret the terms and conditions of this Agreement, exclusively in the courts of the State of California and the Federal courts of the United States of America located in Riverside County, California (the "Chosen Courts"). Each party (i) irrevocably consents to the exclusive jurisdiction of the Chosen Courts, (ii) waives any objection to laying venue in any such action or proceeding in the Chosen Courts, (iii) waives to the fullest extent possible, any objection that the Chosen Courts are an inconvenient forum or do not have jurisdiction over any party hereto, and (iv) agrees that service of process upon such party in any such action or proceeding shall be effective if notice is given in accordance with Section 8.e. Each party agrees that a final judgment in any action brought in the Chosen Courts shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. In any legal action or proceeding to enforce or interpret the terms and conditions of this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees, costs, and disbursements in addition to any other relief to which such party may be entitled. The provisions of this Section 8.g shall survive the termination of this Agreement.
- h. **Waiver of Jury Trial.** EACH PARTY HERETO HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL

REQUIREMENTS, THE RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED ON OR WITH RESPECT TO THIS AGREEMENT. The provisions of this Section 8.h shall survive the termination of this Agreement.

- i. **Severability.** Each provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality, validity or enforceability of the remainder of the Agreement, and such term or provision shall be carried out as nearly as possible according to its original terms and intent to eliminate such illegality or invalidity.
- j. **Headings.** Section and other headings contained in this Agreement are for reference purposes only and are not intended to describe, interpret, define, or limit the scope, extent, or intent of this Agreement or any provision hereof.
- k. **Entire Agreement.** This Agreement contains the entire understanding among the parties and supersedes any prior written or oral agreements between them respecting the subject matter of this Agreement. There are no representations, agreements, arrangements, or understandings, oral or written, between the parties relating to the subject matter of this Agreement that are not fully set forth herein, and unless and until such time as a Definitive Agreement is executed and delivered pursuant to its terms, this Agreement constitutes a complete and exclusive statement of the terms of the agreement between the parties with respect to the subject matter hereof.
- l. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one instrument. Each party in this agreement agrees to the use of electronic signatures, such as digital signatures that meet the requirements of the California Uniform Electronic Transactions Act ("CUETA" Cal. Civ. Code §§ 1633.1 to 1633.17), for executing this Agreement. The parties further agree that the electronic signatures of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signature. Electronic signature means an electronic sound, symbol, or process attached to or logically associated with an electronic record and executed or adopted by a person with the intent to sign the electronic record pursuant to the CUETA as amended from time to time. The CUETA authorizes use of an electronic signature for transactions and contracts among parties in California, including a government agency. Digital signature means an electronic identifier, created by computer, intended by the party using it to have the same force and effect as the use of a manual signature, and shall be reasonable relied upon by the parties. For purposes of this section, a digital signature is a type of "electronic signature" as defined in subdivision (i) of Section 1633.2 of the Civil Code. Facsimile transmissions or email transmissions of Adobe portable document format files (also known as "PDF" files) of signatures shall be deemed original signatures and shall be fully binding on the parties to the same extent as original signatures.

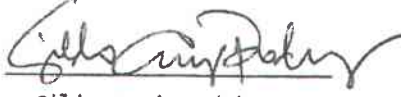
IN WITNESS WHEREOF, the parties hereto have executed this Exclusive Negotiation Agreement as of the date first above written.

County of Riverside


By: 
Name: Juan C. Perez
Title: Asst. CEO/TLMA Director

FORM APPROVED COUNTY COUNSEL
BY  11/24/2020
KRISTINE BELL-VALDEZ DATE

CCR USA Airport Management, Inc.

By: 
Name: Gildo Araujo Rodrigues
Title: President

Coachella Airport, LLC

By: 
Name: Todd Corbett
Title: Managing Member



REQUEST FOR PROPOSAL



**Operator/Developer to
Develop, Lease and Operate
Airline Passenger/Cargo Services at
Jacqueline Cochran Regional Airport
Thermal, California**





ADDENDUM NUMBER 3

Dated March 27, 2019
to the
Request for Proposal
for the Operator/Developer to Develop, Lease and Operate Airline
Passenger/Cargo Services at

Jacqueline Cochran Regional Airport
Thermal, California

The Request for Proposal issued by the Economic Development Agency, Aviation
Division for Operator/Developer to Develop, Lease and Operate Airline
Passenger/Cargo Services at Jacqueline Cochran Regional Airport Thermal, California

Request for Information Attachments

- 2004 Airport Master Plan
- Draft Airport Layout Plan (ALP) - ALP documents are drafts and may include additional changes/ for final review to the FAA.
- Draft 2018 Part 139 Inventory

THE DEADLINE FOR RESPONSE SUBMITTALS IS HEREBY EXTENDED AND
SUBMITTALS SHALL BE DUE TO THE EDA AVIATION DIVISION AT THE
ADDRESS SPECIFIED IN THE REQUEST FOR PROPOSAL BY **THURSDAY,
JUNE 27, 2019 AT 5:00PM PST.**

To obtain a Request for Proposal package, please submit a request to the County at
the email or mailing address provided below, or visit the EDA website at:
<http://www.rivcoeda.org/AboutEDA/ProposalsQuotations>

County of Riverside
Economic Development Agency
Aviation Division
Attn: Liliana Valle, County Airport Manager
3403 10th Street, Suite 400
Riverside, CA 92501
Office: (951) 955-9418
Email: lvalle@rivco.org



ADDENDUM NUMBER 2

Dated March 12, 2019
to the
Request for Proposal
for the Operator/Developer to Develop, Lease and Operate Airline
Passenger/Cargo Services at

Jacqueline Cochran Regional Airport
Thermal, California

The Request for Proposal issued by the Economic Development Agency, Aviation Division for Operator/Developer to Develop, Lease and Operate Airline Passenger/Cargo Services at Jacqueline Cochran Regional Airport Thermal, California is extended as follows:

THE DEADLINE FOR RESPONSE SUBMITTALS IS HEREBY EXTENDED AND SUBMITTALS SHALL BE DUE TO THE EDA AVIATION DIVISION AT THE ADDRESS SPECIFIED IN THE REQUEST FOR PROPOSAL BY THURSDAY, JUNE 27, 2019 AT 5:00PM PST.

To obtain a Request for Proposal package, please submit a request to the County at the email or mailing address provided below, or visit the EDA website at:
<http://www.rivcoeda.org/AboutEDA/ProposalsQuotations>

County of Riverside
Economic Development Agency
Aviation Division
Attn: Liliana Valle, County Airport Manager
3403 10th Street, Suite 400
Riverside, CA 92501
Office: (951) 955-9418
Email: lvalle@rivco.org



ADDENDUM NUMBER 1

Dated December 20, 2018
to the
Request for Proposal
for the Operator/Developer to Develop, Lease and Operate Airline
Passenger/Cargo Services at

Jacqueline Cochran Regional Airport
Thermal, California

The Request for Proposal issued by the Economic Development Agency, Aviation Division for Operator/Developer to Develop, Lease and Operate Airline Passenger/Cargo Services at Jacqueline Cochran Regional Airport Thermal, California is extended as follows:

THE DEADLINE FOR RESPONSE SUBITTALS IS HEREBY EXTENDED AND SUBMITTALS SHALL BE DUE TO THE EDA AVIATION DIVISION AT THE ADDRESS SPECIFIED IN THE REQUEST FOR PROPOSAL BY **WEDNESDAY, MARCH 27, 2019 AT 5:00PM PST.**

To obtain a Request for Proposal package, please submit a request to the County at the email or mailing address provided below, or visit the EDA website at:
<http://www.rivcoeda.org/AboutEDA/ProposalsQuotations>

County of Riverside
Economic Development Agency
Aviation Division
Attn: Liliana Valle, County Airport Manager
3403 10th Street, Suite 400
Riverside, CA 92501
Office: (951) 955-9418
Email: lvalle@rivco.org

Table of Contents

1. Overview	3
a) Timeline Summary	6
2. Operator / Developer Platform	7
a) Project Requirements	7
b) Proposed Required Services	8
c) Rates and Scheduled Increases Guideline	8
d) Proposed Ground Rent per Acre and Minimum Size	9
e) Leasing County Owned Buildings	9
f) Scheduled Increases	9
g) Mark to Market Adjustment	9
h) Fuel Flowage Fees	10
3. General Standards and Guidelines	10
4. Airport Sponsor / Airport Ownership	10
5. Insurance Requirements	11
6. Submittal Instructions	11
7. Proposal Organization and Format	12
Cover letter	12
Executive Summary	12
Business Entity Description	12
Contact Information	12
Business Plan	12
Financial Data	13
8. Operator Qualification	13
9. Required Forms	13
10. Pre-proposal meeting	14
11. Deadline	14
12. Selection Criteria	14
13. Disclaimers and Reservation of Rights	16
14. RFP Protest	18
15. Information Sources	19

Request for Proposals (RFP) No 2018-001
Operator/Developer to Develop, Lease, Market and Operate Airline Passenger/Cargo Facilities
and Services on the East Side of Jaqueline Cochran Regional Airport in Thermal, California

Attachments:

Exhibit A – Development Opportunity Area – Airport Vicinity Map
Exhibit B – Riverside County Minimum Standards for Fixed Base Operators
Exhibit C – Airport Fuel Standards
Exhibit D – Forms

D1 – Offer to Negotiate Exclusively
D2 – General Authorization and Financial References List
D3 – Respondent Certification
D4 – Non Collusion Affidavit

Exhibit E – Resolution No. 2008-362 Fuel Flowage



1. OVERVIEW

The Aviation Division of the Economic Development Agency of Riverside County ("EDA") is issuing a Request for Proposals ("RFP") for a qualified and experienced Operator/Developer ("Operator") to establish, develop/construct, lease, market, operate and manage airline passenger/cargo services at Jacqueline Cochran Regional Airport ("Airport") on the east side of the Airport as depicted on Exhibit A.

The County seeks an established and experienced Operator to enter into a ground lease and development agreement ("Agreement") that will serve as the basis for the Operator to develop designated and vacant land (see Exhibit A) for passenger and cargo airline facilities and services. The Operator will work to establish, develop/construct, lease, market, operate and manage airline passenger/cargo services at the Airport. The selected Operator will be responsible for obtaining any and all approvals and permits necessary to establish such services. The Operator will also be responsible for establishing and constructing the necessary infrastructure and upgrades to the Airport which including utility and security infrastructure.

Jacqueline Cochran Regional Airport has a rich history dating back to its operations in the 1940's during WWII for military training. The Airport, which is owned by the County of Riverside, is operated through the County's Economic Development Agency. The Airport is located in one of the fastest growing geographic regions in the nation. Current aircraft operations at the Airport are general aviation and public safety consist of approximately 76,500 annual aircraft operations.

The Airport is situated in the world renowned Coachella Valley, which is host to nine cities, including Palm Springs, Cathedral City, Desert Hot Springs, La Quinta, Palm Desert, Rancho Mirage, Indian Wells, Indio and Coachella. A number of world class events, shopping, dining and amenities including the Coachella Valley Music and Arts Festival, Stagecoach Festival, Desert Trip, El Paseo Drive, Indian Wells Tennis Garden which are all accessed and served by this vital Airport.

The Airport is located within a proposed Foreign Trade Zone (FTZ). The Airport is also in close proximity to the Union Pacific Railroad, State Route 86 and Interstate 10 and this entire development effort would be a catalyst to spur future growth in logistics, industrial and commercial uses in the Coachella Valley.

Over the past 10 years, the County has invested more than \$83 million in the area in and around the Airport and to build infrastructure which is vital to this growing region. A \$40 million grade separation project on Airport Boulevard was completed by the County in 2017 and has improved access to the Airport. Partly as a result of this investment, the region is primed to be the epicenter of future development in our rapidly growing County, which is now ranked as the 10th most populous County in the nation.

Jacqueline Cochran Regional Airport encompasses 1,750 acres and provides aeronautical services through multiple full service and limited service Fixed Base Operators (FBO's).

There are three full service FBO's currently in operation. Signature Flight Support, a full service FBO, is located on 14.87 acres and provides services from a 4,000 square foot terminal building and a historic 25,000 square foot WWII hangar building. Signature offers rental hangars, tie-downs, fuel sales and maintenance services. They can accommodate G550/Global Express aircraft in their large hangar.

Request for Proposals (RFP) No 2018-001
Operator/Developer to Develop, Lease, Market and Operate Airline Passenger/Cargo Facilities
and Services on the East Side of Jacqueline Cochran Regional Airport in Thermal, California

Ross Aviation is located on 17 acres and is also a full service FBO. Ross's new terminal building of 3,695 square feet was just completed on the heavy ramp fronting Runway 17/35. Ross also manages approximately 125,000 SF of hangar storage on site.

The most recently completed full service FBO at the Airport is Desert Jet, which occupies with approximately 7 acres of leasehold area that is currently under construction. Desert Jet operates an aircraft charter operation with 30 percent of the flights to and from international destinations.

All three FBO's provide essential aeronautical services including fueling of aircraft, transient aircraft parking guidance and the supportive services for pilot and passenger needs.

Additionally, Thermal Aviation is a limited service FBO providing self-service fuel and hangar space on a nine (9) acre site. Thermal Aviation holds 85 hangars, with many occupied by general aviation owner-operator pilots who fly for business and recreation.

In addition to serving the general aviation needs of the public, the Airport houses public safety aviation base for the California Highway Patrol and the Riverside County Sheriff's Department.

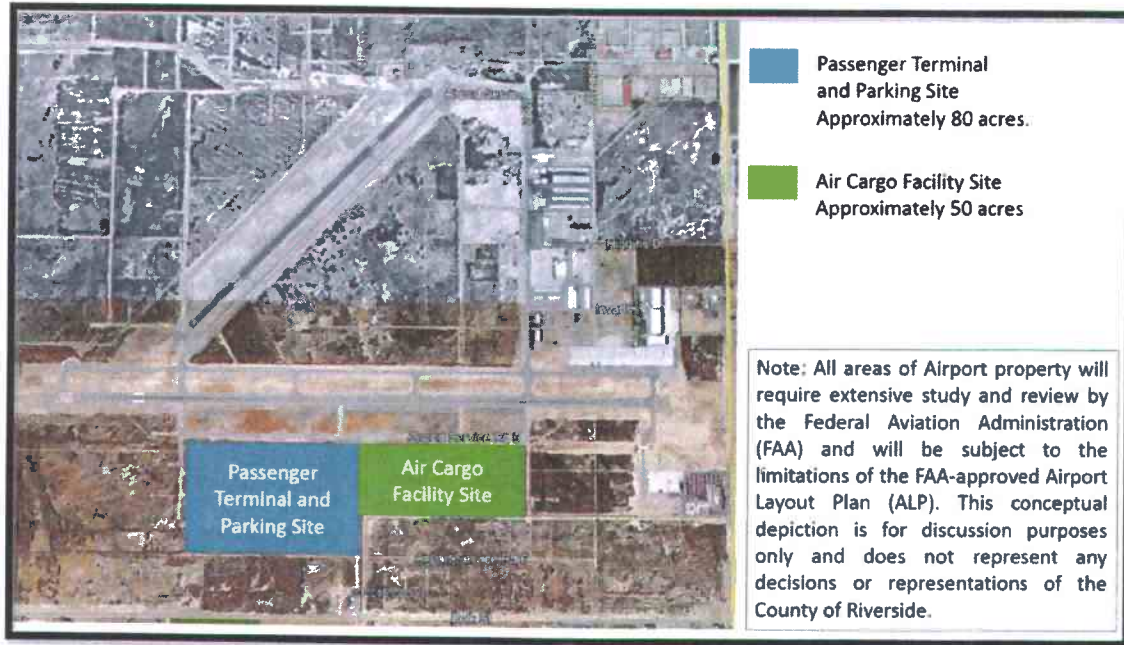
Airport Summary:

- Approximately 76,500 Annual Aircraft Operations
- Approximately 1,750 Acres
- Approximately 150 Hangars
- 3 Full Service FBO's
- 1 Self-serve FBO
- Flight Schools
- Air Charter
- Avionics
- Car Rentals
- Sherriff Offices and Helicopter Base
- CHP Aviation Base
- Air Ambulance Service

The Economic Development Agency of Riverside County desires to work with businesses that will actively promote a proactive approach to increasing service and airline business at Jacqueline Cochran Regional Airport. EDA seeks to promote positive economic development throughout the County that will encourage investment through managed and sustainable growth that will in turn improve the quality of life for the communities that we serve.

Request for Proposals (RFP) No 2018-001
Operator/Developer to Develop, Lease, Market and Operate Airline Passenger/Cargo Facilities
and Services on the East Side of Jaqueline Cochran Regional Airport in Thermal, California

Development and Operational Opportunities – Vicinity Map



Request for Proposals (RFP) No 2018-001
Operator/Developer to Develop, Lease, Market and Operate Airline Passenger/Cargo Facilities
and Services on the East Side of Jaqueline Cochran Regional Airport in Thermal, California

RFP Timeline Summary

Contact Person:	Liliana Valle – County Airport Manager E-mail: lvalle@rivco.org Office: (951) 955-9418
How to Obtain RFP Document:	Via email from the person above or on line at Riverside County http://www.rivcoeda.org/AboutEDA/ProposalsQuotations
Deadline for submitting Proposals:	December 27, 2018 @ 5:00 pm
Property Tour and Inspection	Arranged by appointment with Contact Person above.
Submittal Address:	County of Riverside Economic Development Agency Attention: Aviation Division 3403 10 th Street, Suite 400 Riverside, CA 92501
Proposal Format:	See Sections 8-10

Note: The Riverside County Economic Development Agency reserves the right to modify this timeline at any time. Notices of such modifications will be located at:

<http://www.rivcoeda.org/AboutEDA/ProposalsQuotations/tabid/467/Default.aspx>



2. OPERATOR/DEVELOPER PLATFORM

Upon approval and execution of an Agreement with the County, the successful Operator will be responsible for all planning, development and costs associated with due diligence, development, construction, management and operation of the proposed project, including but not limited to, planning, designing, entitlement, environmental compliance, permit fees, utility charges and all other project costs associated with the project as described within a formal Agreement and as summarized below.

a) Project Requirements to Include:

- The successful Operator shall prepare a set of schematic and conceptual site plans, floor plans and elevations for each phase of the proposed projects for approval by the County.
- The successful Operator shall be responsible for obtaining any and all land use entitlement, zoning approvals and all necessary building, grading and construction permits required for the proposed project from the County and any other governing agency.
- The Operator will comply with any and all Federal, State and Local Laws, Regulations and Ordinances in its pursuit of a project and including any and all compliance with the Federal Aviation Administration, the State of California Department of Transportation, Transportation Security Administration, Customs and Border Protection and the County of Riverside.
- The successful Operator understands that the County, as part of the process, may need to secure an Airport Certification Manual with the Federal Aviation Administration (FAA).
- The successful Operator understands that the County, as part of the process, may need to secure an Airport Security Plan with the Transportation Security Administration (TSA). The successful Operator shall be responsible for incorporating security infrastructure related to the newly developed site to meet compliance with TSA regulations as required by TSA.
- The successful Operator understands that the County, as part of the process, may need to secure a commercial passenger international handling with the Customs and Border Protection (CBP). The successful Operator shall be responsible for incorporating customs infrastructure related to the newly developed site to meet compliance with CBP regulations/operations as required by CBP.
- The successful Operator shall install, operate, maintain all necessary infrastructure related to commercial airline or cargo operations and implement third party agreements for essential airline support services included but not limited to ground handling, cargo handling, regulated garbage handling, concessions, and e-platform as per the proposal and approved Agreements.
- The successful Operator shall plan and include Aircraft Rescue and Fire Fighting Equipment required by the FAA for the commercial operation under FAR Part 139 as part of this development.

Request for Proposals (RFP) No 2018-001
Operator/Developer to Develop, Lease, Market and Operate Airline Passenger/Cargo Facilities
and Services on the East Side of Jaqueline Cochran Regional Airport in Thermal, California

- The successful Operator shall be responsible for compliance with all environmental laws and including the California Environmental Quality Act (CEQA) and the National Environmental Protection Agency (NEPA) and any associated requirements related to project design and development.
- The successful Operator shall be responsible for payment of the applicable development mitigation fees and off-site facilities fees, including but not limited to, Transportation Uniform Mitigation Fee (TUMF), Development Impact Fee (DIF), Multi Species Habitat Conservation Plan (MSHCP), and any other development mitigation fees required by the County of Riverside and local, federal and state jurisdictions.
- The successful Operator shall be responsible for securing and installing all utilities required for project development.
- The successful Operator shall be responsible to maintain the proposed operational site including but not limited to the Leased Premises, approaches thereto, and current and future improvements in good, safe condition and repair.
- The successful Operator will be encouraged to incorporate design LEED features to conserve energy and water resources.
- During construction, the successful operator shall incorporate principles of waste minimization and pollution prevention: reduce, reuse, and recycle as a standard operating practice, including programs for construction and demolition waste management and office paper and packaging recycling programs, as well as implement water.

b) Proposed Required Services

The Operator will provide a variety of airline aeronautical services including:

- Commercial Airline Services
- Cargo Airline Services
- Aircraft fueling services infrastructure to support cargo and passenger operations.
- Fuel Tanks, trucks and equipment necessary to fuel aircraft
- Services/Providers to support aircraft ramp services (including towing, parking guidance, etc.)
- Necessary FCC licenses for radio operations
- Aircraft Maintenance
- Pilot Amenities & Facilities
- Support Facilities such as Parking
- ARFF equipment
- Non-aviation concessions

c) Rates and Scheduled Increases

It is the Airport's intent is that fees be fair, reasonable and not unjustly discriminatory. As per the FAA Compliance Manual section 5190 B 9.2 the Airport must impose the same rates, fees, rentals, and other charges on similarly situated airport business (that use the airport and its facilities in the

same or similar manner). Typical methods used to determine and maintain the lease rates at the Airport properties include scheduled property appraisals and periodic cost of living adjustments based on a national index.

d) Proposed Ground Rent per Acre Rate and Minimum Size

The selected Operator will lease vacant Airport land located on the east side of the runway for the proposed project and as depicted on Exhibit A. The rent and rate for the vacant land will be established through negotiations and an updated fair market value appraisal. Consideration will be given for the investment in the overall project and infrastructure provided and paid for by the Operator. The Operator is expected to propose a revenue sharing arrangement whereby the County will share in the annual and actual gross revenues derived by the project. The Operator may lease available/existing buildings from current FBO's or the County and which may provide temporary facilities during the due diligence and planning stages of the project. The Operator may also negotiate a temporary leasehold area for temporary or modular facilities and for use during the pre-development phase of the project.

