



**SANTA MARIA PUBLIC AIRPORT DISTRICT
BOARD OF DIRECTORS**

**Thursday
April 11, 2024**

**Administration Building
Airport Boardroom
6:00 P.M.**

**REGULAR MEETING
A G E N D A**

This agenda is prepared and posted pursuant to the requirements of the California Government Code Section 54954.2. By listing a topic on this agenda, the Santa Maria Public Airport District has expressed its intent to discuss and act on each item. The Santa Maria Public Airport District welcomes orderly participation at its meetings from all members of the public. This includes assistance under the Americans with Disabilities Act to provide an equally effective opportunity for individuals with a disability to participate in and benefit from District activities. To request assistance with disability accommodation, please call (805) 922-1726. Notification at least 48 hours prior to the meeting would enable the Santa Maria Public Airport District to make reasonable arrangements to ensure accessibility to this meeting.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL: Moreno, Adams, Brown, Clayton, Baskett

- 1. MINUTES OF THE REGULAR MEETING HELD MARCH 28, 2024**
- 2. COMMITTEE REPORT(S):**
 - a) EXECUTIVE**
 - b) ADMINISTRATION & FINANCIAL**
 - c) SAFETY & SECURITY**
 - d) REAL ESTATE**
 - e) AIRPORT PLANNING & CAPITAL IMPROVEMENT**
 - f) GOVERNMENT AFFAIRS**
 - g) MARKETING & PROMOTIONS**
- 3. GENERAL MANAGER'S REPORT**
- 4. MANAGER OF FINANCE & ADMINISTRATION REPORT**
 - a) Demand Register**

5. **PUBLIC SESSION:** Statements from the floor will be heard during public session. Request to Speak forms are provided for those wishing to address the board. After completing the form, please give it to the Clerk. Requests requiring board action will be referred to staff and brought on the next appropriate agenda. Members of the public are cordially invited to speak on agenda items as they occur. Staff reports covering agenda items are available for review in the offices of the General Manager on the Tuesday prior to each meeting. The Board will establish a time limit for receipt of testimony. The board reserves the right to establish further time limits for receipt of testimony.
6. **PRESENTATION BY MEAD & HUNT REGARDING AIR SERVICE DEVELOPMENT EFFORTS AND THE STATE OF THE INDUSTRY UPDATE.**
7. **AUTHORIZATION FOR THE PRESIDENT AND SECRETARY TO EXECUTE THE CONSULTING SERVICE AGREEMENT BETWEEN THE DISTRICT AND TARTAGLIA ENGINEERING FOR PROFESSIONAL SERVICES RELATED TO THE U.S. CUSTOMS BUILDING UPGRADES.**
8. **CLOSED SESSION.** The Board will hold a Closed Session to discuss the following item(s):
 - a) Conference with Legal Counsel-Anticipated Litigation (Paragraph (2) or (3) of Subdivision (d) of Gov. Code Section 54956.9) Significant exposure to litigation: (Two cases).
 - b) Conference with Legal Counsel-Initiation of Litigation (Paragraph (4) of Subdivision (d) of Gov. Code Section 54956.9): (One Case).
9. **DIRECTORS' COMMENTS.**
10. **ADJOURNMENT.**

MINUTES OF THE REGULAR BOARD
MEETING OF THE BOARD OF DIRECTORS
OF THE SANTA MARIA PUBLIC AIRPORT
DISTRICT HELD MARCH 28, 2024

The Board of Directors of the Santa Maria Public Airport District held a Regular Meeting at the regular meeting place at 6:00 p.m. Present were Directors Moreno, Adams, Brown, Clayton, and Baskett, General Manager Pehl, Manager of Finance & Administration Reade, and District Counsel George.

1. MINUTES OF THE REGULAR MEETING HELD March 14, 2024. Director Baskett made a Motion to approve the minutes of the regular meeting held March 14, 2024. Director Adams Seconded and it was carried by a 4-0 vote. Director Brown abstained.
2. MINUTES OF THE SPECIAL MEETING HELD March 14, 2024. Director Baskett made a Motion to approve the minutes of the special meeting held March 14, 2024. Director Adams Seconded and it was carried by a 4-0 vote. Director Brown abstained.
3. COMMITTEE REPORT(S):
 - a) EXECUTIVE - The committee met to discuss a lease.
 - b) ADMINISTRATION & FINANCIAL – No meeting scheduled.
 - c) SAFETY & SECURITY – No meeting scheduled.
 - d) REAL ESTATE – No meeting scheduled.
 - e) AIRPORT PLANNING & CAPITAL IMPROVEMENT – No meeting scheduled.
 - f) GOVERNMENT AFFAIRS – No meeting scheduled.
 - g) MARKETING & PROMOTIONS – No meeting scheduled.
4. GENERAL MANAGER’S REPORT. Mr. Pehl updated the Board on meetings he attended at the Routes Americas Air Service Development conference.
5. The Manager of Finance & Administration presented the Demand Register to the Board for review and approval.
 - a) Demand Register. The Demand Register, covering warrants 072528 through 072565 in the amount of \$141,869.96, was recommended for approval as presented. Director Adams made a Motion to accept the Demand Register as presented. Director Baskett Seconded and it was carried by a 5-0 vote.
 - b) Budget to Actual. Received and filed.
 - c) Financial Statements. Received and filed.
 - d) Delinquent Tenant Report. Received and filed.
6. PUBLIC SESSION: Statements from the floor will be heard during public session. Request to Speak forms are provided for those wishing to address the board. After completing the form, please give it to the Clerk.

Requests requiring board action will be referred to staff and brought on the next appropriate agenda. Members of the public are cordially invited to speak on agenda items as they occur. Staff reports covering agenda items are available for review in the offices of the General Manager on the Tuesday prior to each meeting. The Board has established a three-minute time limit for receipt of testimony. The board reserves the right to establish further time limits for receipt of testimony.

Kevin Yakes, CEO of ArtCraft Paint, provided an update on the Main Hangar work that was discussed at a previous meeting. He would like to keep these issues in the forefront of the Board's minds to continue to get work done.

7. CLOSED SESSION. At 6:06 p.m. the Board went into Closed Session to discuss the following item(s):

a) Conference with Legal Counsel-Anticipated Litigation (Paragraph (2) or (3) of subdivision (d) of Gov. Code Section 54956.9) Significant exposure to litigation: (Two cases).

At 6:28 pm., the Board and staff reconvened to Open Public Session.

There were no reportable actions.

8. DIRECTORS' COMMENTS: Directors Moreno, Adams, Brown, and Clayton had no comment.

Director Baskett reiterated his position on drones.

9. ADJOURNMENT. President Moreno asked for a Motion to adjourn to a Regular Meeting to be held on April 11, 2024, at the regular meeting place. Director Baskett made that Motion, Director Adams Seconded and it was carried by a 5-0 vote.

ORDER OF ADJOURNMENT

This Regular Meeting of the Board of Directors of the Santa Maria Public Airport District is hereby adjourned at 6:30 p.m. on March 28, 2024.

Ignacio Moreno, President

Steve Brown, Secretary

2023-2024

**DEMAND REGISTER
SANTA MARIA PUBLIC AIRPORT DISTRICT**

Full consideration has been received by the Santa Maria Public Airport District for each demand, numbers 072566 to 072605 and electronic payments on Pacific Premier Bank and in the total amount of \$217,924.05.

MARTIN PEHL
GENERAL MANAGER

DATE

The undersigned certifies that the attached register of audited demands of the Santa Maria Public Airport District for each demand, numbers 072566 to 072605 and electronic payments on Pacific Premier Bank in the total amount of \$217,924.05 has been approved as being in conformity with the budget approved by the Santa Maria Public Airport District and funds are available for their payment.

VERONEKA READE
MANAGER OF FINANCE AND ADMINISTRATION

DATE

THE BOARD OF DIRECTORS OF THE SANTA MARIA PUBLIC AIRPORT DISTRICT APPROVED PAYMENT OF THE ATTACHED WARRANTS AT THE MEETING OF APRIL 11, 2024.