The Jacqueline Cochran Regional Airport proposed ground lease rental rate is currently \$ 1,125 per acre per month. This rental rate was determined by the County in consideration of a 2016 certified aviation appraisal of the Airport property. The base ground rent is subject to adjustments per the provisions below.

All terms and concessions will be considered provided they comply with both federal and airport policies.

e) Leasing County Owned Buildings

Additional rent shall apply to leasing of Airport-owned buildings and equipment, if any. Prospective Operator should propose terms including the rental rate per square foot for the use of each Airport building requested. Leasing of each Airport owned property shall include routine maintenance and repairs.

f) Scheduled Increases

Typical County lease rates include annual CPI rental rate adjustments; Beginning July 1st and every year thereafter, except for the year that rents are adjusted to fair market value, Lease rates will be adjusted by the percentage change in the Consumer Price Index, All Urban Consumers, applicable to Thermal, CA.

g) Mark to Market Adjustment

Beginning July 1, 2024 and every fifth (5th) year thereafter, the Base Rent shall be adjusted to the then-current fair market value of the Leased Premises based on appraisal. Said fair market value rental rate shall be for the land and County owned buildings leased. The valuation shall not include the value of Tenant owned structures placed on the Leased Premises. In no event will application of this paragraph result in a monthly rental amount lower than the highest previous monthly rental amount.

h) Fuel Flowage Fees

Fuel flowage fees are applicable per Resolution 2008-362. The currently fee per gallon of fuel sold is \$0.12 as per attached Exhibit E.

3. GENERAL STANDARDS AND GUIDELINES

The selected Operator must be supportive of all aviation uses and uphold the criteria and Minimum Standards as currently enforced and subject to any future modifications (see Exhibit B).

The Operator must take into account Federal Aviation Administration (FAA) standards as they relate to Airport Operations. The Lease will articulate that the Operator shall comply with the requirements of all local state and federal statutes, regulations, rules ordinances, orders now in force or which may be hereafter be in force, pertaining to the Leased Premises. The Lease compliance shall include conditions precedent to the expenditure or reimbursement to County of Federal funds for the development of Jacqueline Cochran Regional Airport.

4. AIRPORT SPONSOR / AIRPORT OWNERSHIP

Airport Sponsor:
County of Riverside
Economic Development Agency Aviation Division

The Airport sponsor is the public agency or tax-supported organization that is authorized to own and operate the Airport, to obtain property interests, to obtain funds, and to be legally, financially and otherwise able to meet all applicable requirements of the current laws and regulations.

Federally obligated airport sponsors are required to operate airports for the use and benefit of aeronautical users and to make those airports available to all types, kinds, and classes of aeronautical activities on fair and reasonable terms, and without unjust discrimination. Airport sponsors may adopt reasonable commercial minimum standards and/or airport rules and regulations.

The Jacqueline Cochran Regional Airport is owned by the County of Riverside
The County of Riverside's Economic Development Agency manages five airports through its Aviation Division:

- Blythe Airport
- Chiriaco Summit
- Hemet-Ryan Airport
- French Valley Airport
- Jacqueline Cochran Regional Airport

The Airport has the support of the County Board of Supervisors and looks forward to supporting long term development as well as interim projects that enhance the quality of life for our collective communities and residents.

5. INSURANCE REQUIREMENTS

A letter of commitment or certificate of insurance from an acceptable (A.M. Best rating of A.) insurance company setting forth that insurance coverage, at a minimum in the following types and amounts, will be available at the time of commencement of the Agreement term.

The County reserves the right to request additional insurance coverages and amounts through the final lease and development agreements negotiated between the County and the operator selected. Types of insurance coverage required for an Operator are as follows:

- Airport General Liability
- Workers Compensation
- Vehicle Liability
- Builder's Risk
- Professional Liability
- Aircraft Hull and Liability Insurance
- Fuel Providers- Pollution Liability Insurance
- All Risk Property Insurance
- Hangar Keepers

6. SUBMITTAL INSTRUCTIONS

Proposals for Operator shall be submitted in writing to the following address only:

County of Riverside
Economic Development Agency – AVIATION DIVISION
3403 10th Street, Suite 400
Riverside, CA 92501

The County will receive Proposals until **5:00pm on Thursday, December 27, 2018**. Prospective operators should submit five (5) copies of the written proposal, each clearly marked as such. The Proposal shall be submitted in a sealed envelope package and clearly marked.

The County will not accept fax, telephone or telegraphic information. Postmarks will not be accepted. The deadline is absolute and Proposal received after the due date and time will not be accepted or considered.

7. PROPOSAL ORGANIZATION AND FORMAT

In order to expedite and to maintain consistency in the evaluation process, each Proposal shall be organized in accordance with this section. Proposals that do not follow the specific format outlined below, or that fail to provide the required documentation may receive lower scores, or be disqualified if found to be non-responsive. In the event of any conflict between any of the Proposal documents, resolution thereof shall be at the County's sole discretion. Proposal shall, at a minimum, include the following information.

- **Cover Letter**

Include a transmittal letter identifying the operator's company/entity status and the proposal package being submitted. Include other important general information deemed significant enough to be highlighted. The letter shall provide the name, address, telephone number, and e-mail address of the individual authorized to contractually bind the company/entity.

- **Executive Summary**

Include a summary containing highlight of the proposal approach, describing how the operation would be organized and how the operator will ensure responsiveness to County and FAA requirements as well as airport user needs.

- **Business Entity Description**

Provide a statement of the operator's corporate status, type of legal entity and the names of its principal officers including Chief Executive Officer and Chief Financial Officer or Treasurer and include percentage interest if applicable. If the respondent is a corporation, provide a certification from the Secretary of State indicating the complete legal name of the corporation and the date of incorporation. If the Entity is a Partnership, describe the makeup of the Partnership etc.

- **Contact Information**

Name, title, address, and telephone number of the operator's designated contact person for communication pertaining to this proposal.

- **Business Plan**

Please include:

- Development Plan and Phasing Plan
- Proposed Site Development Plan
- Services and Uses Proposed
- Construction and Improvements Proposed
- Project Schedule and Including Due Diligence and Entitlement Periods
- Operator's Business Plan
- Operating Standards
- A list of all the operator's employees that includes position titles.
- A list of the key personnel assignments and responsibilities.
- A copy of current permits and/or licenses.
- An estimated time for commencement of business operations.
- A Profit Sharing Plan (in addition to Ground Rent and Fuel Flowage Fees)
- Marketing Plan
- Subleasing Plan
- Lease Term and Options Proposed
- Operators Summary of Experience

Request for Proposals (RFP) No 2018-001
Operator/Developer to Develop, Lease, Market and Operate Airline Passenger/Cargo Facilities
and Services on the East Side of Jaqueline Cochran Regional Airport in Thermal, California

- Specific description of any relevant experience with public agencies.
- Operator References
- Proof of Financing or Capacity to Finance the Proposed Project

- Financial Data

In a separate section of the proposal include copies of current financial statements for the company/entity that is to perform the services outlined in the proposal and for the most recent two years. Financial statement should include a balance sheet and an income statement including profit and loss statement with net worth present and pro-forma business projections for the future. It is understood that the financing of the services and equipment will be the sole responsibility of the Operator. The Operator is expected to demonstrate that it can provide the required financing from either (1) internally generated funds, or (2) commitments from external sources. In the event funds are to be borrowed to finance a portion of the total investment, the Proposal should include Letters of Intent from a bank or other lending institution. Please provide amount of initial capital investment. Use form included in Exhibit D for credit references for the respondent and participants.

Indicate if the respondent has been involved in any litigation or other disputes that have the potential to result in a financial settlement or judgment having a material adverse effect on the respondent's ability to complete the Project. Indicate whether or not the respondent has ever filed for bankruptcy or had operations foreclosed upon.

This financial information will remain confidential to EDA staff only for the purposes of determining the financial viability of the respondent.

8. OPERATOR QUALIFICATION

Describe the respondent and respondent teams overall experience in planning, developing and operating similar aviation projects. Include experience both in business and aviation fields and any specialized certificates or licenses held.

9. REQUIRED FORMS

The following forms must be completed in full and submitted with the proposal:

1. **Offer to Negotiate Exclusively**, which commences when final Operator selection has been completed;
2. **General Authorization and Financial References List**, which authorizes County to access financial information pertinent to the respondent's proposal;
3. **Respondent Certification**, which certifies that the respondent has certain specific capabilities and that the proposal accurately represents those capabilities.
4. **Non-Collusion Affidavit**

The forms are attached hereto as Exhibit D1 through D4.

10. PRE-PROPOSAL MEETING

A pre-proposal meeting to discuss the proposal process can be scheduled on an as-needed basis. Please contact Michelle Moore at (951) 955-9722 or mlmoore@rivco.org to schedule a meeting.

11. DEADLINE

All responses to this RFP are to be submitted to the Economic Development Agency, Aviation Division, 3403 10th Street, Suite #400, Riverside, CA 92501, to the attention of Lilliana Valle, County Airport Manager and must be received by County **no later than 5:00 PM Thursday, December 27, 2018.**

12. SELECTION CRITERIA

The County intends to select an Operator proposal based on a “Best Value” basis. As such the County will consider factors other than just the cost in making the award decision. In evaluating the proposal under this criteria the combined experience and resources of all principals as well as the business and development plan will be considered. County will evaluate all requested information submitted, interviews if additional information is required, history, performance in previous undertakings, and other pertinent factors.

The written proposals will be evaluated and scored based upon the following proposal criteria:

EVALUATION POINTS:

		Minimum Points	Factor Description
1	Qualifications (Experience and knowledge)	25	Aviation Operator Experience, Management, and Capacity shall be reviewed and evaluated. The previous experience will be evaluated as it reflects the Proposer’s demonstrated ability to successfully carry out and maintain an operation of similar type, size, and complexity as proposed and in an efficient manner
2	Services Proposed and Business Plan	20	The overall quality and depth of proposed services to the Jacqueline Cochran Regional Airport airline customers will be evaluated pursuant.
3	Development and Investment in Airport	20	Business and Development plans will be evaluated to determine the project’s positive long term impact on the Jacqueline Cochran Regional Airport, and the neighboring communities.
4	Lease, Profit Sharing and Fee Schedule	15	Proposed rates, profit sharing, fees and concessions shall be viewed as to be fair and reasonable and consistent within the aviation industry.
5	Financial Ability and Credit	20	Evidence of Proposer’s financial capacity to deliver the proposed project improvements and business plans will be evaluated as demonstrated by current availability to capital

Request for Proposals (RFP) No 2018-001
 Operator/Developer to Develop, Lease, Market and Operate Airline Passenger/Cargo Facilities
 and Services on the East Side of Jaqueline Cochran Regional Airport in Thermal, California

	Worthiness		and by past financial performance. County will evaluate assets, credit history and business performance.
		100	

The evaluation committee consisting of Aviation Division management and EDA colleagues will rank the proposals and submit recommendation and scoring to County management. After reviewing the recommendations of the selection team, County management will grant an exclusive right to negotiate to the respondent with the best proposal or reject all offers as unsatisfactory.

Evaluation Method shall include:

- a) **Initial Evaluation**
 Each Proposal received shall first be evaluated for responsiveness (meets the minimum requirements).
- b) **Evaluation**
 The County anticipates that it may select a minimum of a three-person committee to evaluate each of the responsive "hard copy" proposals submitted in response to this RFP. PLEASE NOTE: No Proposer shall be informed at any time during or after the RFP process as to the identity of any evaluation committee member. If, by chance, a Proposer does become aware of the identity of such person(s), he/she SHALL NOT make any attempt to contact or discuss with such person anything related to this RFP. The designated Contact person is the only person at the County the Proposers shall contact pertaining to this RFP. Failure to abide by this requirement may cause such Proposer(s) to be eliminated from consideration for award.
 The evaluation committee shall evaluate the responsive proposals submitted and award points according to the Evaluation Points chart above.
- c) **Potential "Competitive Range" or Best and Finals" Negotiations.**
 The County reserves the right to conduct a "Best and Finals" Negotiation at their sole discretion. Such "Best and Final's negotiation, which may include oral interviews, with all firms, deemed to be in the competitive range. Any firm deemed not to be in the competitive range shall be notified of such in writing by the County in as timely a manner as possible, but in as case with no longer than 10 days after the beginning of such negotiation with the firms deemed to be in the competitive range.

Determination of Award:

Typically the subjective points awarded by the evaluation committee will be summarized and forwarded to the County Assistant Director of Aviation and Assistant County Executive Officer/ECD along with Airport Manager for comments, review and final selection.

Contract Award Procedure:

If a contract is awarded pursuant to the RFP, the following detailed procedures will be followed:

By completing, executing and submitting the Respondent Certification D3, attached hereto and incorporated by this reference, the "Proposer is thereby agreeing to abide by all terms and conditions pertaining to this RFP as issued by the County.

If a Proposer may be selected, within 90 days after the deadline for submitting proposals, all Proposers will receive by e-mail a Notice of Results of Evaluation. Such notice shall inform all Proposers of which Proposer has been selected to proceed with exclusive negotiations.

County and successful Proposer shall execute the "Offer to Negotiate Exclusively" Exhibit D1 with a term of 6 months which shall commence upon the full execution of the "Offer to Negotiate".

All persons having familial (including in-laws) and/or employment relationships (past or current) with principals and/or employees of a Proposer entity will be excluded from participation on the evaluation committee. Similarly, all persons having ownership interest in and/or contract with a Proposer entity will be excluded from participation on the evaluation committee.

Any final lease and development agreements negotiated by the County is subject to approval by the Board of Supervisors for the County of Riverside in their sole and absolute discretion.

By responding to the RFP and submitting a proposal, the successful Proposer acknowledges and agrees that County will only execute agreements prepared by County which are substantially approved as to form by County Counsel.

13. DISCLAIMERS AND RESERVATION OF RIGHTS

- a. **Right to Reject, Waive, or Terminate the RFP.** The County reserves the right to reject any or all proposals, to waive any informality in the RFP process, and/or to terminate the RFP process at any time, in County's sole, subjective and absolute discretion, if deemed by the County to be in its best interests. In no event shall County have any liability for a cancellation. The Proposer assumes the sole risk and responsibility for all expenses connected with the preparation of its proposal.
- b. **Right to Not Award.** The County reserves the right not to award a contract pursuant to this RFP.
- c. **Right to Determine Time and Location.** The County reserves the right to determine the days, hours, locations that the successful Proposer(s) shall provide the services called for in this RFP.
- d. **Right to Determine Financial Responsibility and Viability.** The County reserves the right to require of Proposer information regarding financial responsibility and viability or such other information as the County determines is necessary to ascertain whether a proposal is in fact the most responsive and responsible proposal submitted.
- e. **Right to Add Terms and Conditions.** The County reserves the right to add terms and conditions to the RFP and Contract. These terms and conditions will be within the scope of the RFP and will not affect the proposal evaluation.

Request for Proposals (RFP) No 2018-001
Operator/Developer to Develop, Lease, Market and Operate Airline Passenger/Cargo Facilities
and Services on the East Side of Jaqueline Cochran Regional Airport in Thermal, California

- f. **Right to Retain Written Proposals.** The County reserves the right to retain all written proposals submitted to County by all Proposers in response to this RFP. The County may permit the withdrawal of proposals when requested in writing by the Proposer and such request is approved in writing by the Airport Manager in his sole and absolute discretion.
- g. **Right to Negotiate Rent and Fees.** The County reserves the right to negotiate the rent, fees or profit sharing percentage proposed by the successful Proposer.
- h. **Right to Reject Any Proposal.** The County reserves the right to reject and not consider any proposal that does not meet the requirements of this RFP, including but not limited to incomplete proposals and/or proposals offering alternate or non-requested services.
- i. **No Obligation to Compensate.** The County shall have no obligation to compensate any Proposer for any and all costs incurred in responding to this RFP, including travel.
- j. **Right to Prohibit.** The County shall reserve the right to at any time during the RFP or contract process to prohibit any further participation by a Proposer or reject any proposal submitted that does not conform to any of the requirements detailed herein.
By submitting a proposal, each prospective Proposer is thereby agreeing to abide by all terms and conditions listed within this document and further agrees that he/she will inform the County in writing within five (5) days of the discovery of any item listed herein or of any item that is issued thereafter by the County that he/she feels needs to be addressed. Failure to abide by this time frame shall relieve the County, but not the prospective Proposer, of any responsibility pertaining to such issue.
- k. **Public Disclosure of Proposal Documents.** To the extent required by law, documents submitted in connection with this RFP may be subject to disclosure pursuant to the California Public Records Act.

The information presented in this RFP is the best available to the County. No representation is made as to its completeness or accuracy. It is expected and acknowledged that the Operator will perform any required investigations regarding their proposal, at their sole cost and risk.

Any respondent that is selected will be expected to conduct its own due diligence regarding all matters prior to commencement of its development plan and operations. The County makes no representation or warranties with respect to property and development matters.



14. RFP PROTEST

Any prospective or actual Proposer, who is allegedly aggrieved in connection with the solicitation of a proposal or award of a contract, shall have the right to protest. To be eligible to file a protest with the County, pertaining to an RFP or contract, the alleged aggrieved protestor must have been involved in the RFP process in some manner as a prospective Proposer when the alleged situation occurred. The alleged aggrieved protestant must file in writing to County the exact reason for the protest, attaching any supportive data. The protestant must state within the written protest document specifically (not by inference) what action by County or condition is being protested as inequitable, making where appropriate specific reference to the RFP documents issued and including the specific citation of law, rule, regulation or procedure upon which the protest is based. The protest document must also state the corrective action requested. Failure by the alleged aggrieved protestant to fully submit such information shall relive County from any responsibility to take any corrective action, and as a result of noncompliance, the appeal will be dismissed without further review. The County has no obligation to consider a protest filed by any party that does not meet these criteria. Any protest against a solicitation must be received before the due date for the receipt of proposals, and any protest against the award of a contract must be received within **ten calendar days** after the contractor receives notice of the contract award, or the protest will not be considered. All proposal protests shall be in writing, submitted to the Aviation Division Airport Manager, or designee, who shall issue a written decision on the matter. The County Airport Manager may, at his/her discretion, suspend the procurement pending resolution of the protest if the facts presented so warrant. All appeals shall be marked as follow and sent to the address listed below:

Appeal of RFP No. 2018-001
County of Riverside Economic Development Agency
Aviation Division
Attn: County Airport Manager
3403 10th Street, Suite 400
Riverside, CA 92501



15. INFORMATION SOURCES

Should there be any questions regarding the RFP you are encouraged to contact the Aviation Department:

Liliana Valle, County Airport Manager at (951) 955-9418 or email lvalle@rivco.org ;

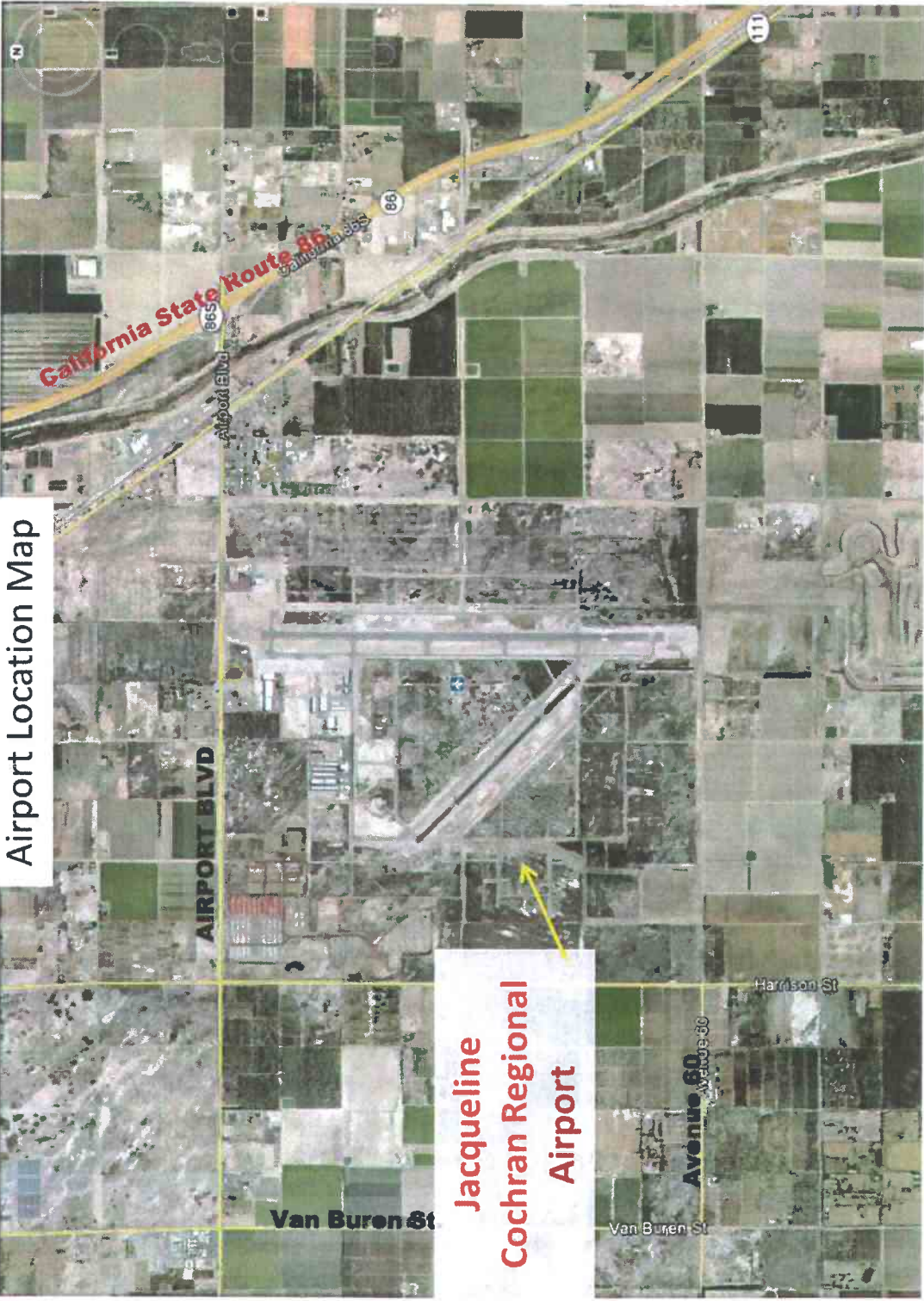
Attachments:

Exhibit A – Development Opportunity Area – Airport Vicinity Map
Exhibit B – Riverside County Minimum Standards for Fixed Base Operators
Exhibit C – Airport Fuel Standards
Exhibit D – Forms

D1 – Offer to Negotiate Exclusively
D2 – General Authorization and Financial References List
D3 – Respondent Certification
D4 – Non Collusion Affidavit

Exhibit E – Resolution No. 2008-362 Fuel Flowage





Airport Location Map

**Jacqueline
Cochran Regional
Airport**

Thermal, California

Minimum Standards for Fixed Base Operators

Riverside County Airports



**County of Riverside
Economic Development Agency**
3403 10th St., Suite 500
Riverside, CA 92501
(951) 955-9719
(951) 955-6686

Adopted January 30, 2001

EXHIBIT C

TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	DEFINITIONS	2
III.	AIRPORT RULES AND REGULATIONS	3
	A. Lease	3
	B. Airport Layout	4
	C. Signs	4
	D. Building Design, Construction, and/or Alteration	4
	E. Inspections	5
	F. Flying Clubs	5
	G. Waiver from Minimum Standards	5
	H. Civil Rights	5
	I. Insurance	6
	J. Lot Size	6
	K. Outdoor Storage	7
	L. Maintenance	7
IV.	SCOPE OF SERVICES	7
	A. Full Service FBO	8
	B. Aircraft Maintenance	9
	C. Radio and Avionics Repair Station & Sales	10
	D. Flight Instruction	11
	E. Aircraft Sales, Rental, and Leasing	12
	F. Aircraft Storage	13
	G. Agricultural Application	14
	H. Other Aeronautical Activities	16

I. INTRODUCTION

Riverside County is the owner (sponsor) of the following five airports in Riverside County: Blythe, Chiriaco Summit, Jacqueline Cochran Regional, French Valley, and Hemet-Ryan. The Riverside County Economic Development Agency (EDA) is the county agency responsible for operation of the County's airports.

Minimum standards are established to promote and attract a professional level of aviation services to the County's airports while safeguarding the public's interest. The Minimum Standards provide a framework that strengthens the relationship between the Sponsor and the Fixed Base Operator (FBO). They offer information, advice and, where necessary, they provide strict regulation so that both the prospective and experienced FBO may have a firmer understanding of the many considerations, which contribute to a safe, successful and useful operation. The standards are intended to be the minimum requirements for those wanting to provide aeronautical services to the public at Riverside County airports. Operators are encouraged to exceed the minimum requirements.

FBOs are responsible for complying with the Minimum Standards and shall be familiar with revisions made to the Standards. All FBOs on the airports must comply with the standards herein as well as all applicable government regulations; however, leases executed prior to August 16, 1988, are exempt until lease renegotiations. The County's airports are subject to federal, state and local rules and regulations. The County has adopted local rules and regulations to implement Federal Aviation Administration (FAA) requirements and to provide for safe and orderly operation on the airports. Local rules and regulations governing airport activities include, but are not limited to, applicable portions of the following:

1. Ordinance No. 576 - Rules and Regulations for Operation of County Airports
2. Fixed Base Operator Minimum Standards
3. County Airport Fueling Standards
4. Special Event Permit Policy
5. Airport Design Standards

Federal and state rules and regulations include, but are not limited to: FAA Grant Assurances; FAA Order 5190.6A - Airport Compliance Requirements; Federal Airport Regulations (FAR's); State Aeronautics Act (PUC § 21000); Government Code § 50470 - 50478; ADA Regulations; the California Environmental Quality Act (CEQA); and the National Environmental Policy Act (NEPA).

II. DEFINITIONS

AERONAUTICAL ACTIVITY - Any activity or service that involves, makes possible, or is required for the operation of aircraft, or which contributes to or is required for the safety of such operations.

AGREEMENT, LEASE, OR PERMIT - A contractual agreement between the EDA and an entity granting a concession or otherwise authorizing the conduct of certain activities which is in writing, executed by both parties, and enforceable by law.

AIRPORT - Includes the following five (5) airports owned by Riverside County: Blythe, Chiriaco Summit, Jacqueline Cochran Regional, French Valley, and Hemet-Ryan, and its environs, such as, the property, buildings, facilities, and improvements within the exterior boundaries of each airport as it now exists or as it may hereafter be extended, enlarged, or modified.

AIRPORT SPONSOR - The designated entity or duly authorized representative, appointed by the Board of Supervisors, to manage the operation and development of Blythe, Chiriaco Summit, Jacqueline Cochran Regional, French Valley, and Hemet-Ryan airports.

ALP - Airport Layout Plan

APPLICANT - A person, persons, firm, partnership, or corporation desiring to acquire the use of a portion of an airport, or to establish or use any facility on an airport for an aeronautical activity or special event and who shall apply in writing and in the manner or form prescribed for authorization to establish such activities.

CEQA - California Environment Quality Act

COUNTY - County of Riverside, the FAA authorized airport sponsor.

EDA - Riverside County Economic Development Agency, the County agency designated to oversee and manage the County airports.

EQUIPMENT - All machinery, together with the supplies, tools, and apparatus necessary for the safe and proper procedure of the activity being performed.

FAA - Federal Aviation Administration

FAR - Federal Aviation Regulation

FIXED BASE OPERATOR (FBO) - Any person, firm, partnership, corporation, association, limited partnership, or any other legal entity duly licensed and authorized by written agreement with the Airport Sponsor (the County) to provide specific aeronautical services at an Airport, under strict compliance with such agreement and pursuant to these and all applicable regulations and standards.

FUEL - FAA authorized aviation fuel, including jet fuel

FUEL FARM - Any portion of an Airport, authorized by the Airport Sponsor, as an area in which gasoline or any other type of fuel may be stored.

FULL SERVICE FBO - An FBO which provides certain essential aeronautical services (e.g. aircraft maintenance and repair, flight instruction, fueling of aircraft, transient aircraft parking guidance, positioning of wheel chocks and tie-downs, fireguard for engine starts, baggage handling, standardized ground service and recovery equipment, pilots' lounge, and restrooms), subject to restrictions agreed to during lease negotiations (see Table A below for complete guidelines).

LIMITED SERVICE FBO - An FBO which provides certain of the aeronautical services provided by a Full Service FBO, subject to restrictions imposed by leasehold size requirements and to restrictions agreed to during lease negotiations (see Tables B through H below for complete guidelines).

MINIMUM STANDARDS - The qualifications and criteria set forth herein as the minimum requirements to be met as a condition for an FBO to conduct an aeronautical activity on an EDA sponsored airport.

NEPA - National Environmental Policy Act

THE BOARD - The Riverside County Board of Supervisors

TLMA - Transportation and Land Management Agency

III. AIRPORT RULES AND REGULATIONS

A. Lease

All revenue generating, commercial and/or business activities, at County operated airports are required to secure a lease approved by the County Board of Supervisors (the "Board") prior to commencement of any commercial activity.

Prospective lessees should begin the process by requesting a meeting with County staff. The purpose of the initial meeting is to introduce staff, show the available sites,

and answer any questions. At the conclusion of this meeting the prospective lessee will be asked to submit a Lease Application and proposal.

Upon receipt of a lease application and proposal, County staff will review the proposal and will provide a written response. Once an agreement has been reached on the deal points and development proposal, a lease will be prepared for execution by the lessee. The lease shall be executed in three counterparts and all three copies shall be returned to the County. The County will then schedule the lease for consideration at the next available Board of Supervisors' meeting. ***Please be advised that the County Board of Supervisors is the only entity that can make a binding lease commitment and development may not proceed until the Board has approved the lease.***

Exclusive rights for any aeronautical activity will not be issued at any County airport. This is to ensure that airport patrons are offered competitive market prices for services.

B. Airport Layout

All new leases and new airport development shall comply with the current FAA approved Airport Layout Plan (ALP) for each airport. In addition, Jacqueline Cochran Regional, French Valley, and Hemet-Ryan airports have adopted Airport Master Plans and all new development shall comply with those master plans. Lessee proposals that conflict with ALP's and Master Plans will not be approved.

C. Signs

All signs (commercial, traffic, services, advertising, etc.) must receive written approval from the Assistant County Executive Officer / EDA or Designee prior to their placement. The request for approval should include the size, location, and design of sign. All outdoor advertising shall comply with County Ordinance No. 348 and applicable federal and state laws. FAA Form 7460-1, *Building Design, Construction, and/or Alteration*, must be submitted to the FAA Western Pacific Region for review and determination, with a copy of the form sent to the Assistant County Executive Officer / EDA

D. Building Design, Construction, and/or Alterations

All design, construction and/or alterations shall be in compliance with Airport Design Guidelines. The County reserves the right to review and approve all architectural design of all construction or alterations to be performed on County operated airports.

The County reserves the right to review and approve the design and construction methods of all development at the County operated airports. All buildings shall comply with local codes and regulations as to their construction. FAA Form 7460-1, *Building Design, Construction, and/or Alteration*, must be submitted to the FAA for their review

and assessment with a copy of the form submitted to the Assistant County Executive Officer / EDA.

The County reserves the right to require a Material and Performance Bonds or a Letter of Credit prior to the construction of any facility for the return of funds expended by the County in the event that the applicant defaults on any obligations.

E. Inspections

The County reserves the right to make periodic inspections of the leased premises during reasonable hours to ensure lease compliance and Lessee's adherence with all applicable regulations. County staff, County contractors, the FAA, and/or the State of California may conduct inspections, under this provision.

F. Flying Clubs

All flying clubs located at Riverside County operated airports shall be nonprofit organizations. All rights shall be equally shared between members. No member shall share in profits, earnings, salaries, or other forms of compensation. The Flying Club shall not be engaged in any type of commercial operation. A copy of the Flying Club's Charter and By-laws, or other comparable documents, must be filed with the Aviation Division. Flying clubs must submit annual financial reports and furnish the County with proof of insurance of the types listed on Appendix A.

A minimum of one (1) aircraft, properly certified, is required for a flying club. Flight instruction shall only be offered to club members. The instructor must be a club member or an instructor who is a lessee on the airport for the purpose of flight instruction.

G. Waiver from Minimum Standards

Any tenant or prospective tenant wishing to waive any minimum standard set forth in the approved Minimum Standards must submit a letter to the Assistant County Executive Officer / EDA expressing their hardship to conform with the Minimum Standards. The Assistant County Executive Officer/EDA has the discretion of approving or disapproving the waiver as it would apply to the future viability of the airport, subject to applicable provisions, which may be contained in the tenant's lease approved by the Board. Waivers may be granted on a temporary basis, and may be withdrawn or terminated at the Director's discretion.

H. Civil Rights

All individuals using the County operated airports must comply with all the provisions of the Federal Civil Rights Act of 1964. The tenant or prospective tenant shall ensure

there shall be no discrimination in the availability of any services or commodities based on race, religious creed, color, national origin, ancestry, sex, age, physical handicap, medical condition or marital status.

I. Insurance

The FBO shall procure, maintain and pay premiums during the term of the agreement for insurance of the types and the minimum limits set forth by the County for each aeronautical activity. The FBO shall obtain and maintain insurance (See Appendix A), which contains an endorsement that the "County of Riverside, including its elected officials, officers, employees, and agents" are named as additional insured. Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California unless such requirement is waived, in writing, by the Assistant County Executive Officer / EDA and/or the County Risk Manager. Each insurance company shall have an A.M. BEST rating of not less than A:VIII (A:8).

Proof of insurance must be submitted to the Assistant County Executive Officer / EDA prior to commencement of operations and upon each insurance renewal. The FBO shall provide either 1) a properly executed original Certificate(s) of Insurance and 'certified original' copies of Endorsements effecting coverage as required herein, or 2) if requested to do so in writing by the Assistant County Executive Officer / EDA and/or County Risk Manager, provide original Certified copies of policies including all endorsements and all attachments thereto, showing such insurance is in full force and effect. Certificate(s) shall contain the covenant that thirty (30) days written notice shall be given to the County of Riverside prior to any material modification, cancellation, expiration, or reduction in coverage of such insurance. Certificates of Insurance and the policies shall covenant that their coverage is primary and the County's insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as primary.

If any policy contains a general aggregate limit, it shall apply separately to the Agreement with the County or be less than two (2) times the occurrence limit. All insurance policies are subject to review by the County's Department of Risk Management. The Assistant County Executive Officer / EDA, upon the advice of the County Risk Manager, reserves the right to increase the limits, or require additional insurance coverage, beyond those set forth in these Minimum Standards, subject to applicable provisions of the tenant's lease.

J. Lot Size

Lot sizes may vary according to the type of operation. If available, aircraft tie-downs and hangar space, as well as automobile parking spaces, may be leased from the County to meet these minimum standards. The number of aircraft, hangar, or automobile parking spaces shall be determined during lease negotiations.

K. Outdoor Storage

No outside storage will be permitted except behind enclosed block walls, screened from public view, or as approved by the Assistant County Executive Officer / EDA.

L. Maintenance

Lessee shall be responsible for the adequate maintenance of leased property and in compliance with all applicable Federal, State and Local health and safety regulations.

IV. SCOPE OF SERVICES

Each aeronautical activity has a separate scope of services. The services required of a Full-Service FBO include the Minimum Standards for all combinations of aeronautical activities. The cumulative effect of the Minimum Standards will not equate to any minimum standard greater than that applicable to the Full-Service FBO.

Table A - FULL SERVICE FBO

Each airport shall have a minimum of one (1) Full Service FBO. Mandatory Requirements: Full Service FBOs shall provide: aircraft maintenance & repair; flight instruction; fueling of aircraft; transient aircraft parking guidance; positioning of wheel chocks and tie-downs; fireguard for engine starts; baggage handling upon request; have available and provide standardized ground service equipment and recovery equipment for aircraft weighing up to 30,000 lbs at FVA, 40,000 lbs at HRA, and 80,000 lbs at JCRA (service and recovery equipment shall include, but not be limited to, wheel chocks, tie-down ropes or chains, aircraft jacks, tow bars, auxiliary power units, and aircraft tugs); pilots' lounge; and restrooms. Optional Requirements: In addition to the required services listed in the preceding sentence, Full Service FBOs may provide: aircraft sales or leasing (including financing), sales of aircraft parts and supplies, radio and avionics sales and repair, aircraft storage hangars and tie-downs, painting and upholstering of aircraft, leasing or renting of automobiles, and operating a restaurant or café.

<u>REQUIREMENT</u>	<u>MINIMUM STANDARD</u>	<u>PURPOSE / OTHER</u>
<u>LOT SIZE:</u> 3 acres or 130,680 SF		
Hangar area	14,000 SF	For aircraft storage
Outside storage area	30,000 SF	For tie-down or apron parking
Building space	2,000 SF	For offices, pilots' lounge and briefing area, conference rooms, classrooms, and restrooms
Automobile parking	20 spaces, with landscaping as required by Ordinance 348	For employees per shift and customer parking
Fuel farm	Refer to Fueling Standards	
Landscaping	To be determined during lease negotiations	Landscaping required around vehicle parking, sidewalks, and building
<u>CERTIFICATION:</u>		
As applicable for each activity	FAA, State, and/or other responsible agency as applicable	For safe and efficient operation of airport and aeronautical activities
<u>PERSONNEL:</u>		
Staff	Adequate number	For safe and efficient operation of airport and aeronautical activities
Certification & training	Proper certification and training	To comply with all applicable regulations
<u>HOURS OF OPERATION:</u>		
Business Hours	7 days/week, 10 hrs/day	Or as demand may require
Fueling services	During business hours and emergency situations	One (1) hr response time during non-business hours
<u>EQUIPMENT:</u>		
Aeronautical operations	Refer to tables for equipment required for each activity	
FBOs providing aircraft fueling and servicing	Refer to Airport Fueling Standards	
<u>INSURANCE:</u>		
Refer to Appendix A		

Table B - AIRCRAFT MAINTENANCE

An aircraft airframe, engine, and accessory maintenance and repair FBO shall provide one or a combination of airframe, engine, and accessory overhauls and repair services on aircraft up to and may include business jet aircraft and helicopters. This category shall include the sale of aircraft parts and accessories.

<u>REQUIREMENT</u>	<u>MINIMUM STANDARD</u>	<u>PURPOSE / OTHER</u>
LOT SIZE: ½ acre or 21,780 SF		
Hangar area	6,000 SF	For aircraft storage
Tie-down or apron parking	One (1) per 1,000 SF of hangar space	Outside storage
Building space	400 SF	For offices, public phone, and restrooms
Automobile parking	200 SF	Office storage room
Landscaping	One (1) per 1,000 SF of hangar area, with landscaping as required by Ord. 348	For employees per shift and customer parking
	Specific plans to be determined during lease negotiations	Landscaping required around vehicle parking, sidewalks, and building
CERTIFICATION:		
Station	Authorized repair station and certified under FAR Part 145 or Holder of an FAA inspection authorization under FAR Part 43	
PERSONNEL:		
Staff	Sufficient qualified technicians to meet proposal.	
Certification & training	Proper certification and training	To comply with all applicable regulations
HOURS OF OPERATION:		
Services	5 days/week, 8 hrs/day	
	Services offered for emergency situations	One (1) hr response time during non-business hours
EQUIPMENT:		
Sufficient inventory and equipment available to perform maintenance and repairs to manufacturers' specifications.	Should include but is not limited to tug, tow bar, jacks, and dollies	Operator is encouraged to have the capability of aircraft removal from the airport's operational areas
INSURANCE:		
Refer to Appendix A		

Table C - RADIO AND AVIONICS REPAIR STATION & SALES

A radio and avionics repair station FBO engages in the business of and provides a shop for the repair of aircraft avionics, instruments and accessories for general aviation aircraft. This category also includes the sale of new or used aircraft avionics, instruments and accessories.

<u>REQUIREMENT</u>	<u>MINIMUM STANDARD</u>	<u>PURPOSE / OTHER</u>
LOT SIZE: 150 SF		
Repair station	150 SF	
Automobile parking	One (1) space per 150 SF, with landscaping as required by Ord. 348	
<u>CERTIFICATION:</u>		
Station	Authorized repair station and certified under FAR Part 145	
<u>PERSONNEL:</u>		
Staff	One (1) FAA certified repairman	
Certification & training	Proper certification and training	To comply with all applicable regulations
<u>HOURS OF OPERATION:</u>		
Business Hours	Available for appointment for at least 40 hrs/week	
<u>EQUIPMENT:</u>		
Sufficient inventory and equipment available to perform maintenance and repairs to manufacturers' specifications.		
<u>INSURANCE:</u>		
Refer to Appendix A		

Table D - FLIGHT INSTRUCTION

A flight instruction FBO engages in instructing pilots in dual and solo flight training, in fixed and/or rotary wing aircraft, and provides such related ground school instruction as is necessary preparatory to taking a written examination and flight check ride for the category or categories of pilots' licenses and ratings involved.

<u>REQUIREMENT</u>	<u>MINIMUM STANDARD</u>	<u>PURPOSE / OTHER</u>
<u>LOT SIZE:</u> 500 SF (not necessarily contiguous)		
Classroom space	200 SF or as appropriate to the size of student population	For classroom instruction
Office and lobby areas	300 SF	For phones, restrooms, and space for adequate customer service
Automobile parking	3 spaces per aircraft, 2 for each additional for a maximum of 10 spaces, with landscaping as required by Ord. 348	For students and employees
Other	Any additional space necessary to house all owned or leased aircraft	
<u>PERSONNEL:</u>		
Staff	One (1) certified flight instructor	To be available during normal hours of operation
	One (1) qualified ground school instructor	For classroom instruction
<u>HOURS OF OPERATION:</u>		
Business Hours	Available for appointment for at least 40 hrs/week	
<u>EQUIPMENT:</u>		
Aircraft	One (1) single-engine aircraft	Available for flight training
<u>INSURANCE:</u>		
Refer to Appendix A		

Table E - AIRCRAFT SALES AND LEASING

An aircraft sales and/or lease FBO engages in the sale and/or lease of aircraft to the public. New aircraft sales involve the sale of new aircraft through franchises or licensed dealerships (if required by local, county, or state authority) or distributorship (on either a retail or wholesale basis) of an aircraft manufacturer. Aircraft sales FBOs may also engage in the sale of used aircraft. This can be accomplished through various methods, including matching potential purchasers with an aircraft (brokering), assisting a customer in the purchase or sale of an aircraft, or purchasing used aircraft and marketing them to potential purchasers. A new aircraft sales and/or leasing FBO must show capability to support maintenance agreements for aircraft sold or leased. A used aircraft sales FBO may also provide such repair, services, and parts as may be necessary to support the operation of aircraft sold. Some requirements may not be appropriate to the sale of used aircraft because of each aircraft's unique operational history. An aircraft sales FBO may also finance aircraft purchases, subject to the applicable licensing requirements.

<u>REQUIREMENT</u>	<u>MINIMUM STANDARD</u>	<u>PURPOSE / OTHER</u>
<u>LOT SIZE:</u> 150 SF		
Building space	150 SF	For offices, lobby area, public phone, and restrooms
Tie-down/Hangar space	Adequate number	Storage
Automobile parking	One (1) per employee One (1) per 500 SF of leased space With landscaping as required by Ord. 348	For employees per shift and customer parking
Landscaping	Specific plans to be determined during lease negotiations.	Landscaping required around vehicle parking, sidewalks, and buildings
<u>CERTIFICATION:</u>		
New aircraft	Dealers must possess sales and/or distribution franchise from a recognized aircraft manufacturer	
Aircraft available for sale and leasing	Aircraft must hold FAA registration and current airworthiness certificate	
<u>PERSONNEL:</u>		
Staff	One (1) commercial, qualified for aircraft type.	For demonstration of aircraft
<u>HOURS OF OPERATION:</u>		
Business Hours	Available for appointment at least 40 hrs/week	
<u>EQUIPMENT:</u>		
	Minimum equipment required shall be determined during lease negotiations.	
<u>INSURANCE:</u>		
Refer to Appendix A		

Table F - AIRCRAFT STORAGE

An aircraft storage FBO engages in the construction, rental, and maintenance of conventional hangars or multiple T-hangars.

<u>REQUIREMENT</u>	<u>MINIMUM STANDARD</u>	<u>PURPOSE / OTHER</u>
LOT SIZE: 1acre or 43,560 SF		
Storage area of the following or proportionate combination of:	<ol style="list-style-type: none"> 1. Minimum of ten (10) T-Hangars to max of fourteen (14) per acre, or 2. Apron tie-down space of a minimum of 15 aircraft per acre, or 3. Conventional hangar of 10,000 SF. 4. Box hangars - Plot Plan subject to EDA and BOS approval 	
Automobile parking	One (1) for every two (2) hangars, with landscaping as required by Ord. 348	Automobile parking separate from aircraft storage area
Landscaping	Specific plans to be determined during lease negotiations	Landscaping required around vehicle parking, sidewalks, and buildings
<u>PERSONNEL:</u>		
Staff	One (1) contact person	To be available during the normal work week (M-F, 8am-5pm)

HOURS OF OPERATION:

Minimum via phone contact 5 days/week, 8 hrs/day

INSURANCE:

Refer to Appendix A

ADDITIONAL GUIDELINES:

The County and Full Service FBOs shall possess the right to provide and operate the public aircraft storage areas unless circumstances warrant otherwise. No business activities shall be operated from storage areas.