STEVE BROWN
SECRETARY

Santa Maria Public Airport District

Demand Register

Check Number	Check Date	Vendor Name	Check Amount	Description
* 72566	4/3/2024	Advantage Answering Plus	\$365.79	Answering Service
* 72567	4/3/2024	Airport Lighting Company	\$705.65	Lighting - Landing Area
* 72568	4/3/2024	American Assn of Airport Exec	\$3,000.00	Annual US Contract Tower Association
* 72569	4/3/2024	Applied Industrial Technologies	\$199.45	Hangar Maintenance
* 72570	4/3/2024	AT&T	\$256.72	Telephone Service
* 72571	4/3/2024	Bartlett, Pringle & Wolf	\$50.00	Consulting Services - Acumatica
* 72572	4/3/2024	Bomar Security & Investigation	\$7,578.21	Security Service
* 72573	4/3/2024	Boyer's Diesel	\$855.00	Vehicle Maintenance
* 72574	4/3/2024	City of Santa Maria	\$320.00	3109 Liberator Street Safety Inspection
* 72575	4/3/2024	Coast Networx	\$210.00	Network Support Services
* 72576	4/3/2024	Consolidated Electrical Distributors, Inc.	\$1,547.35	MHP/Hangar Maintenance
* 72577	4/3/2024	Fence Factory	\$78.21	Shop Supplies
* 72578	4/3/2024	Grainger	\$318.75	Shop Supplies/Hangar Maintenance
* 72579	4/3/2024	Groveman Hiete LLP	\$51,262.30	Legal Counsel Services
* 72580	4/3/2024	Gsolutionz, Inc.	\$112.95	GPS Cloud Svcs - Phones - May 2024
* 72581	4/3/2024	Hayward Lumber Company	\$246.25	Pavement Maintenance
* 72582	4/3/2024	Heath, Ray	\$3,575.20	Consulting Services - Contingencies
* 72583	4/3/2024	Home Depot	\$848.04	Shop Supplies/Terminal Maintenance
* 72584	4/3/2024	Interstate Batteries	\$152.20	Vehicle Maintenance
* 72585	4/3/2024	J B Dewar, Inc	\$522.82	Unleaded/Diesel Fuel
* 72586	4/3/2024	Liebert Cassidy Whitmore	\$3,710.00	Personnel Rule Review
* 72587	4/3/2024	Linde Gas&Equipment	\$614.90	Vehicle Maintenance
* 72588	4/3/2024	Mead & Hunt, Inc.	\$7,040.00	Airport Consulting Service
* 72589	4/3/2024	Mission Linen Service	\$421.26	Uniform Service
* 72590	4/3/2024	Morton, Jean	\$296.00	Tenant Refund
* 72591	4/3/2024	Napa Auto Parts	\$30.83	Vehicle Maintenance
* 72592	4/3/2024	Oberon3, Inc	\$50.00	Terminal Maintenance
* 72593	4/3/2024	Outdoor Supply Hardware	\$704.60	Shop Supplies/Terminal Maintenance
* 72594	4/3/2024	Quinn Company	\$267.69	Hangar Maintenance
* 72595	4/3/2024	Ravatt Albrecht & Associates	\$1,294.00	SMX Customs Building Remodel
* 72596	4/3/2024	RRM Design Group	\$3,085.00	SMX Bus. Park Lot Line Adjustment
* 72597	4/3/2024	SB County Air Pollution	\$1,609.44	Emissions Fees
* 72598	4/3/2024	SCS Engineers	\$4,487.50	PFAS Assessment Workplan
* 72599	4/3/2024	Smith's Alarms & Electronics Inc.	\$90.00	Electronic Security System
* 72600	4/3/2024	Tartaglia Engineering	\$35,491.50	Emergency Pavement Repair
* 72601	4/3/2024	The Hertz Corporation	\$2,170.08	Tenant Refund
* 72602	4/3/2024	The Widroe Group, Inc.	\$18,000.00	Consulting Services
* 72603	4/3/2024	U.S. Bank Equipment Finance	\$544.96	RICOH Printer Lease
* 72604	4/3/2024	Verizon Wireless	\$1,112.67	Mobile Devices
* 72605	4/3/2024	West Coast Industrial Supply	\$87.78	Vehicle Maintenance

Santa Maria Public Airport District

Demand Register

Check Number	Check Date	Vendor Name	Check Amount	Description
		Subtotal	<u>\$153,313.10</u>	
ACH	3/26/2024	CalPers	\$6,597.13	Employee Retirement
ACH	3/26/2024	Umpqua Bank	\$6,036.66	Business Travel/Consulting Svcs
ACH	3/28/2024	Paychex	\$26,651.28	Payroll
ACH	3/28/2024	Paychex	\$7,368.23	Payroll Taxes
ACH	3/28/2024	Empower Retirement	\$5,237.84	Employee Paid Retirement
ACH	3/28/2024	Frontier	\$1,116.98	Telephone Service
ACH	3/29/2024	Paychex	\$195.09	Paychex Invoice
ACH	3/29/2024	Collective Communications	\$695.34	Travel Expense
ACH	4/1/2024	Principal	\$2,506.92	Employee Dental/Life/Disability Insurance
ACH	4/1/2024	Aflac	\$204.24	Employee Voluntary Insurance
ACH	4/1/2024	Ready Refresh	\$229.24	Water Delivery
ACH	4/1/2024	Collective Communications	\$7,500.00	Consulting Services
ACH	4/3/2024	Clark Pest Control	\$272.00	Terminal Maintenance
		Subtotal	<u>\$64,610.95</u>	
		Total	<u><u>\$217,924.05</u></u>	



Air Service Update

Santa Maria Public Airport District

Presented by: Trina Froehlich/Jeffrey Hartz/
Margaret Muir

April 11, 2024



Agenda



Mead & Hunt, Inc.