Table G - AGRICULTURAL APPLICATION

An agricultural application FBO engages in air transportation for hire for the purpose of providing the use of aircraft for agricultural operations such as, but not limited to, crop dusting, seeding, spraying, and bird chasing.

<u>REQUIREMENT</u>	<u>MINIMUM STANDARD</u>	<u>PURPOSE / OTHER</u>
<u>LOT SIZE:</u> ½ acre or 21,780 SF		
Apron, tie-down area	6,000 SF	Storage
Building space	400 SF	For offices, lobby, public phone, and restrooms
Chemical storage	400 SF	
Automobile parking	Minimum of five (5) parking spaces, with landscaping as required by Ord. 348	For number of employees per shift and average number customers
Landscaping	Specific plans to be determined during lease negotiations	Required around vehicle parking, sidewalks, and buildings
<u>CERTIFICATION:</u>		
Permits and certificates	Must be submitted to Assistant County Executive Officer / EDA or Designee prior to operations.	
Renewals	Furnished to EDA Assistant County Executive Officer/EDA or Designee as received.	
Agricultural Application Operator	Procure and maintain FAR Part 137 Commercial Agricultural Operators Certificate.	
Hazardous Materials Management Permit	Possess Hazardous Materials Management Permit	County Ordinance No. 615
<u>PERSONNEL:</u>		
Staff	Minimum number to be determined during lease negotiations.	
Certification & training	Personnel must be knowledgeable about the safe handling of poisons and agricultural chemicals and the proper disposal of substances intended to be used in operations.	
<u>HOURS OF OPERATION:</u>		
Business Hours	Available for appointment for a minimum of 40 Hrs/week	Services offered 7 days/week
<u>EQUIPMENT:</u>		
To be determined during lease negotiations.		
<u>INSURANCE:</u>		
Refer to Appendix		

Table G - AGRICULTURAL APPLICATION (continued)

<u>REQUIREMENT</u>	<u>MINIMUM STANDARD</u>	<u>PURPOSE / OTHER</u>
ADDITIONAL GUIDELINES: Storage and containment of Hazardous Materials		
<p>a. Comply with California Regional Water Quality Control Board Resolution No. 79-38, dated March 14, 1979.</p> <p>b. Comply with County Ordinance No. 546, Division VIII-Fire Protection Requirement Buildings; and Division XIV-Fire Protection Requirements relating to storage of flammable or combustible liquids used as motor fuel.</p> <p>c. Comply with the 1982 Uniform Fire Code Article 80-Hazardous Materials (section 80.107, 80.108, 80.109, and 80.111); and Article 86-Pesticides storage (all sections).</p> <p>d. Comply with all hazardous waste regulations which can be found in Title 22 of the California Administrative Code and the California Health and Safety Code.</p> <p>e. Submit a waste management plan addressing the items mentioned below with an explicit clause stating that the applicant shall be held responsible for the safe and proper cleanup of any hazardous waste spills.</p> <p>f. Comply with Riverside County Ordinance No. 615 by completing the reporting form and obtaining a Hazardous Materials Management Permit.</p> <p>g. If hazardous wastes are treated and/or stored more than 90 days, or disposed or on-site, a hazardous waste facility must be obtained from the State Department of Health.</p> <p>h. If hazardous wastes are stored 90 days or less, storage area and containment shall meet the following:</p> <ol style="list-style-type: none"> 1. Tanks and/or containers shall be of sound construction and compatible with waste stored (Title 22, California Administrative Code, Sections 66508, 67242, and 67247). 2. Tanks and/or containers shall be designed, constructed, maintained, and operated to minimize the possibility of fire, explosion, or any unplanned sudden, or non-sudden release of hazardous waste or any constituents to the soil, air, or surface waste which could threaten human health or the environment (Title 22, California Administrative Code, Sections 67241, 67243, 67244, 67257, and 67259). 3. Storage of on-site hazardous waste containers shall be in a structure that will prevent the contamination of the environment with hazardous waste. Design of the structure shall be submitted to the Assistant County Executive Officer / EDA or Designee and Hazardous Material Division prior to construction. 4. If hazardous wastes or materials are to be stored underground, applicant must comply with County Ordinance No. 617 by completing the reporting form and obtaining the proper permits. 5. Underground tanks shall be of proper design and construction with approved monitoring systems. Records shall be maintained concerning operations, inspections, and monitoring pursuant to County Ordinance No. 617. 6. The applicant must take steps to minimize the quantity, toxicity, or other hazards of the waste generated. Such steps shall be submitted in writing to Assistant County Executive Officer / EDA or Designee. 7. The facility shall be in compliance with all statutes, regulations, and ordinances pertaining to the management of hazardous waste. 8. Operator must submit a Letter of Credit or Performance Bond covering any clean-up or fines imposed caused by the actions or the operator. 		

Table H - OTHER AERONAUTICAL ACTIVITIES

All aeronautical activities that were not included in previous sections are required to comply with these minimum standards. Activities include, but are not limited to, Air Tours, Air Charter, Banner Towing, Gliders, Ultra Lights, Parachuting, Airship Operations, and Ballooning.

<u>REQUIREMENT</u>	<u>MINIMUM STANDARD</u>	<u>PURPOSE / OTHER</u>
LOT SIZE: ½ acre or 21,780 SF		
Building space	400 SF	For offices, lobby area, and restrooms. Additional space may be required depending on the operation
Aircraft storage	To be determined during lease negotiations	Hangar or outside storage to accommodate the operational activities desired.
Automobile parking	Minimum of five (5) parking spaces or 810 SF, with landscaping as required by Ord. 348	For number of employees per shift and average number customers.
Landscaping	Specific plans to be determined during lease negotiations.	Required around vehicle parking, sidewalks, and buildings.
<u>CERTIFICATION:</u>		
As applicable for each activity	FAA, State, and local certification and licensing as applicable	For safe and efficient operation of airport and aeronautical activities
<u>PERSONNEL:</u>		
Staff	Sufficient number during normal hours of operation	
Certification & training	Properly trained and, if applicable, certified or licensed to perform the activities or a normal course of operation.	To comply with all applicable regulations
<u>HOURS OF OPERATION:</u>		
Services	To be determined during lease negotiations.	Minimum requirements would be: normal telephone contact five (5) days a week (M-F) eight (8) hours a day.
<u>EQUIPMENT:</u>		
	To be determined during lease negotiations depending on the type of activity proposed.	
<u>INSURANCE:</u>		
Refer to Appendix A		

APPENDIX B
RIVERSIDE COUNTY ECONOMIC DEVELOPMENT AGENCY
AVIATION DIVISION
FUELING STANDARDS

- I Introduction.** The County of Riverside owns six general aviation airports, which are operated by the Riverside County Economic Development Agency's Aviation Division. An important function that occurs at these airports is the fueling of aircraft and the storage of aviation fuel. Due to the potentially hazardous nature of these activities, the potential for soil contamination as a result of these activities, and the need for uniformity in the provision of fuel, the Aviation Division has developed minimum standards for fueling, which are hereby incorporated in the County's Minimum Standards for Fixed Base Operators.
- II Definitions.**
- A. Commercial fueling: The fueling of aircraft by anyone other than the owner of the aircraft.
 - B. Self-fueling: The fueling of aircraft by the aircraft owner/operator.
 - C. Fuel Farm: Bulk fuel storage area.
 - D. Full Service Fixed Base Operator (FBO): Allowed under the FBO Minimum Standards to sell fuel and lubricants retail.
 - E. Through-the-Fence Operators: Aviation activities conducted from properties adjacent to County Airports. Through-the-Fence operations are only permitted in limited circumstances and require a special County permit as well as review by the Federal Aviation Administration.
- III Types of Fueling Permitted.** The operation and maintenance of a fuel farm and the provision of fuel to aircraft shall be permitted as follows:
- A. Commercial fueling. Commercial fueling may only be conducted by Full Service FBOs in accordance with these fueling standards and the County's Minimum Standards for Fixed Base Operators.
 - B. Self service. The owner of any aircraft may fuel their own aircraft subject to the standards contained herein, provided that there is no attempt to perform such services for others, without regard to whether a charge is assessed for said services.

IV Fueling Standards.

- A. Storage of fuel. Fuel may only be stored in an approved and permitted fuel storage tank, subject to the following standards:
1. Minimum lot size: Fuel Farm, 1 acre; Aviation Division and County Fire Department approval required for private tank installations on leased parcels.
 2. Setbacks: Will be determined in accordance with Riverside County Ordinances 787 and 546.15.
 3. Tank Size: Min. 10,000 gallon for fuel farms for each type of fuel and 2,500 gallons for private storage tanks. Note: Below ground tanks also require approval from the County's Department of Environmental Health.
 4. Insurance: Full Service FBOs must identify the insurance coverage for the fuel tanks, trucks, and dispensers in the insurance policies required in the County's lease agreement.

Private individuals with fuel tanks on their lease parcels for private use must have the fuel tank identified in their insurance policy and provide proof of coverage.

- B. Fueling of aircraft. All aircraft fueling shall be performed by qualified personnel subject to the following standards:
1. Fuel Dispenser. Fuel may be dispensed from a licensed and permitted fuel truck or directly from a licensed and permitted fuel tank.
 2. Self fueling of private aircraft will be allowed with a permit from the Aviation Division and inspection by the County Fire Department. At a minimum, self fuelers will be required to have one 20 "BC" rated fire extinguisher and a grounding mechanism (from the fuel tank to the aircraft) on-site.
- C. Fuel deliveries may only be made to permitted sites and by permitted companies.

V Prohibited Activities.

1. No fueling will be allowed using gas cans.

2. An individual may only fuel their own personal aircraft.
3. All fueling activities must be permitted by the Aviation Division or have a Full Service FBO lease with the County of Riverside.
4. Only Full Service FBOs will be allowed to resell fuels and lubricants.
5. No aircraft may be fueled inside a hangar or enclosed space (Ord. No. 576).

VI Fuel Supplier License. All fuel companies that deliver fuel to Riverside County Airports shall adhere to the following:

1. Agree to copy the Aviation Division on all oil and fuel deliveries made to the airport.
2. Operate delivery vehicles according to airport rules and regulations.
3. Agree to report all overfills and spills of fuel to the Aviation Division, the County Fire Department, and the County's Department of Environmental Health immediately.
4. Obtain a no-fee Fuel Supplier License from the Aviation Division.

EXHIBIT D1
OFFER TO NEGOTIATE EXCLUSIVELY

County of Riverside
Economic Development Agency/ Aviation
3403 10th St., Suite 400
Riverside, CA 92501

ATTENTION: ASSISTANT DIRECTOR /EDA AVIATION DIVISION

Subject: Offer to Negotiate Exclusively

The undersigned (hereafter referred to as the "Lessee") hereby submits to the County of Riverside (hereafter referred to as the "County") an Offer to Negotiate Exclusively (hereafter referred to as the "Offer") an agreement for the leasing of property at the County-owned Jacqueline Cochran Regional Airport; when addressed jointly, the Lessee and the County are hereafter referred to as the "Parties". This Offer shall remain in full force and effect for a period as approved by the County and which allows time to negotiate the Agreement necessary to pursue the Project.

The Lessee makes this Offer upon the following terms and conditions:

1. The agreement shall include terms and conditions which are deemed as the County's standard provisions including but not limited to the following: maintenance; insurance; liquidated damages; and rental/lease adjustments.
2. The Lessee has attached hereto a fully completed Proposal and related provisions.
3. Time is of the essence and the Lessee shall, upon acceptance of this Offer, proceed diligently and in good faith with respect to its obligations pursuant to this Offer.
4. Upon acceptance of this Offer, the Lessee shall forthwith designate an experienced full time employee who shall work diligently with representatives of the County to formulate agreements and prepare all documents related thereto.
5. The Lessee understands that it will be required to fully disclose to the County the methods of financing to be used to maintain the leasehold contemplated herein.
6. The County reserves the right at any time to request additional information and data from the Lessee, and the County further reserves the right to obtain additional information, data, and commitments to ascertain the extent of the Lessee's capabilities with regard to designing, financing, constructing, and maintaining the proposed development.

7. The County shall not be liable for any real estate commissions or brokerage fees, which arise from this Offer.
8. The Lessee acknowledges that it is aware of the County's conflict of interest requirements, and agrees to comply with said requirements.
9. The Lessee acknowledges that it is responsible for all required approvals and permits from the County of Riverside.

Please indicate the acceptance of this Offer by executing in the space provided below; once executed, please return a copy to the Lessee.

LESSEE:

By: _____

Date: _____

Name and Title

By: _____

Name and Title

COUNTY:

By: _____

Date: _____

**EXHIBIT D2
GENERAL AUTHORIZATION**

Date: _____

Agency: Riverside County Economic Development Agency

Respondent(s): _____

Address: _____

Respondent's Social Security Number: _____

Telephone Number: (____) _____

Facsimile Number:(____) _____

The purpose of this form is to allow the Riverside County Economic Development Agency to request a release of certain Respondent-supplied financial information involved in processing the proposal. Having your permission to request these verifications and release this information, if necessary, will expedite the processing and evaluation of your proposal

TO WHOM IT MAY CONCERN:

_____ (Respondent's name) has submitted a proposal to the Riverside County Economic Development Agency for the purpose of leasing County-owned property at Jacqueline Cochran Regional Airport. As part of the screening process, the Economic Development Agency may need to consult with financial institutions regarding our banking/credit history and relationships. I authorize the financial institutions listed on the attached sheet to provide the Economic Development Agency with the information required, with the understanding that all information provided will be kept confidential to the extent permitted by law.

A copy of this release is also an acceptable authorization.

Signature Date

Printed Name

Financial References List
(Please Provide Three References)

1.

(Institution Name) (Contact Person)

(Street Address)

(City, State, Zip)

(Phone/Fax Numbers)

2.

(Institution Name) (Contact Person)

(Street Address)

(City, State, Zip)

(Phone/Fax Numbers)

3.

(Institution Name) (Contact Person)

(Street Address)

(City, State, Zip)

(Phone/Fax Numbers)

**EXHIBIT D3
RESPONDENT CERTIFICATION**

By signature below, I, _____ (print name here), as the official designated by the Respondent, _____ (print Respondent name here), hereby certify that:

- (1) The Respondent possesses the legal authority to submit a proposal and to execute any and all documents, agreements, etc., related to this application and the management of the facility;
- (2) The information, statements, and attachments contained in this application are, to the best of my knowledge and belief, true and correct; and
- (3) Should there be any change in the information submitted in the application; the County of Riverside shall be notified promptly.

By completing and submitting the proposal submittal, and by entering and submitting the proposal, the undersigned proposer is thereby agreeing to abide by all terms and conditions pertaining to this RFP as issued by the County, including all forms and attachments.

I authorize the Riverside County Economic Development Agency to contact any or all of the entities and individuals listed in this application, and to perform a credit check on the Respondent and Principals thereof.

Signature

Date

Printed Name and Title

Exhibit D-4

NON-COLLUSION AFFIDAVIT

The undersigned, being first duly sworn, deposes and says that he or she holds the position listed below with the bidder, the party making the foregoing bid, that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and not collusive or sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the bid are true; and, further that the bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid.

Signature

Typed or Printed Name

Title

Bidder

EXHIBIT A

1 Board of Supervisors

County of Riverside

2 RESOLUTION NO. 2008-362

3 ESTABLISHING FUEL FLOWAGE FEES AND REQUIREMENTS
4 FOR FUEL SELLERS AT COUNTY OWNED AIRPORTS

5 WHEREAS, the County has previously set fuel flowage fees for fuel sellers and self-
6 fuelers (who are also lessees or sub-lessees on the airport who meet certain minimum requirements), at
7 County owned airports as a percentage of the net delivered price, the current fee having been established
8 at five percent (5%) of the total net price paid by Lessee for all aviation and automotive fuel and
9 lubricants received on the Leased Premises by Lessee. The "total net price" shall mean the net price per
10 unit of such fuel and lubricants, excluding taxes imposed thereon by any governmental agency. Said
11 fuel flowage fees are due and payable within thirty (30) days of delivery. In some cases, these fuel
12 flowage fees are subject to a late fee of ten percent of the delinquent amount.

13 WHEREAS, as a result of the current surge in fuel prices and the resultant negative
14 economic impact on airport operations, as well as discussions with County Airport Lessees and fuel
15 sellers, and a review of fuel flowage fees charged by other southern California airport operators, the
16 County desires to change the method of calculating fuel flowage fees from a percentage basis to a fixed
17 price per gallon basis, effective July 1, 2008.

18 WHEREAS, the new fuel flowage fee will continue to provide the County with
19 reasonable revenue to support the maintenance and operation of the County airports, while providing
20 relief to the airport Lessee/fuel seller.

21 WHEREAS, the adoption of the new fuel flowage fee calculation will require that the
22 current leases and/or sub-leases for fuel sellers be amended to reflect the new fee at a subsequent date.

23 NOW, THEREFORE, BE IT RESOLVED that the fuel flowage fee at County owned
24 airports shall be calculated as follows:

- 25 1. The fuel flowage fee will be assessed at the rate of \$0.12 per gallon of fuel sold
26 effective July 1, 2008. Payments shall be due within thirty (30) days of the County's
27 invoice. A timely payment discount of \$0.02 per gallon shall be applied to payments
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received within twenty (20) days of the date of the invoice. A late fee of ten percent (10%) shall be assessed to all payments received after the due date (30 days of invoice).

2. Lessee/fuel seller's fuel systems must comply with the County Airport requirements and specifications. The systems must have a meter according to the County's specifications, which allow the County to monitor and record fuel sales on a monthly basis. Lessee/fuel seller shall, at its own expense, be responsible for obtaining and installing the meter. The meter or metering device must be certified on an annual basis by the Riverside County Agricultural Department, Weights and Measures Division, or other service designated by the County. Such annual certification shall be at the expense of lessee.

3. The County shall take readings from the meters of all fuel systems during the first week of each month. The County shall issue an invoice to Lessee based upon the number of gallons of fuel sold during the previous monthly period. The County reserves the right to audit records of Lessee's fuel sales and receipts. Lessee shall make all such records available for inspection upon three (5) days notice from County to Lessee.

4. Lessees shall have the option to continue to pay fuel flowage fees at the former rate of 5% per gallon for the duration of the current lease or sublease.

5. Fuel sellers, prior to being subject to the new fuel flowage fee calculation, shall be required to enter into amendments of their current leases and/or subleases to reflect the provisions of this resolution.

6. Lessees must at all times comply with applicable local, state and federal laws and regulations, including applicable airport regulations established pursuant to Riverside County Ordinance No. 576.2.

7. The County reserves the right to review this Resolution from time to time, and by Resolution, make any and all such revisions as it deems necessary and appropriate.

FORM APPROVED COUNTY COUNSEL
BY: *Neal R. Kipnis* 7/19/08
NEAL R. KIPNIS DATE

AMENDMENT TO THE RESPONSE TO
RFP No. 2018-001

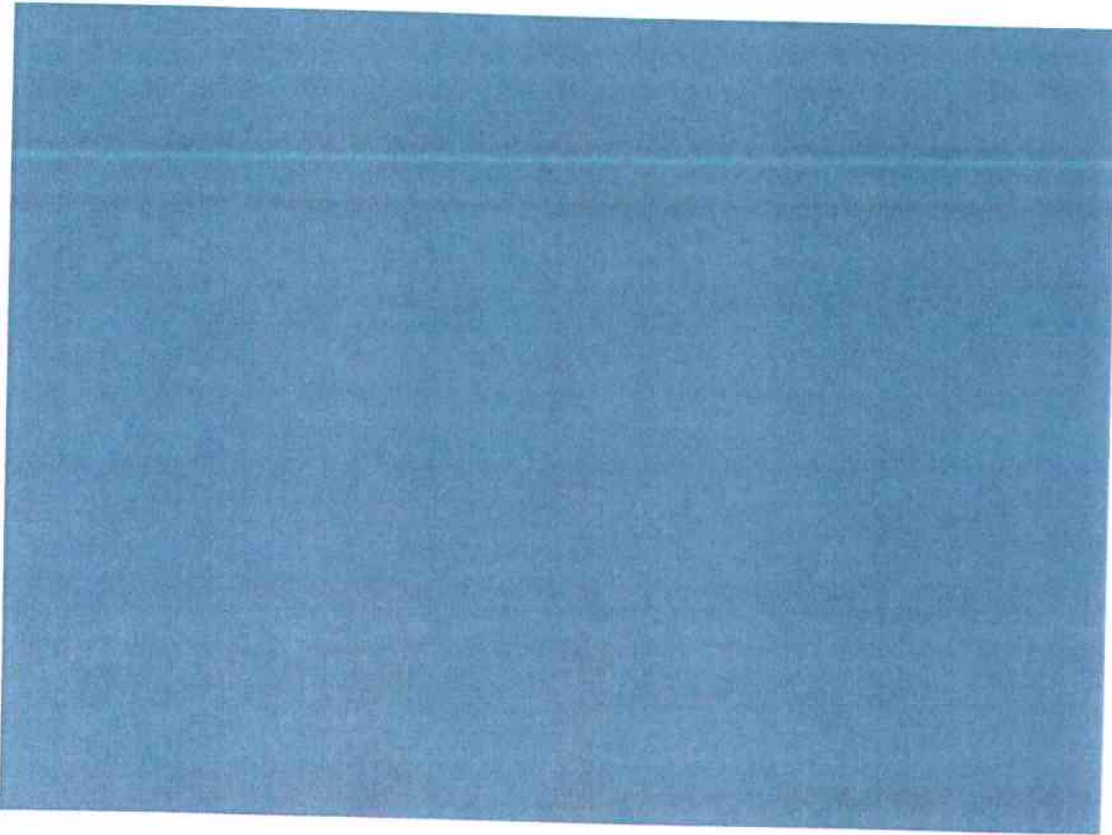
**Development,
Lease, and Operate
Airline
Passenger/Cargo
Services at
Jacqueline Cochran
Regional Airport
Thermal, California**



COACHELLA
AIRPORT, LLC

TABLE OF CONTENTS

02	Cover Letter
04	Executive Summary <ul style="list-style-type: none">a. Overview of Amended Proposalb. Benefits for the County and Airport Users
08	Business Plan <ul style="list-style-type: none">a. Operator's Business Planb. Services Proposedc. Marketing Pland. Development & Phasing Plane. Project Schedulef. Finance & Implementation Plan
42	Annex A - Key Provisions of the Lease



Contact Information

CCR USA Airport Management, Inc.
1725 Hughes Landing Boulevard
Suite 840
The Woodlands, Texas 77380
Telephone: 346.351.2200

Attention:

Gildo Araujo Rodrigues, President
gildo.araujorodrigues@ccr-usa.com

Jeff Scheferman, Executive Vice President
jeff.scheferman@ccr-usa.com

Gregory Huang, Vice President
gregory.huang@ccr-usa.com

Paulo Varnieri, General Counsel
paulo.varnieri@ccr-usa.com

1. Cover Letter

Ms. Liliana Valle
County Airport Manager
Economic Development Agency
Aviation Division
3403 10th Street, Suite #400
Riverside, California 92501

Re: RFP No 2018-001: Operator/Developer to Develop, Lease, Market and Operate Airline Passenger/Cargo Facilities and Services on the East Side of Jaqueline Cochran Regional Airport in Thermal, California

Dear Ms. Valle,

On June 25, 2019, CCR USA Airport Management, Inc. ("CCR USA") and Coachella Airports, LLC ("CA," together with CCR USA, "CCR/CA") submitted a proposal (the "Proposal") for the operation, management, development, and financing of the Jacqueline Cochran Regional Airport ("TRM" or the "Airport") to the Aviation Division of the Economic Development Agency (the "EDA") of Riverside County (the "County") as a response to the Request for Proposals No. 2018-001 (as amended, the "RFP").

Following submission of the Proposal, the CCR/CA development team was invited by the County to meet with representatives of the EDA on November 07, 2019 to answer questions relating to the Proposal. Per the request of such representatives, CCR/CA submit this amendment to the Proposal.

Although this amendment modifies certain sections of the Proposal (in particular with respect to the structure of implementation of CCR/CA's proposed business plan), this amendment does not change the goal of the Proposal, which is to present to the County an innovative approach to the development of a regularly scheduled commercial services airport in the United States that will bring best-in-class service quality and superior operational security.

We are prepared to respond to any queries you or your staff may have and are available for face-to-face discussions at your convenience.

We sincerely hope to hear from you soon.

Best Regards,



CCR USA Airport Management
Name: Gildo Araujo Rodrigues
Title: President



Coachella Airport, LLC
Name: Todd Corbett
Title: Director

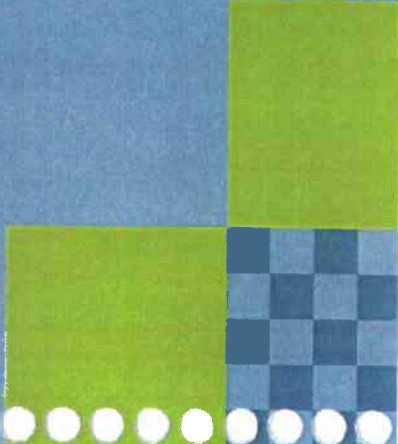
Contact Information

Coachella Airport, LLC
47-211 Vintage Drive East, #112
Indian Wells, California 92210
Telephone: 760.862.2393

Attention:

Todd Corbett, Director
todd@cieloinvestments.com

William (Bill) Parker Abraham, Director
billabraham@osapacificpartners.com



2. Executive Summary

2. Executive Summary

According to the RFP, the EDA is seeking proposals from qualified and experienced operators of passenger and airport facilities to design, build, finance, manage, and operate new, regularly scheduled airline passenger and cargo facilities at TRM, more specifically in the east side of the Airport identified in the RFP. In the Proposal, CCR/CA presented a development plan that would be implemented in multiple phases to ensure that private and public funds are invested prudently and that a constantly high level of service is provided to the travelling public. Furthermore, under the Proposal, such development plan would be rolled out in accordance with the terms of an invested management agreement that would define roles and responsibilities for investment and operating service offerings by the CCR/CA team.

This amendment to the Proposal provides an alternative structure for the implementation of the business plan proposed by CCR/CA in the Proposal. Such alternative structure consists of the development of a temporary facility (as further described in the Proposal and in this amendment, the Phase 1A) designed to accelerate the beginning of commercial services at the Airport pursuant to a ground lease agreement to be entered into by the County and a special purpose vehicle created by CCR/CA, as lessee (the "Ground Lease"). During the term of Phase 1A, the EDA will update the Master Plan of the Airport and a Capital Improvement Program ("CIP"), which will include the development of a larger passenger terminal facility and airside improvements required on the east side to accommodate Boeing 737-800 or similar aircrafts (the "Phase 1B Terminal"). Under the Ground Lease, the EDA would grant the Lessee (as defined below) the rights to design, build, finance, operate and manage such Phase 1B Terminal. CCR/CA believe that the site for the Phase 1B Terminal (in the east side of the Airport) as described in the RFP would be designed and built in a second phase (Phase 1B) of the development of TRM to permit an efficient expansion as traffic demand grows.

The Proposal also included the potential development of non-aviation real property owned by the Airport. Although such potential development will not be provided pursuant to the previously proposed structure (i.e., invested management agreement), CCR/CA continue to believe that the commercial development of such portion of the land will result in increased passenger activity and revenues at TRM. As further discussed in this amendment, there are a number of opportunities that CCR/CA would like to explore and propose to the County for its consideration.

CCR/CA firmly believe that the County will benefit from a partnership with CCR/CA – both financially and operationally – under the proposed ground lease structure to reach the County's goals to increase service and airline businesses at TRM and promote positive economic development throughout the region and communities it serves.

CCR/CA are enthusiastic about this partnership to operate, manage, develop, and finance TRM's opportunities and challenges by negotiating and entering into a ground lease agreement with the EDA.



2. Executive Summary

a. Proposal Overview

CCR/CA propose to enter into the Ground Lease with the County that defines roles and responsibilities for the design, build, finance, operate and manage a temporary passenger facility ("Phase 1A Terminal") at an Airport site identified in this amendment (the "Premises"). Pursuant to the Ground Lease, and subject to confirmatory due diligence by CCR/CA and negotiation of the Ground Lease, the County will lease the Premises to the Lessee, and the Lessee will be obligated, among other things, to: (i) undertake and finance the construction of such Phase 1A Terminal, and certain improvements, all as more further described herein, and (ii) operate and maintain the Phase 1A Terminal.

Under the Ground Lease, the Lessee will be obligated to operate, manage, and maintain the Phase 1A Terminal in accordance with best management practice, the terms of the Ground Lease, applicable laws and regulation, and governmental approvals. CCR/CA understand that our proposal will require coordination with and possible approvals by the Federal Aviation Administration ("FAA"), and CCR/CA are ready and capable to assist in those efforts.

Subject to satisfactory due diligence and documentation, the key components of our proposal include:

- **Capital Investment** – CCR/CA are prepared to invest significant upfront capital to finance the construction and operation of the Phase 1A Terminal;
- **Service Offerings** – CCR/CA will assist the EDA to implement air service development, enhance efficiency of landside operations, increase non-aeronautical revenues, as well as supporting development of certain airport owned property and implement best-in-class training;
- **Government Interface** – CCR/CA envision a true partnership with the EDA to meet mutually agreed-upon goals for the Phase 1A Terminal and the Airport, which includes assisting the EDA with the interfacing with federal regulators, including the FAA, the Transportation Security Administration ("TSA"), and U.S. Customs and Border Protection ("CBP");
- **Funding Sources** – CCR/CA will commit capital in an efficient manner from our own equity investment, debt markets, and available grants from the state and federal governments to fund capital investments and implementation of Phase 1A and, if applicable, Phase 1B and Phase 2 (as further described herein), and
- **Proposed Economic Structure** – CCR/CA propose an aligned structure in which both the EDA and CCR/CA benefit from the performance of the passenger and cargo terminals that CCR/CA operate.

CCR/CA's amended proposal also includes, subject to airline traffic and demand, the grant by the EDA to the Lessee of an option to design, build, finance, operate, and maintain the Phase 1B Terminal and a cargo facility. Subject to certain terms and conditions to be set forth in the Ground Lease, the Lessee would have the right to determine the timing, location, and initial size of such new facilities. Under such proposed structure, the EDA would enter into a separate agreement (which may be in the form of a lease or development agreement(s)) with the Lessee (or an affiliate thereof), which would provide the

TRM's Stakeholders

- Airline Partners
- Commercial Partners
- Service Partners
- Surrounding Communities
- Government Agencies

Through the proposed partnership with CCR/CA, the EDA will have access to the best industry practices (including management, financing, operations, and information technology) for the development of the Airport.

b. Benefits for County & Airport Users

The proposed partnership between the EDA and CCR/CA will deliver numerous benefits to the EDA, the County, the traveling public, and TRM's stakeholders, including:



Operational Experience

CCR/CA bring decades long of industry experience to assist with FAA approval and a full spectrum of operational efforts;



Enhanced Credibility

CCR/CA relationships with relevant public agencies, airlines, and other stakeholders will bolster the credibility and reach of the EDA team within the airport space;



Financial flexibility

CCR/CA's plan to finance the construction of the Phase 1A Terminal, the Phase 1B Terminal, Phase 2, and a cargo facility will allow the EDA to utilize the County's available capital for non-airport projects;



Air Service Growth

CCR/CA's airline relationships and experience with developing domestic and international air service will accelerate regularly scheduled traffic growth once TRM becomes a commercial service airport;



Catalyst for Economic Development

A robust TRM with CCR/CA's support will be a significant engine for economic development for the Airport, the County, and the surrounding region.

3. Business Plan

3. Business Plan

a. Operator's Business Plan

CCR/CA has evaluated the overall Coachella Valley aviation demand market and developed a detailed analysis of the potential commercial air traffic at TRM. This independent forecast was completed by world-renowned aviation specialists ICF SH&E, Inc ("ICF").

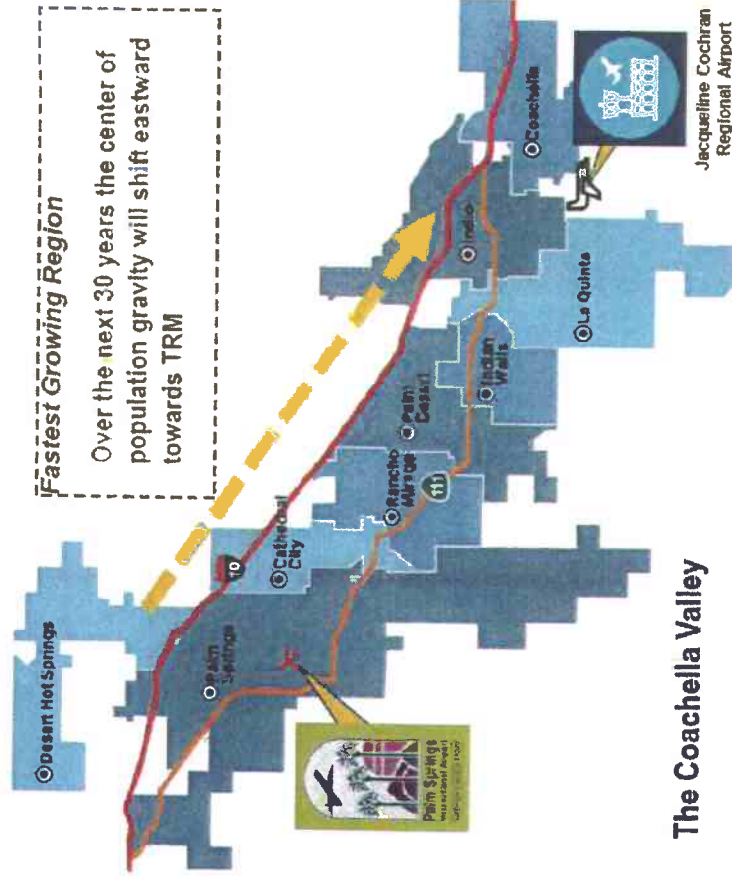
Below is the overview and summary findings of the analysis:

Traffic Forecast for TRM is based on:

- Coachella Valley's population and air travel demand forecast based on propensity to fly benchmarks covering similar inbound leisure markets;
- Palm Springs International Airport ("PSP")'s top-down econometric forecast assuming constraints will slow down growth in the later years; and
- Analysis of the demand leaking to other airports (e.g. Los Angeles/Ontario) and assumption-based forecast of the traffic potentially attracted by TRM.
- Population forecast for the Coachella Valley has been built up projecting a shift of growth towards TRM, and considering second homeowners;
- Demand attracted by TRM has been estimated into four different market segments;
- Forecast estimates Coachella Valley air travel demand to reach 8.5 million passengers in 2050, at a CAGR of 2.5% from 2018; and
- TRM is forecasted to attract almost 2.2 million passengers by 2050.

The Coachella Valley

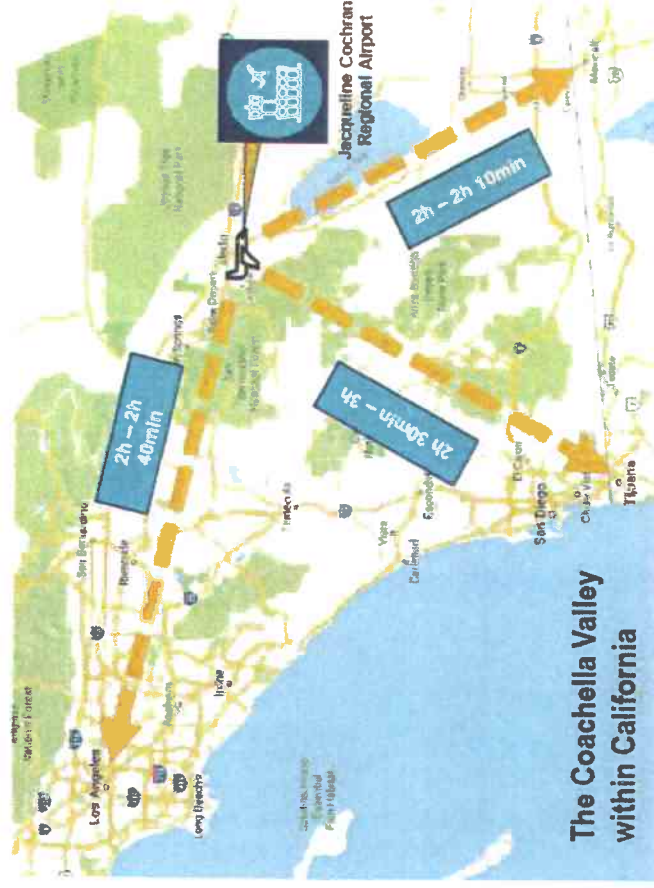
The northwest portion of the Coachella Valley is the most highly developed. Both highly accelerated growth and the largest planned developments are expected in Indio, Coachella, along with the unincorporated regions to the southeast. Over time, this will result in more of the local population being located closer to TRM than to PSP. Included in expected population growth are second homeowners, an important piece of the Coachella Valley. TRM will capture a larger percentage of the traffic growth than PSP as the growth develops eastward towards TRM.



The Coachella Valley

The Coachella Valley also has a high demand for Visiting Friends and Relatives ("VFR") travel to Mexico that is currently leaking to more distant airports (the Hispanic population accounts for 50 percent of the total Riverside County population[1]). The ratio is even higher in the Coachella Valley where most Hispanic residents are originally from Mexico. This generates a high VFR demand to Mexico from the Valley. Currently, no airport close to Coachella operates routes to Mexico City; travelers to this destination must drive two hours to alternative airports in Tijuana, Mexicali and Los Angeles. The passenger traffic analysis considered the propensity of Mexicans living in California to fly to their country, and, with air service to main destinations such as Mexico City and Guadalajara, CCR/CA believe TRM can capture a high proportion of this demand.

Drive times to airports operating routes to MEX are above 2h without traffic



*During peak times, travel from LA can reach over 5 hours due to traffic or construction, making an alternate form of transportation even more attractive.

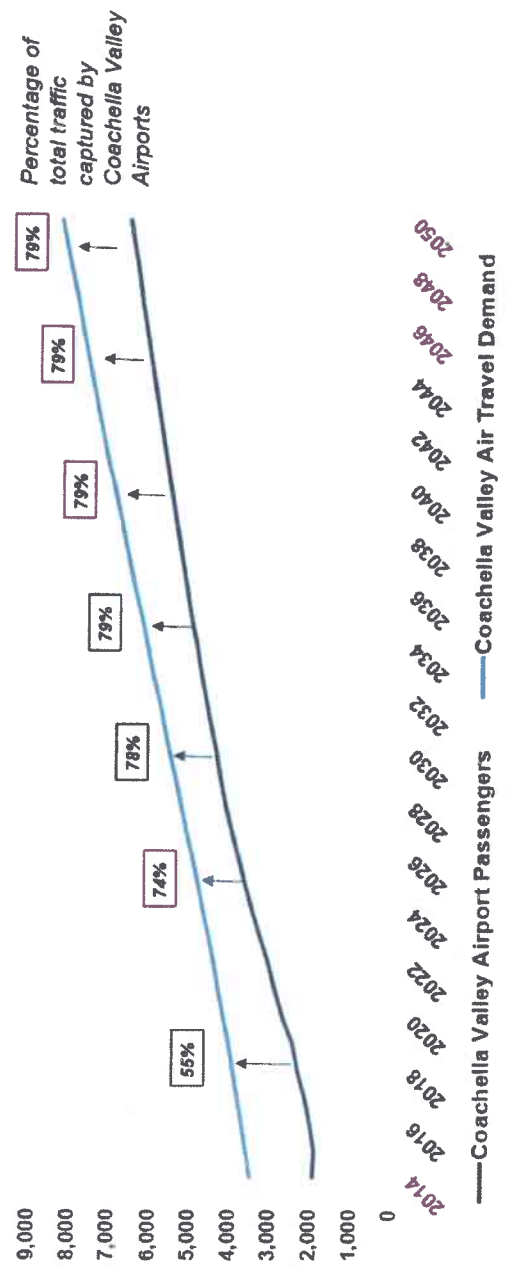
[1] Source: Woods & Poole, US Census Bureau

Based on interviews with key Coachella Casinos' stakeholders, CCR/CA believe the potential exists for shuttle air service between Los Angeles/Burbank and TRM to meet Coachella's casino demand. Estimations indicate that approximately 450,000 people travel annually by bus within the LA metropolitan area and Coachella Valley's casinos. Based on this market segment, CCR/CA has assumed starting a daily shuttle service flights initially using turboprops for the route and eventually switching to regional jets. The initial years of the commercial passenger activity will rely heavily on the Mexico VFR and Casino traffic.

As part of its service offering, CCR/CA will also actively promote and market TRM to scheduled commercial airlines developing new routes to the region that are currently leading to the airports at Los Angeles, Ontario and San Diego. Another target group for TRM are travelers flying domestically or regionally to Canada. With an adequate air service development strategy, CCR/CA believes it could capture 5 percent of the total air demand market for the Coachella Valley and grow that share to 35 percent within the next 30 years. Furthermore, CCR/CA believe that some traffic from PSP will shift to TRM due to infrastructure constraints and, potentially, higher fares.

CCR/CA believe that introducing air service at TRM will allow Coachella Valley to capture a larger share of the origin and destination traffic to the area.

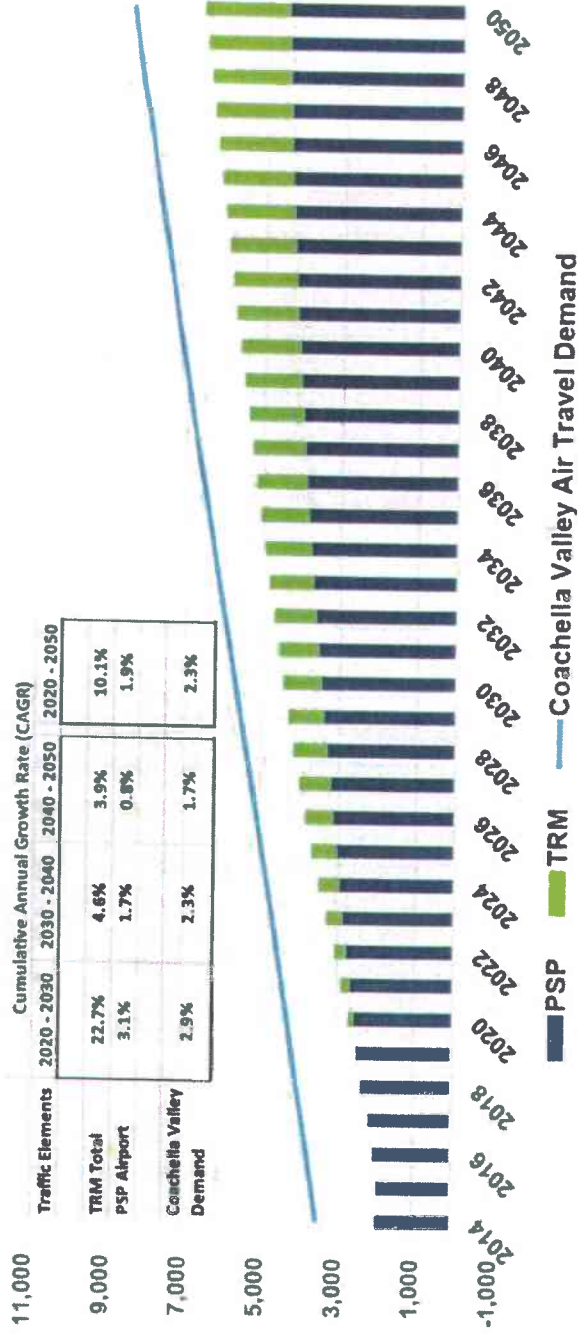
Valley Demand vs Valley Airport Passenger Forecast



Source: ICF

Passenger Forecast Traffic

2020-2050 (in 000's)



Source: ICF

Based on the forecast, TRM will eventually capture approximately 1/3 of the overall traffic served by Coachella airports and will grow to over 2 million passengers over the next 30 years.

Traffic Segments

As described above, ICF analyzed four market segments which represent opportunities to develop commercial passenger traffic at TRM. Below is a chart summarizing those segments:



Casino Traffic

TRM could be used to provide convenient air shuttle service between LA and the Coachella Valley. Casinos currently operate 80 weekly bus frequencies and we assume that some portion of the service could be replaced by air. We assume frequent flights to be offered from Burbank or Long Beach, and would take approximately 30 minutes – instead of 2–3 hours (depending on traffic). Flights assumed to be heavily subsidized by the casino operators.



Mexico VFR Traffic

There is currently no air service from Coachella Valley and Mexico and the substantial Mexican population must either drive to Los Angeles or San Diego, or drive over the border to Mexico to take flights from there. We propose direct Mexican flag carrier service from TRM to Mexico City, Guadalajara, and Cancun to be growing over time.