Industry Trends

Air Service Tasks and Progress

Air Service Opportunities

Mead & Hunt, Inc.

The background features a dark blue field on the left, transitioning into a series of overlapping, semi-transparent geometric shapes on the right. These shapes include triangles and polygons in various shades of blue, a vibrant red, a green, and a yellow-green, creating a dynamic, layered effect.

Your Mead & Hunt Team



Trina Froehlich, CPA



Jeffrey Hartz



Margaret Muir

About Your Team

Jeffrey Hartz

- Based in Dallas, TX
- 20 years of industry experience, with 13 years at Mead & Hunt and 7 years at airlines
- Instrumental in the use of alternative data sources, such as mobile GPS-tracking data, allowing for cutting edge air service development analysis
- Previously worked at American Airlines/American Eagle, Big Sky Airlines, and Mesa Air Group
- MBA in Aviation, MS in Aeronautical Science, and a BS in Aerospace Studies from Embry-Riddle Aeronautical University

Margaret Muir

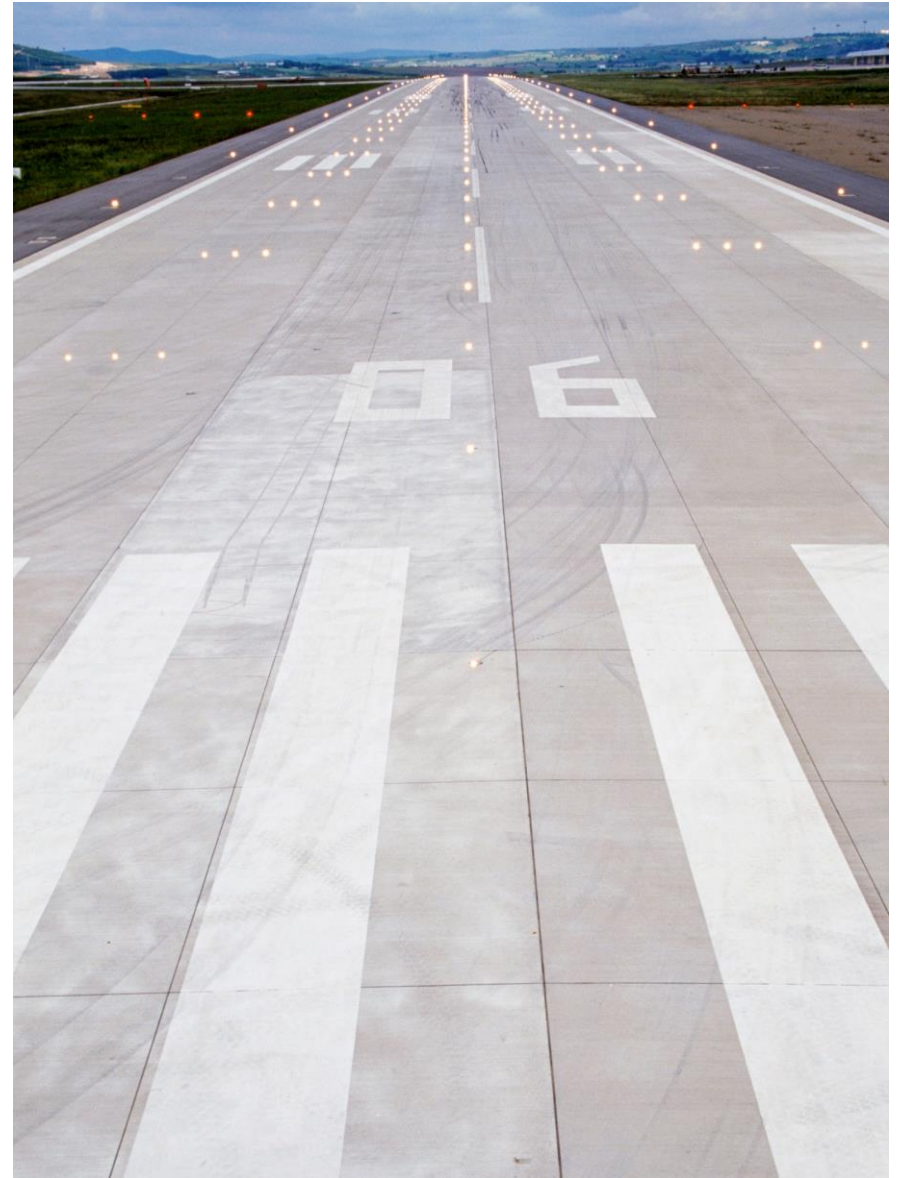
- Based in Dallas, TX
- 19 years of industry experience, with 2 years at Mead & Hunt and 17 years at American Airlines
- Managed seven of American's 10 hubs and launched service to more than 40 new routes
- MBA in Finance and a MA in Liberal Arts from Southern Methodist University, BEng in Computer Engineering from McGill University