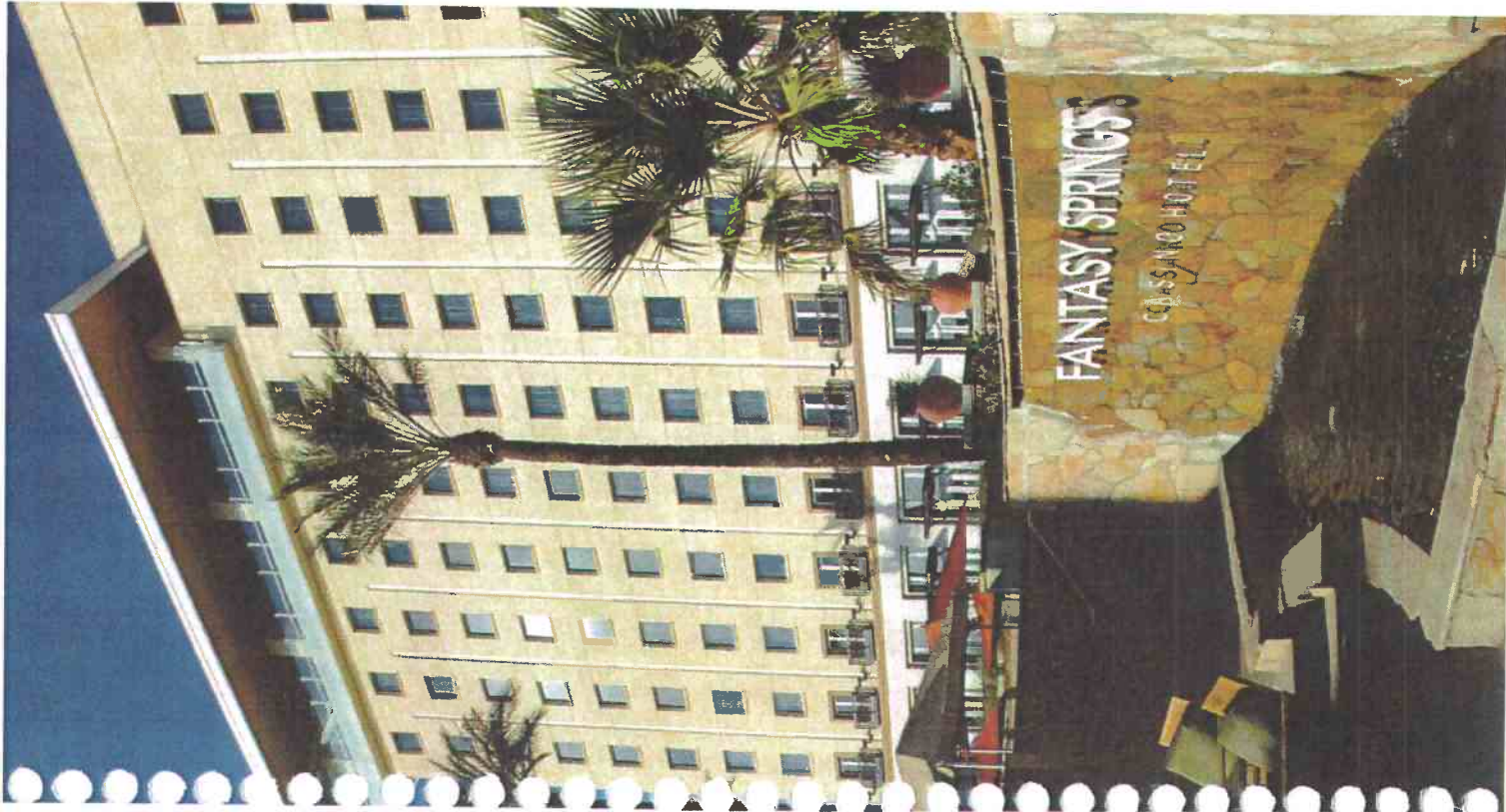
Commercial Traffic

We assume that commercial service will start at TRM to serve the air service needs of the fast-growing southern Coachella Valley, particularly focused on low cost carriers ("LCC") and seasonal event traffic. Over time, as the local region grows, TRM would provide frequent air service connections to major US domestic airline hubs and LCC service to large US and Canadian inbound markets.



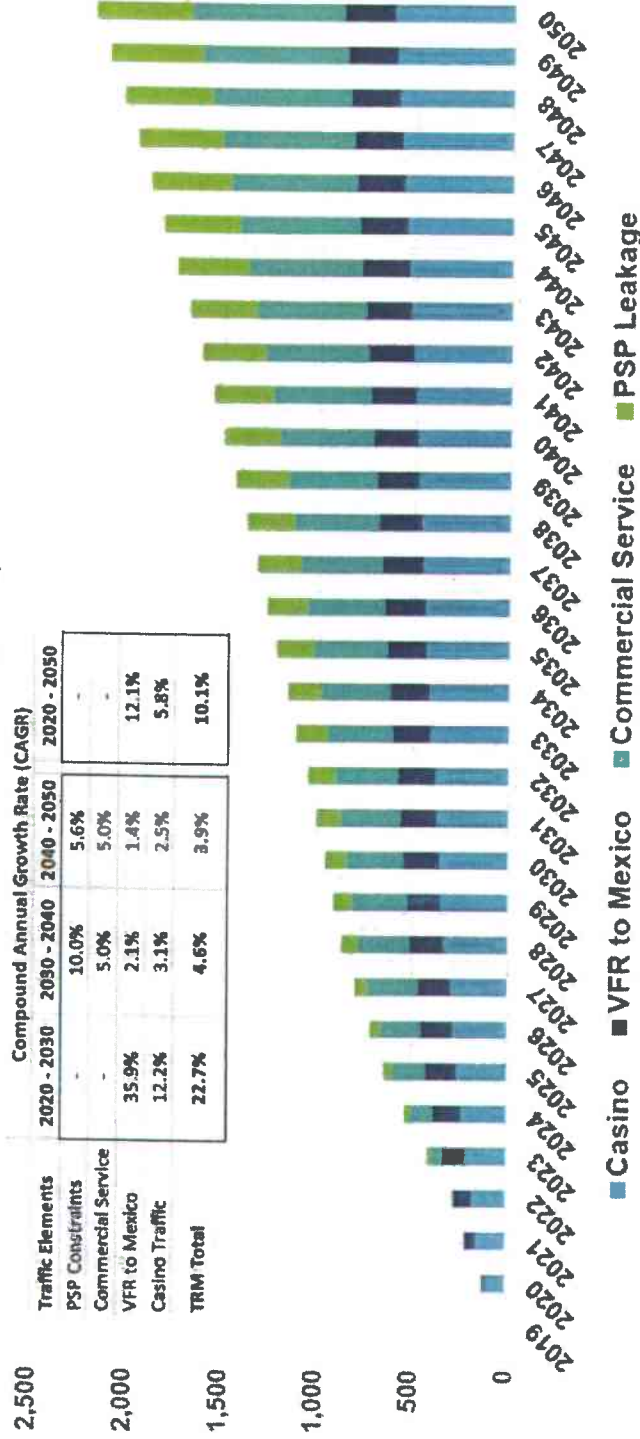
PSP Constraint Traffic

Over time, we believe that PSP will face increasing infrastructure constraints, particularly impacted by limited ground access and neighborhood limitations. As a consequence, we assume that in the later years of our traffic forecast, TRM would capture a larger portion of the growth of total Coachella Valley air traffic demand.



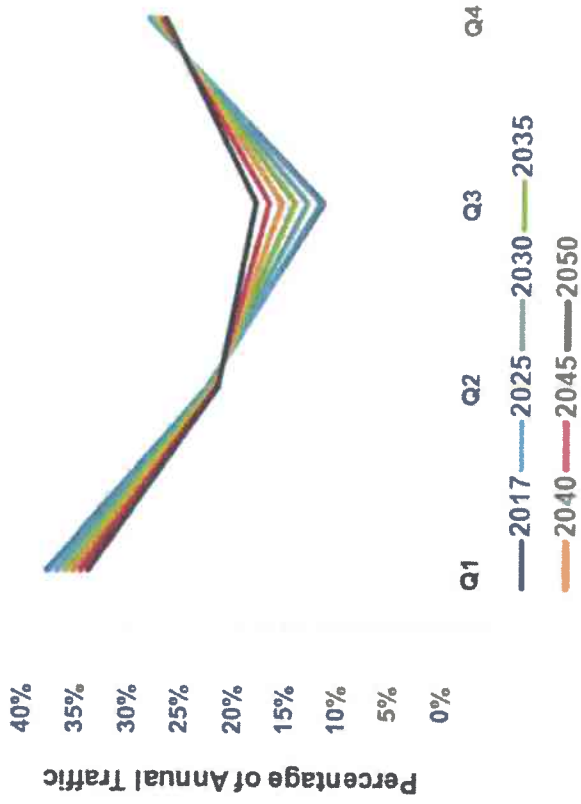
Passenger Forecast, by Market Segment

2020 - 2050 (000s)



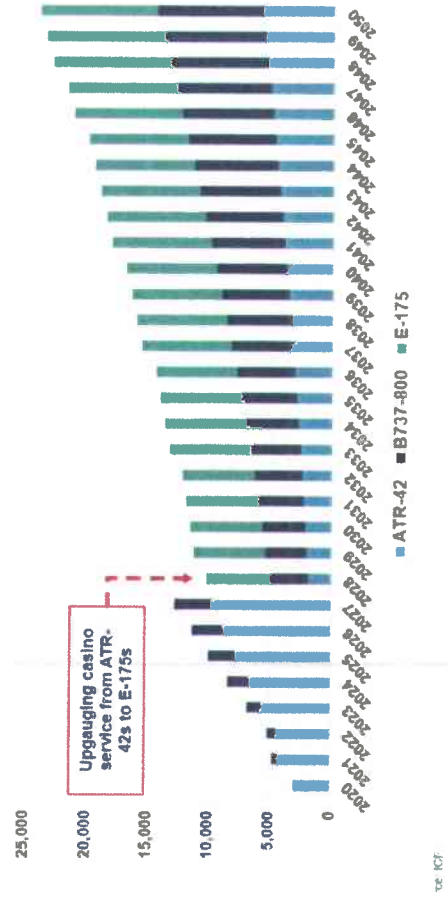
TRM Seasonality Forecast

The TRM passenger traffic will be seasonal; however, over time, CCR/CA believe that this will be moderated as the County and local businesses incentivize summer demand. Furthermore, the Casino traffic and Mexico VFR traffic are less seasonal.



TRM ATM Forecast

The capital improvement plan described in the proposal is based on the forecasted Air Traffic Movements ("ATM") with the airport infrastructure able to handle Boeing 737-800 or similar aircrafts.



TRM RCF

Real Estate Development

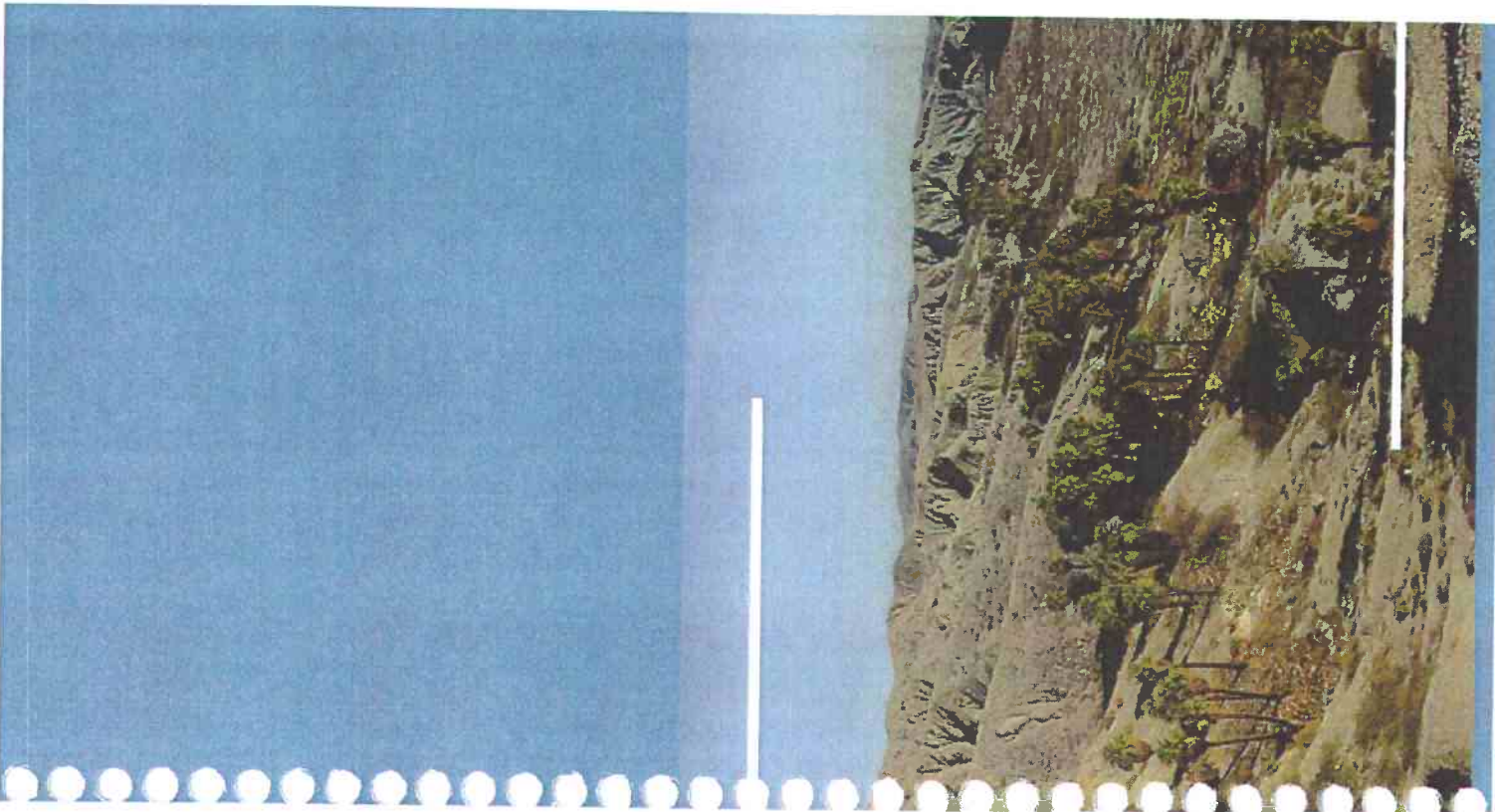
CCR/CA will propose a real estate development plan to maximize TRM's land value potential and create sustainable economic opportunity. Based on the land reserved for non-aviation revenue identified in the updated Master Plan, CCR/CA will develop a real estate development strategy which will identify, prioritize and market the parcels at TRM best suited for development.

Our efforts will start with a comprehensive analysis of the local business infrastructure and the suitability of different market sectors for development and growth. Once a development strategy has been defined, a thorough due diligence effort will be executed including an ALTA survey, governmental approval process analysis, environmental impact assessment, and any other relevant investigation needed to ensure success of the investment. The real estate development activities will build on the existing, successful business sectors of the Valley such as Hospitality, Recreation, and Medical, but will search for and evaluate new growth opportunities compatible and complimentary to commercial airport use.

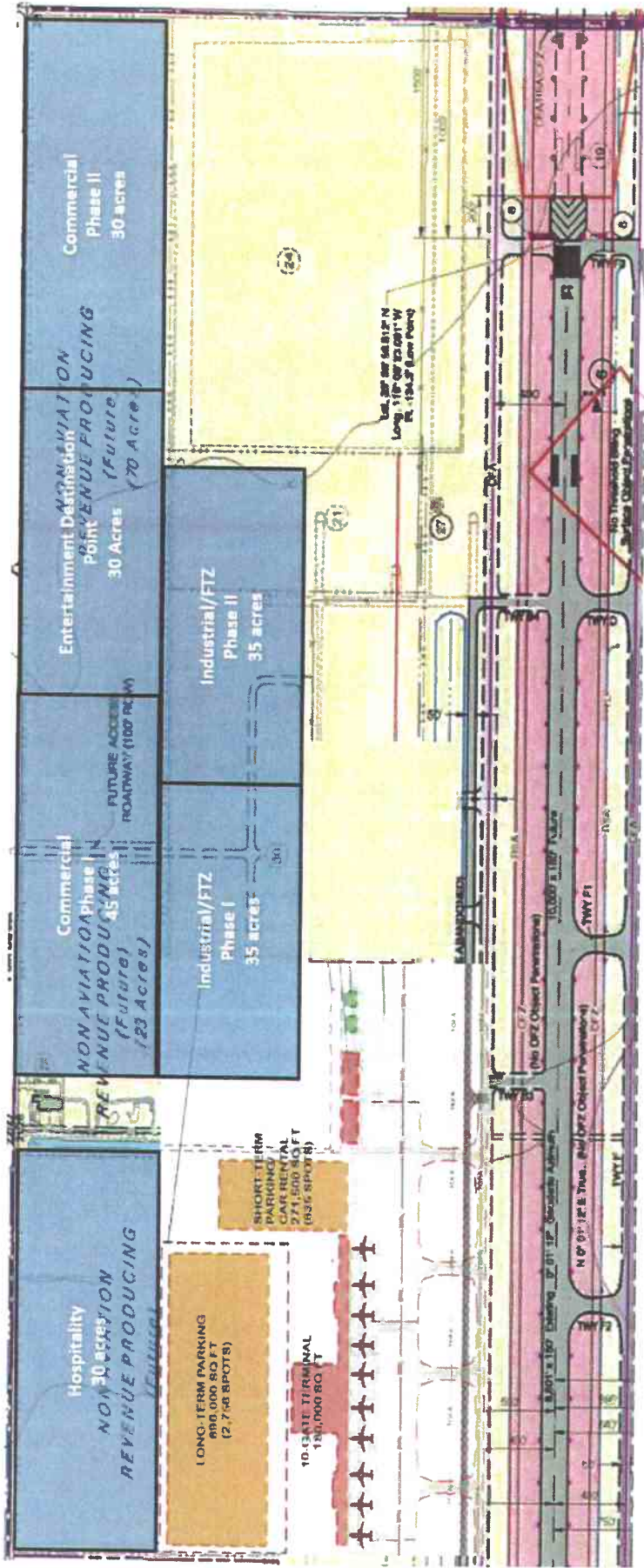
CCR/CA have deep relationships with local, national and international real estate developers who have shown interest in commercial development of TRM's property. But CCR/CA will rely on the EDA to obtain development related incentives such as the approval of Economic Opportunity Zones or Free Trade Zones. CCR/CA will work in hand-in-hand with the County to ensure that all key stakeholders (local tribes, community groups and civic officials) are consulted and that the real estate development activities result in the highest possible sustainable economic impact for the region.

CCR/CA will initiate commercial property development on the east side of the airport property utilizing areas designated as "Non-Aviation Revenue Producing" in the Airport Layout Plan of TRM ("ALP"). Refer to the cut-out of the ALP that shows the CCR/CA's

proposed property development plan on the next page.



Non-Aviation Revenue Producing Development Plan



*areas are estimates

Preliminary Land Development Strategy

Hospitality: An area of 30 acres will be utilized for the development of a high-end hospitality enterprise. It will be adjacent to the airport terminal complex and be ideally suited to serve the patrons and visitors that come to the major Coachella Valley events. Included in this area will be a moderately sized conference center that could be used for events ranging from business conferences to weddings.

Entertainment Destination Point: 30 acres are targeted for the development of an Entertainment Complex. CCR/Coachella propose an anchor tenant such as a casino resort with connected sports complex featuring competition rated venues for tennis, volleyball, soccer, and swimming and a golf venue (such as a TopGolf franchise (<https://topgolf.com/us/>)). If there is enough space, a wave pool park could also be included.

Commercial Phase I/Phase II: Phase I of 45 acres and Phase II of 30 acres will be developed for mixed use commercial enterprises:

- Satellite offices for corporations (located on airport property, the offices will be attractive for companies with headquarters in Los Angeles and the Bay Area)
- Fuel service and EV charging stations/truck stop
- Retail (grocery, apparel, hardware, etc.)
- Food/Beverage
- Duty Free
- Open air market concepts such as Traders Village (<https://tradersvillage.com/>)
- Auto dealers/parts
- Agricultural equipment sales/service



Industrial Free Trade Zone Park Phase I/Phase II: Two areas of 35 acres each will be targeted for industrial enterprises:

- Medical device manufacturing
- Cannabis products, extraction and packaging
- Circular economy technologies: Lithium ion battery recycling, solar panel recycling for extraction of rare earth minerals and other state of the art recycling industries.
- Food processing services for local Ag businesses
- Freight consolidation and transfer facilities
- Sporting goods manufacturing

Development Phases

Phase I: Hospitality Project and Entertainment Destination Point developments will start immediately upon entering into a final, definitive agreement with the EDA. A request for proposal (RFP) process will be used to acquire bids for selection of partners for these two projects. CCR/CA will work with and select a local/regional development groups to initiate work on the first 45 acres for Commercial Phase I. A key focus will be to attract high tech companies from Los Angeles, San Francisco/Bay Area, Portland, and Seattle to open satellite offices. We believe the Coachella Valley area offers a very attractive lifestyle solution for employees of these companies living in congested, high cost of housing regions. CCR/CA will use their extensive business networks to find and locate enterprises that can set up manufacturing and businesses to utilize the first phase of the Industrial Park area. CCR/CA will work with local stakeholders and development groups to successfully entice the enterprises who are synergistic with the development goals of the region.

Phase II: As demand for additional space dictates, CCR/CA will start the development of the Phase II areas for Commercial and Industrial uses. However, if business conditions and demand for other business concepts materialize, then the development of alternatives to commercial and industrial activities will be pursued. CCR/CA will be flexible in adjusting the strategy working in concert with Riverside County EDA.



Construction Operations and Management Plan

Under the Ground Lease, CCR/CA will be responsible for the construction, financing, operation and management work for the Phase 1A Terminal and, if applicable, the Phase 1B Terminal, and the new cargo facility. Concurrent with execution and delivery of the Ground Lease, the Lessee will enter into a design-build contract with a qualified and reputable construction company (the "Design-Build Contract"), pursuant to which substantially all of the design and construction work relating to the Phase 1A Terminal will be undertaken by such construction company. Subject to the terms and conditions set forth in the Design-Build Contract, such agreement will include the obligations and liabilities imposed on the Lessee in the Ground Lease that are related to the construction work, and that such obligations and liabilities will be imposed on the construction company under the Design-Build Contract

In connection with the operation and management of the facility, CCR/CA will utilize experienced managers from within the CCR Group and Coachella Airports, LLC to create a plan to assure a safe, clean, and fully-functional passenger service terminal while providing efficient and reliable customer service to the passengers, airlines, tenants, airport users, and concessionaires.

CCR/CA will hire a full-time General Manager to head an organizational structure, which will leverage CCR/CA's corporate services to recruit, retain, develop, and empower employees to perform the scope of services outlined in the Ground Lease. Reporting directly to the General Manager will be a Financial and Administrative Manager ("F&A Manager") and an Operations and Maintenance Manager ("O&M Manager"). The O&M Manager will be responsible for all maintenance activities, operations, and customer service. The F&A Manager will be responsible for all administrative and fiscal issues.

The following graphic depicts the planned organizational structure:



b. Services Proposed

To provide certain services and support in connection with its responsibilities for the operation and management of the Phase 1A Terminal under the Ground Lease, the Lessee will enter into an operation and management services agreement with an affiliate of the Lessee (the "Manager"). Under such management services agreement, the Manager will assume the Lessee's obligations to operate and manage the Phase 1A Terminal and will be entitled to a management fee to be paid by the Lessee. While the Manager will be obligated to provide the requisite management services under such operation and management services agreement, the obligations under the Ground Lease with respect to the operation and management of the terminal will remain the primary obligations of the Lessee. The broad services to be provided by the Manager under the operation and management services Agreement will include, without limitation, the following:

- Manage, operate, and maintain the Phase 1A Terminal as a commercial passenger terminal, including without limitation, all aeronautical and landside operations and Airport maintenance functions, interaction with air carriers, oversight of parking lots and the revenue control system, customer service and the training of all staff, airfield and related infrastructure maintenance, equipment maintenance, cleaning, landscaping, business administration and marketing and the preparation for and accommodation of commercial airline services;
- Provide EDA personnel unlimited access to the terminal on a twenty-four (24) hour per day basis, including providing all necessary safety equipment and safe access for areas to be inspected, toured and evaluated;
- Develop opportunities to lease or otherwise grant rights of use with respect to the Phase 1A Terminal and negotiate sublease and use agreements;
- Promote and market the Airport, including its commercial aviation, cargo, maintenance, general commercial development and concession services at the Airport;
- Identify sources for the investment of public and private capital at the Airport;
- Recommend to the EDA regulations and operating standards for the safe and efficient use of the terminal, for adoption by the EDA;
- Establish and maintain appropriate accounts and records of the Phase 1A Terminal;



- Evaluate the terminal's performance, and provide recommendation of best practices to enhance performance through training, technologies, and operation manuals;
- Provide operational readiness services; establish engineering and maintenance operations; establishment of operations manuals and facility services; establish commercial policies for tenants and licensees; develop public relations outreach strategies; implement finance policies and systems to govern pricing, billing and budgets; develop human resource services; and implement information technology services; and
- If applicable, coordinate the transition to Phase 1B Terminal as it is completed and opened for public use.

Through the Manager, the Lessee will at all times manage and operate the Phase 1A Terminal in compliance with all applicable federal, state and local laws, rules and regulations and with all applicable agreements; and will in particular, and not in limitation of the foregoing, perform all services in such manner as to comply with Part 139 and all other applicable regulations (including all applicable TSA regulations).



c. The Marketing Plan

CCR/CA, under the Ground Lease, would develop a marketing plan to attract commercial passenger traffic to TRM. The key objectives of the marketing plan will be:

- Establishing a compelling proposition in the minds of airline network planners;
- Identifying target passengers; and
- Driving awareness, trial, and preference for TRM service versus alternate access options

The marketing plan will focus initially on attracting service from target airlines. The objectives would be to target VFR carriers, casino traffic (bus diversion), and possible PSP carrier relocation. The strategy will be to minimize costs by taking a business-to-business approach by setting up one-on-one meetings with target airlines. If the airline demand is greater than predicted, then the approach would be to add consumer marketing components to promote the airport and the destination. CCR/CA intend to work closely with the EDA, the Business Chamber of Commerce, and Visitor Bureaus to coordinate marketing efforts.

After initial service launch, CCR/CA will continue to grow airline activity and passengers, adding additional marketing efforts to shift passengers from PSP/Los Angeles/Ontario/San Diego and expand market size.

Actions	Year 1	Year 2	Year 3	Year 4	Year 5
Adopt airline strategy	✓				
Adopt rates	✓				
Adopt incentives	✓				
Airline outreach	✓	✓	✓	✓	✓
Stakeholder engagement	✓	✓	✓	✓	✓
Consumer Marketing			✓	✓	✓

The marketing plan budget will be developed on an annual basis and will generally be based on a range of ratios per enplanement expected the following year. CCR/CA estimate that in the initial years, the air service development ("ASD") and marketing budget will range between \$50,000 to \$250,000 per annum with an overall investment of approximately \$1 million to \$1.5 million over the first five years to establish regular commercial service. The goal of the ASD will be to build on the initial foundation by attracting a mix of carriers that are already serving PSP along with those new to the Coachella Valley market. Below is a sampling of the targeted airlines:

PSP Incumbents

Carriers who currently serve PSP



Non-PSP Incumbents

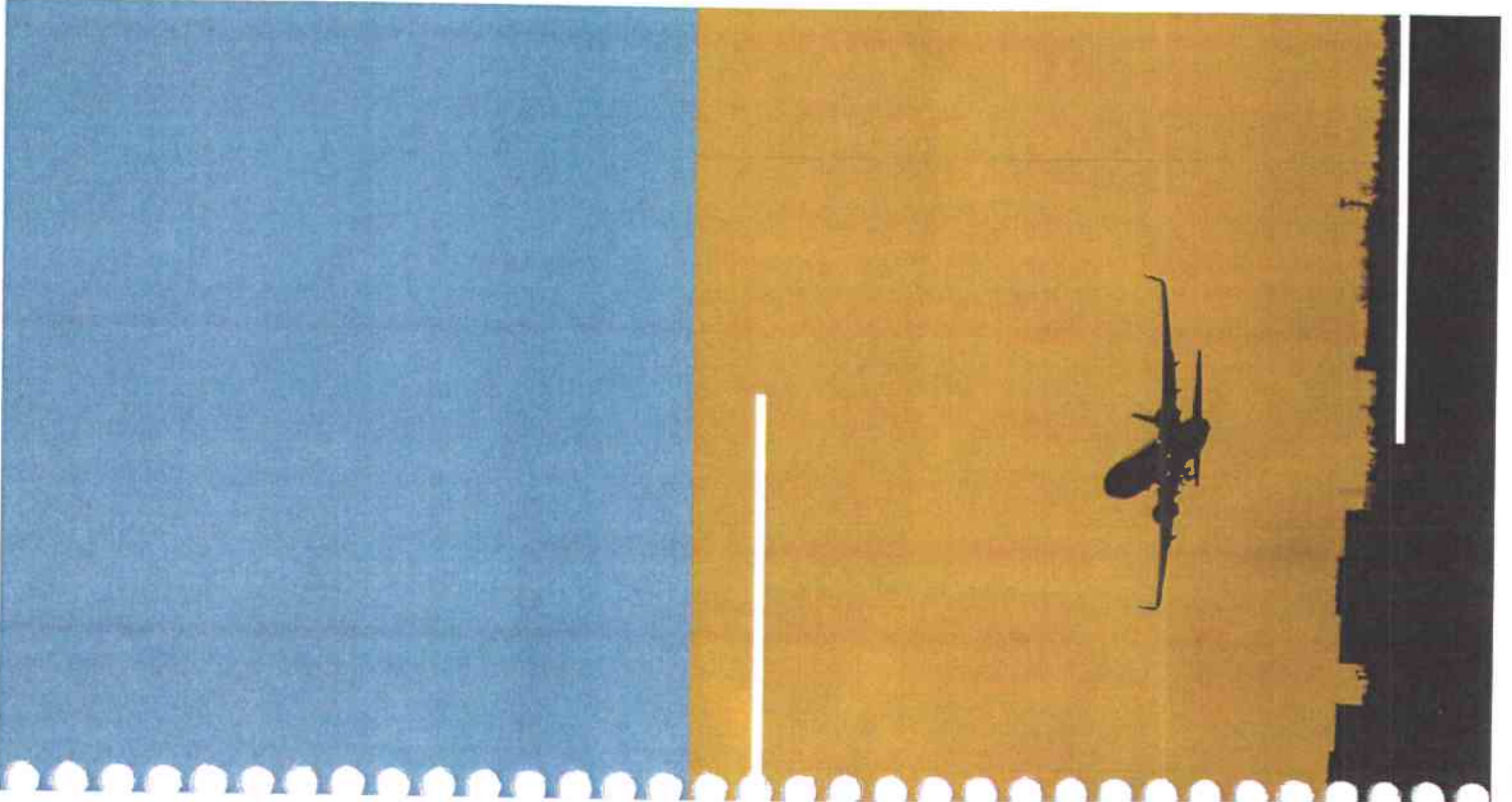
Carriers who do not currently serve PSP and are targeted for TRM



d. Development and Phasing Plan

The development plan proposed by CCR/CA will be in multiple phases to ensure that private and public funds are invested prudently and that a constant level of service is provided to the travelling public. The new east side passenger terminal facility would be designed to permit an efficient expansion as passenger traffic grows.

Subject to confirmatory due diligence, CCR/CA propose to make an initial investment in the Phase 1A Terminal as a Quick Start or Phase 1A to establish commercial service at TRM. During Phase 1A, CCR/CA assume that the EDA will update the Master Plan of TRM. With the updated Master Plan, a CIP will be developed which will include the development of the Phase 1B Terminal. The east side terminal development plan will include an efficient and sustainable facility designed to ensure modern conveniences and security with flexible use of space to meet operator and airline demand. The project would be delivered under a separate ground lease agreement, development agreement or any other appropriate instrument that would provide a contractual framework for the design, build, financing, operation and maintenance of the Phase 1B Terminal allowing TRM to be as competitive as possible to attract air service demand.



Quick Start West Side Facility Plan - Phase 1A

CCR/CA believe that it will be possible to develop a passenger terminal on the west side with the following assumptions:

1. It is temporary and will only be used as a terminal for about five years; and
2. The facility can readily be converted to a fixed base operation designed to serve large corporate jets.

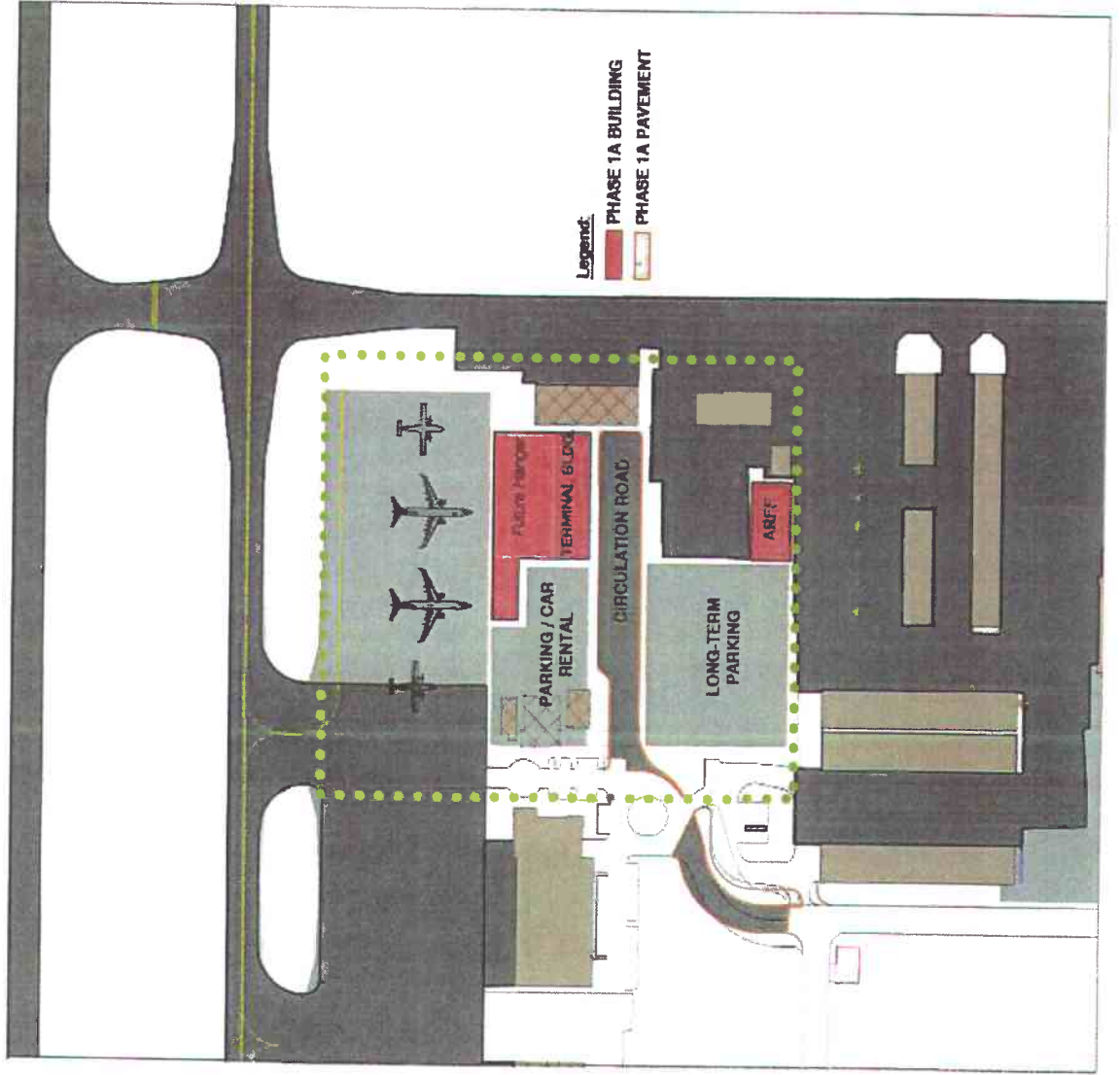
The Phase 1A Quick Start Terminal will be housed in a large box hangar with attached office space. It will be designed to function as compressed four-gate passenger terminal. A heavy apron will be constructed in front of this temporary terminal. Development on the west side is proposed to expedite the beginning of scheduled passenger service. Utilities and basic infrastructure exist immediately adjacent to the site. Paved roads provide access to this site. Using a site surrounded by existing development will speed the environmental review process.

No right-of-way provides access to the parcel proposed to be used for the Quick Start terminal; the access road will need to cross an adjacent leasehold. The least complicated means to provide access to this terminal is via the rotary (roundabout) on the leasehold to the immediate north. Other alignments would require demolishing some existing structures. This route could be utilized without affecting any existing structures or significantly affecting the development potential of this parcel. Utilizing this point of access would need the agreement of the affected lessee.

This Quick Start approach will allow scheduled passenger service to begin while a permanent terminal complex is designed and constructed on the east side of the Airport. When the east side terminal becomes available, passenger operations will be shifted to that side. The west side facility would then be remodeled to serve as a fixed base operation. The interior partitions and equipment in the box hangar would be removed. The facility will then be leased or sold for use as a fixed base operation.

CCR/CA anticipate that Phase 1A can be implemented through an update of the Airport Layout Plan. With the use of private funds, forecasting and other requirements usually included in an Airport Master Plan will not be required. The temporary nature of the passenger service will mitigate the potential for conflict with the approved Airport Layout Plan. A Narrative Report would be prepared to describe the temporary terminal's facility and document how it will be converted to a fixed base operation.

Quick Start West Side Facility Plan - Phase 1A



East Side Terminal Development Plan

Phase 1B

An update of TRM's Airport Master Plan would be needed as a prerequisite to development of the Phase 1B Terminal to support scheduled passenger service. This development would be funded with both private and public funds, including FAA grant funds. It is anticipated that the FAA will require an update of the Airport Master Plan to support the need for grant funds. The Airport Master Plan update would include forecasts of passenger enplanements, detailed site plans, and a CIP. This update would also include environmental baseline studies of the east side. This would provide the data needed to minimize impacts of east side development and support environmental review.

To expedite completion of terminal development, CEQA and NEPA environmental documents would be prepared concurrently with the Airport Master Plan. It is anticipated that an Environmental Impact Report would be the appropriate CEQA document. However, this decision would have to be made by the County. An Environmental Assessment is the likely NEPA document. The FAA would make this determination. Both the CEQA and NEPA documents would be structured to provide construction-level analysis for Phase 1B and programmatic-level analysis for Phase 2, as further described below.

[1] Source: California Natural Resources Agency

[2] Source: U.S. Department of Energy

CEQA

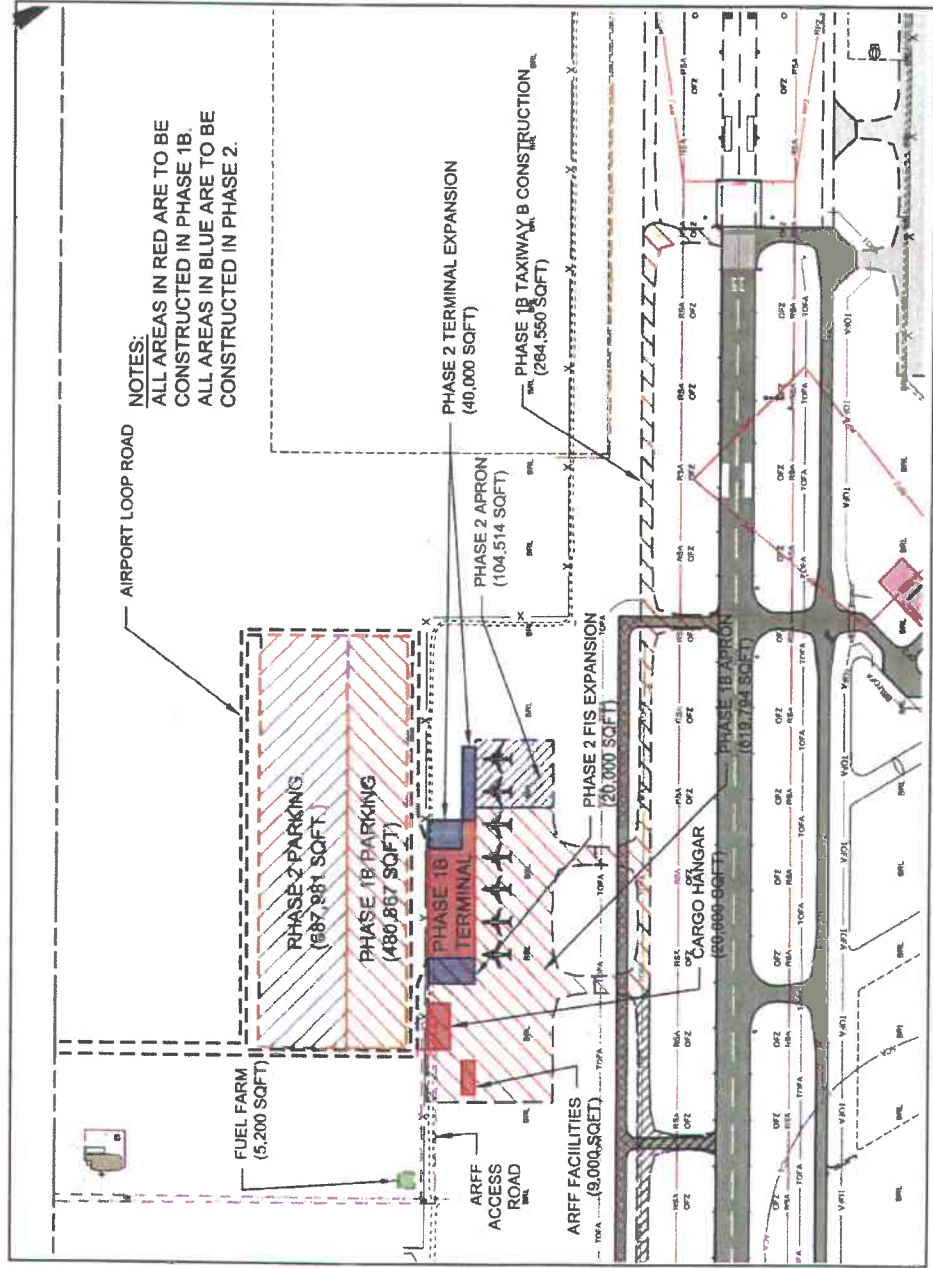
- California Environmental Quality Act
- Statute that requires state and local agencies to identify the significant environmental impacts of their actions and to avoid or mitigate those impacts, if feasible.[1]

NEPA

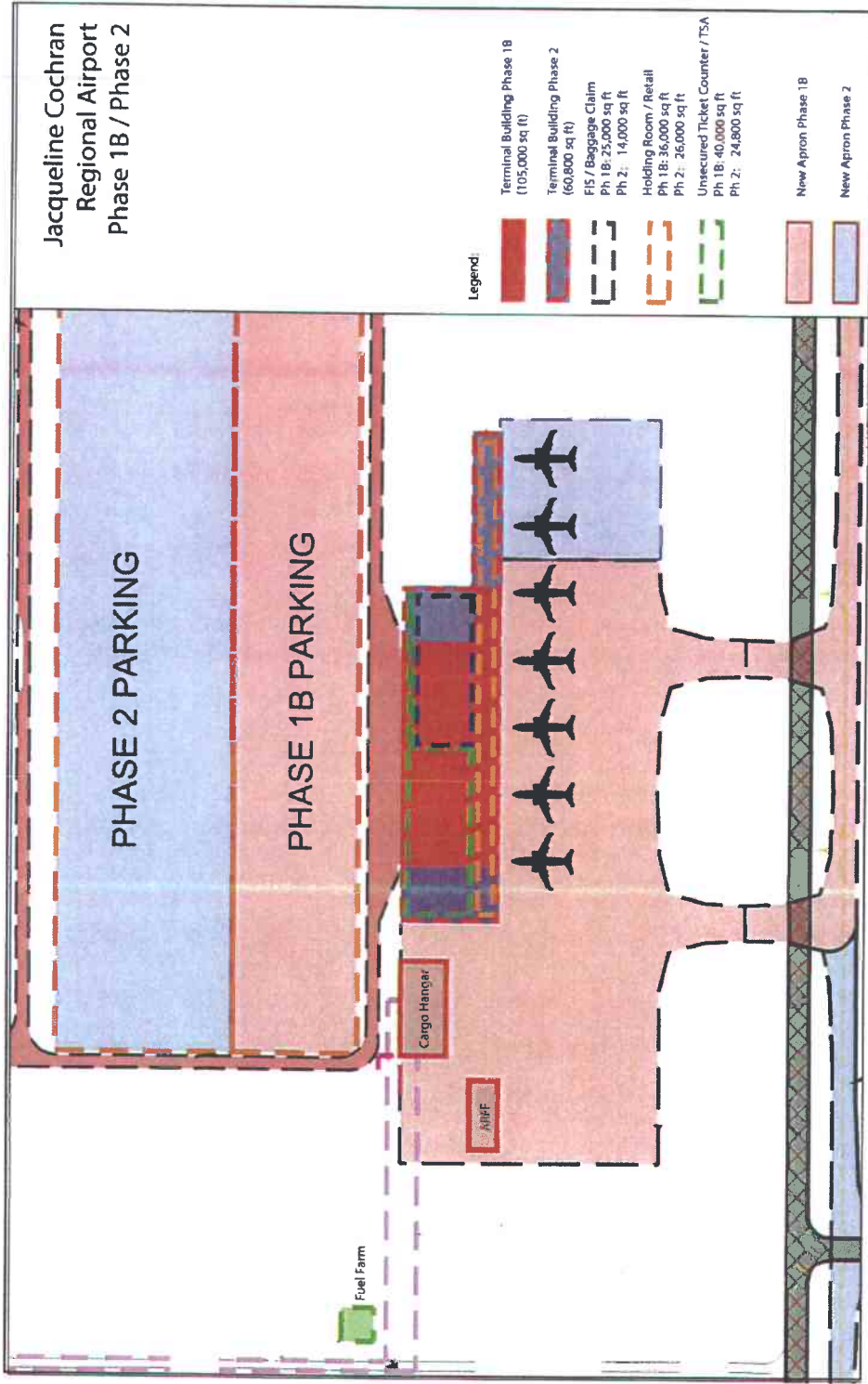
- NEPA established a national policy for the environment and provided for the establishment of a Council on Environmental Quality. [2]

Phase 2

The improvements in Phase 2 would be triggered by passenger demand, defined in an updated Airport Master Plan and evaluated in the CEQA and NEPA documents. Any refinements to the plan would be addressed in an update to the Airport Layout Plan and supporting Narrative Report. Any changes in environmental impacts would be addressed in supplemental environmental documents.



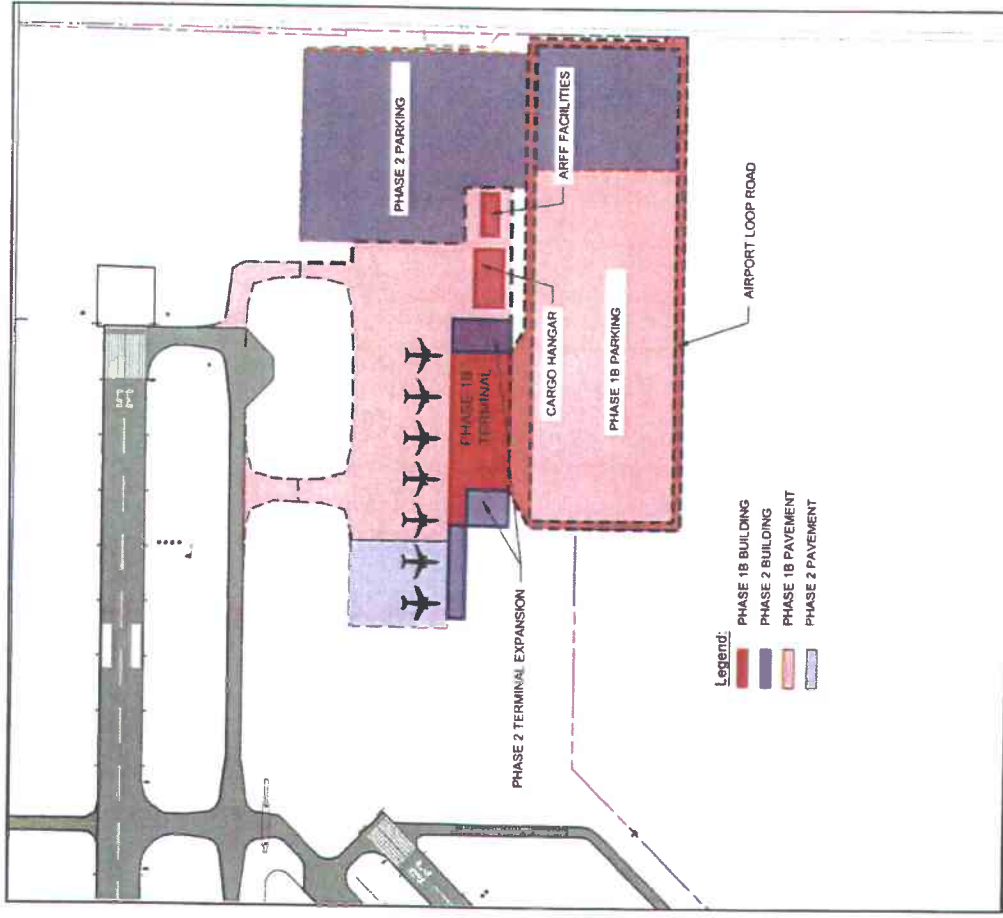
Terminal Space Utilization



Alternative to East Side Terminal Development

CCR/CA's proposal is designed to be consistent with the requirements of the RFP, which shows development of a terminal on the east side of the Airport.

However, during development of the schematic terminal designs for this proposal, CCR/CA identified a potential alternative site for the Phase 1B Terminal. There are 60+ acres west of the approach end of Runway 33 that are shown on the Airport Layout Plan as a potential site for a fixed base operator. With some modification to the parking layout, CCR/CA found that the terminal facilities in the Phase 1B/2 could fit on this site. This site has direct access to Avenue 60. The key benefit of this site is that it would not require construction of an east side parallel taxiway. This would be a major cost saving. If CCR/CA is selected during the current RFP process, CCR/CA would propose to evaluate this alternative as part of the subsequent phase.



Project Schedule Continued

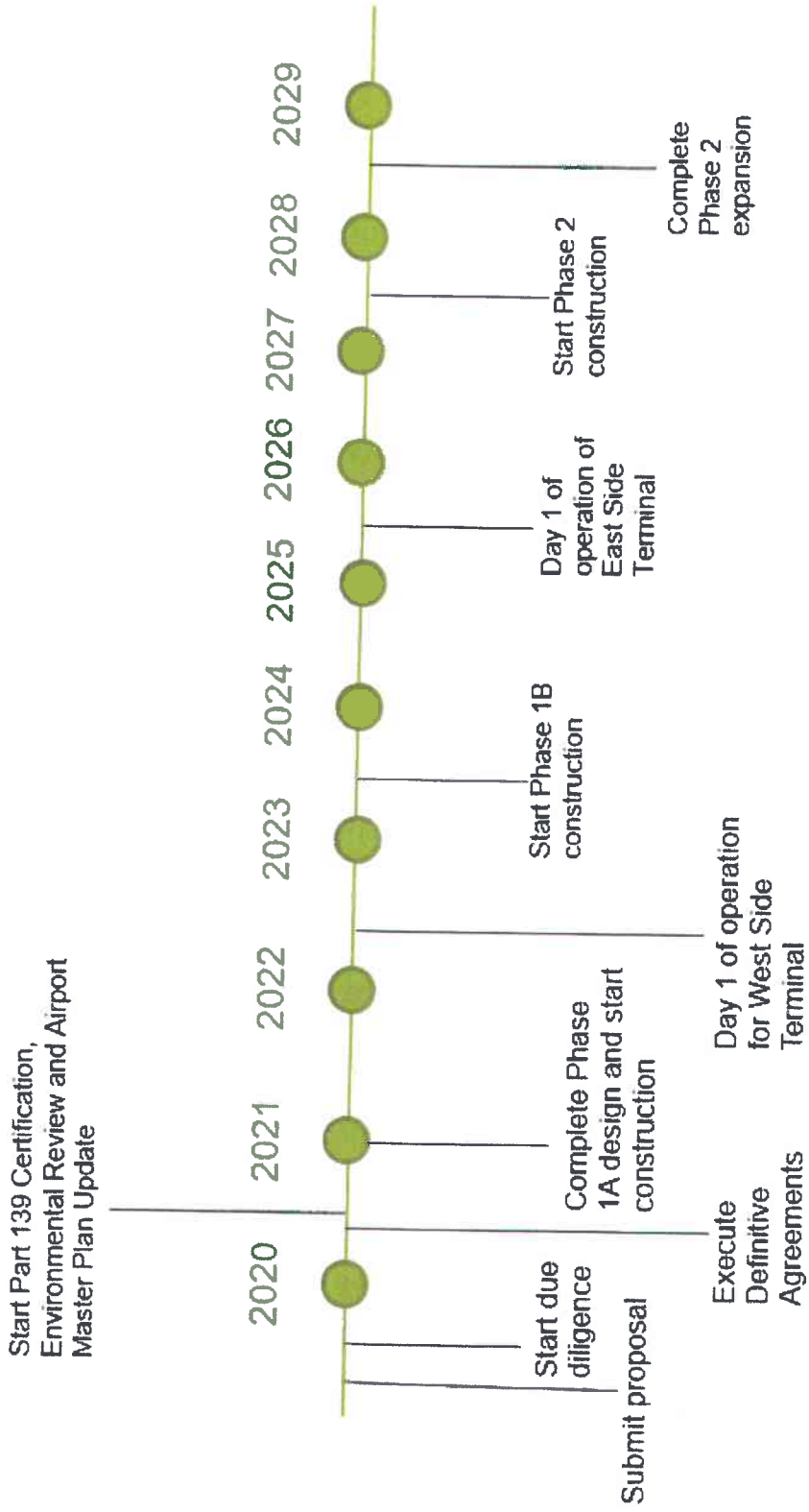
The project schedule does not include the evaluation period and the bid award notification by EDA. During this phase, CCR/CA envision a joint dialogue during the exclusive negotiation period as provided in the RFP followed by signing a definitive, binding Ground Lease for Phase 1A Terminal and ultimately implementation of Phase 1B and Phase 2, as follows:

- **Exclusive Negotiation Period** (confirmatory due diligence) - During this phase, CCR/CA will complete any outstanding due diligence items to arrive at a detailed scope of work. CCR/CA's work will also include finalizing business plan projections, including revenue, operating expenses, advanced planning, design, firm costing and capital expenditures, financial and economic terms, including a final financing plan. During this period, CCR/CA and the EDA will negotiate the terms of the Ground Lease, which will include the description of the premises, rent amount (and adjustment events), a revenue sharing scheme, improvements, and the right of the Lessee to develop the Phase 1B and Phase 2. CCR/CA expect to complete this period within 6 months unless the parties mutually agree to extend such period.
- **Execution of Definitive Agreement(s)** – Upon obtaining approval of the Board of Supervisors for the County and the Board of Directors for CCR/CA on the form of the Ground Lease and any other agreement relating to the project, the parties to the Ground Lease and such other project agreement will execute and deliver each such document.

Based on the estimated project schedule, the commencement of business operation for the Phase 1B Terminal will be within 59 months from execution of the definitive documents with the Phase 1A Terminal commencing operations within 25 months from execution of the definitive documents. The expansion of the Phase 2 is expected to be delivered within 36 months from the completion of Phase 1B.



Major Milestones



f. Finance and Implementation Plan

There are a variety of resources from which funding and financing for publicly owned airport facilities and improvements can be obtained. These resources include federal grants, state grants and loans, airport sponsor self-funding, and private investment.

FAA Airport Improvement Program

FAA AIP grants are offered to public-use airports by the FAA to provide funding assistance to those eligible capital projects that meet the criteria of the federal program. The objective of this FAA program is to assist in the development of a nationwide system of public use airports, to ensure the safe and secure operation of the airport and airway system, and to meet the projected needs of the public.

The program is funded primarily by aviation use fees, which are collected and deposited in the Airport and Airway Trust Fund that generates revenues in support of the AIP. The U.S. Congress authorizes expenditures from this dedicated fund on an annual basis. The AIP program includes entitlement and discretionary funding. Entitlement funds are awarded to eligible sponsors through a formula based on number of enplaned passengers and cargo tonnage. Discretionary funds are set aside to provide FAA with flexibility to fund various high priority programs. The AIP Program typically funds 90 percent of eligible projects.

Passenger Facility Charges

The Aviation Safety and Capacity Expansion Act of 1990 initially authorized Passenger Facility Charges ("PFC"). This Act allowed public agencies, which manage commercial airports, to charge each enplaning passenger a facility charge in accordance with FAA requirements. The passenger facility charge is levied on the passenger tickets, collected by the airline, and forwarded to the airport. The revenue collected through PFC are to preserve or enhance safety, security, and capacity, to reduce noise, or to enhance air carrier competition. The current cap of PFC is \$4.50 per enplaned passenger.

Capital Improvement Plan

As described above, a CIP will be developed as part of the update to the Airport Master Plan. CCR/CA, together with its advisors, have developed an initial high-level estimate of project costs for planning purposes. Project costs will be refined and analyzed during the programming and design phases.

The capital projects for the phasing periods are summarized below:

Estimated Capital Costs (dollars in thousands)

Category	Total Project Cost (k)	Phase 1A	Phase 1B	Phase 2
Airfield	\$56,673	\$2,661	\$30,693	\$20,319
Terminal	\$81,175	\$13,000	\$44,050	\$24,125
*Other	\$39,365	-	\$33,986	\$5,378
Total	\$174,213	\$15,661	\$108,729	\$49,822

Source: Mead & Hunt

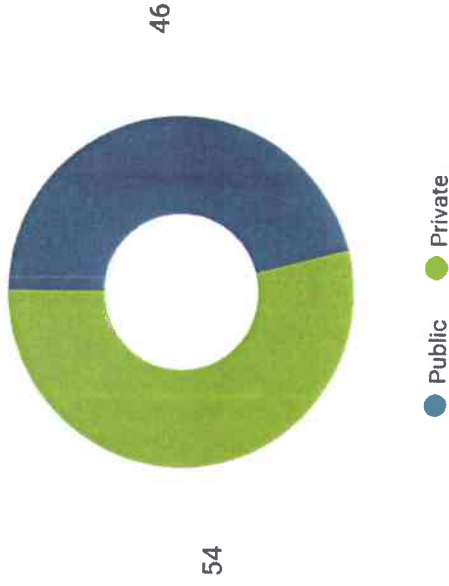
*Other costs include landside improvements, fuel farm, Part 139 activation, utilities and soft costs (e.g. design, permit, administrative and contingency)

Funding Plan

CCR/CA have extensive experience in investing their equity and raising debt from the capital markets to finance complex construction and operational transportation infrastructure projects. CCR/CA will use this expertise to develop an optimal capital structure to fund the CIP.

CCR/CA will invest equity for the Quick Start Phase and the East Side Terminal Development Plan including investments in the terminal building, landside improvements, and fuel farm. In addition to equity, CCR/CA expect to raise debt from the capital markets using a pledge of the Airport's revenues as security, as well as obtaining bank loans to optimize the cost of capital structure. CCR/CA will work closely with the EDA on securing, as desired, federal and state funding and financing sources for the airside and other related infrastructure projects in the CIP including FAA AIP and PFC grants, and possible additional financing sources that may be available. In developing the funding plan, the overriding objective is to maximize the use of external resources and minimize the amount of funding from EDA sources.

Based on the cost estimation of the CIP, most of the capital plan could be financed from private capital. Below is an illustration of the percentage share between the private and public funding sources:

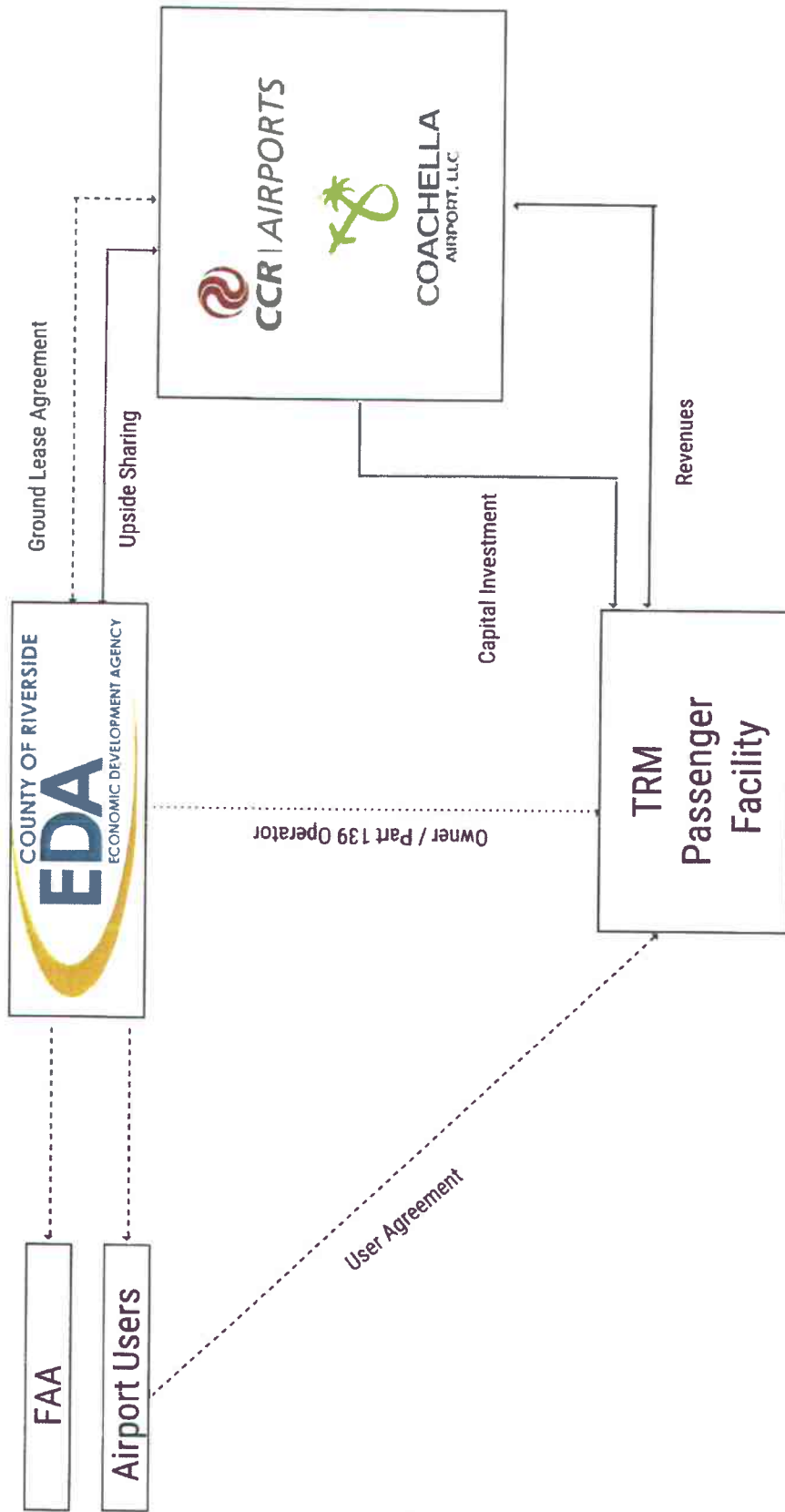


CCR/CA propose an aligned economic structure in which both the EDA and CCR/CA benefit from the performance of the Phase 1A Terminal and, if implemented, subsequent Phase 1B Terminal and Phase 2. The Lessee would be compensated under the Ground Lease via rates and charges paid by users of the Phase 1A Terminal. In addition, the principal revenue source for the Lessee (or any of its affiliate) from Phase 1B and Phase 2 (in each case, to the extent implemented) would also be the rates and charges from services in the Phase 1B Terminal and its expansion as part of Phase 2.

In addition, CCR/CA propose to include a revenue share structure, where the EDA participates in excess cash flows from the passenger and cargo facilities the Lessee or any of its affiliates, as applicable, operate at TRM. For example, if cash flow from Phase 1A Terminal exceeds a certain revenue threshold, the EDA would share in the amount above such agreed threshold. Finally, the Manager will be entitled to a fee for its services under the operation and management services agreement, which fee would be included in the operating costs of the Phase 1A Terminal and represents true value for money in that it will not negatively impact the competitiveness of such terminal or the Airport.

Annex A attached hereto sets forth a summary of the key provisions in the proposed Ground Lease between the EDA and the Lessee.

Proposed Economic Structure



Annex A. Key Provisions of the Ground Lease



Key Provisions of the Ground Lease

Lessor the EDA

Lessee An entity to be formed by CCR/CA

Leased Premises Certain land and facilities located on the airport

Ground Lease
 A ground lease agreement to be entered into between the EDA and Lessee with respect to the Leased Premises

Lease Term
 [NUMBER] years from execution ("Initial Term"), unless extended or earlier terminated. Lessee will have the option to extend the Initial Term of this Lease for [NUMBER] successive additional terms of [NUMBER] months each (each such additional term being referred to as an "Extension Term" and each such option being referred to as an "Extension Option"), provided certain conditions set forth in the Ground Lease are met with respect to each Extension Term.

Development Rights
 Under the Lease, the Lessee will have:

- (1) [the right and obligation to develop, design, build, finance, operate, and maintain a facility to be used, on a temporary basis of no longer than [---] years, for initial commercial air passenger service at the Airport (the "Initial Facility"), and
- (2) the option, at the Lessee's election, to develop, design, build, finance, operate, and maintain additional facilities for further commercial development of Airport property to support and enable increased commercial air passenger service at the Airport (the "Expanded Facilities")]



Key Provisions (continued)

Lessor Obligations

[As a condition to Lessee's obligation to develop the Initial Facility,] the Lessor shall seek and obtain a Part 139 Airport Operating Certificate from the Federal Aviation Administration.

Termination Rights

Both Lessee and Lessor will have certain rights to terminate the Ground Lease.

Termination Payment

- (1) If the Lease is terminated for any reason other than a Lessee default, the Lessor shall pay to the Lessee a termination payment equal to [the Lessee's unamortized cost of developing the Initial Facility]
- (2) If the Lessor terminates the Ground Lease at any time prior to the receipt by Lessor of a notice that the Lessee has elected not to proceed with the development of the Expanded Facilities (other than a termination due to Lessee's default), then the Lessor will pay the Lessee a termination fee of [\$NUMBER] if the Lessor enters into a definitive agreement with another private entity for the development of Expanded Facilities within [---] years of the effective date of the Lease termination.

Ownership of Work Product

Any designs, development plans, business plans, financial models, or other materials made, created, or developed by the Developer or the Lessee with respect to the Expanded Facilities shall remain the sole property of the Developer or the Lessee, as applicable, until such time as the Lessee delivers notice to the Lessor of the Lessee's election to develop the Expanded Facilities [and the County approves the plans and specifications proposed by the Lessee]