Industry Trends

The background features a dark blue field on the left, transitioning into a series of overlapping, semi-transparent geometric shapes on the right. These shapes include triangles and polygons in various shades of blue, a vibrant red, a green, and a yellow-green, creating a dynamic and modern visual effect.

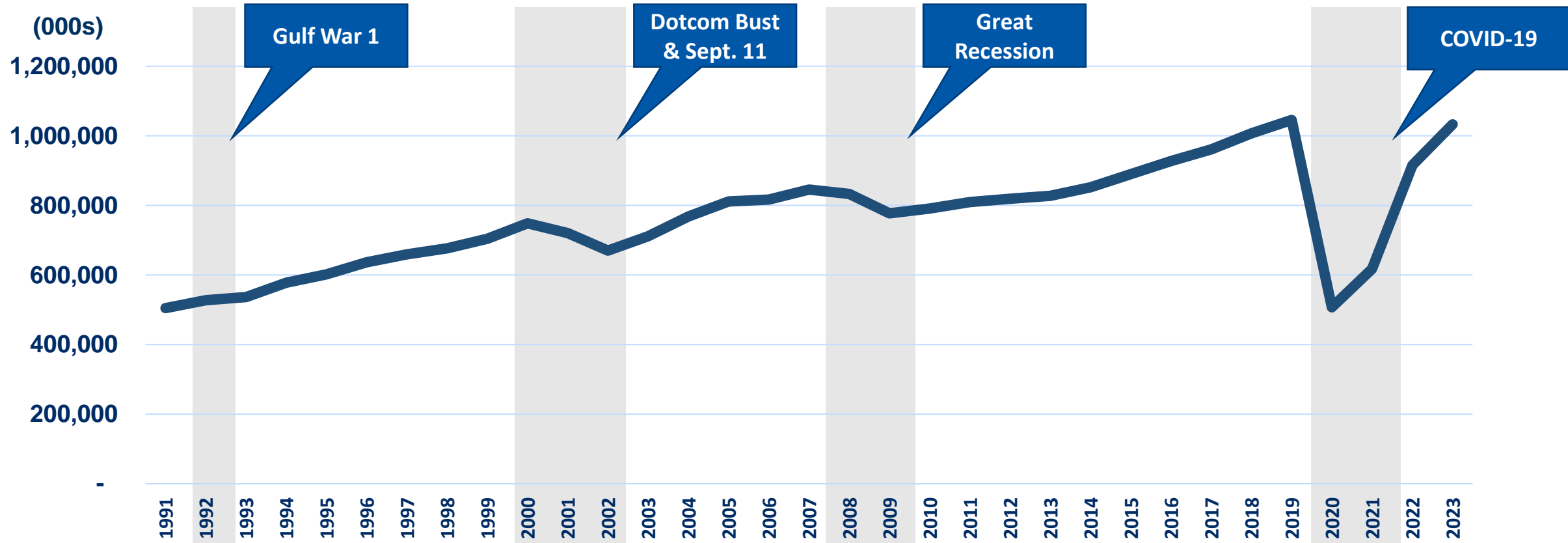
Overview

- U.S. traffic and capacity trends have finally returned to pre-pandemic levels.
- Recovery still varies widely by region, airline type, and airport size.
- While industry load factors and fares have bounced back, cost pressures, changes in demand, and other issues are driving continued evolution in the industry.
- This evolution puts pressure on the airlines, with all carriers affected by increasing costs and changing demand but to different degrees.



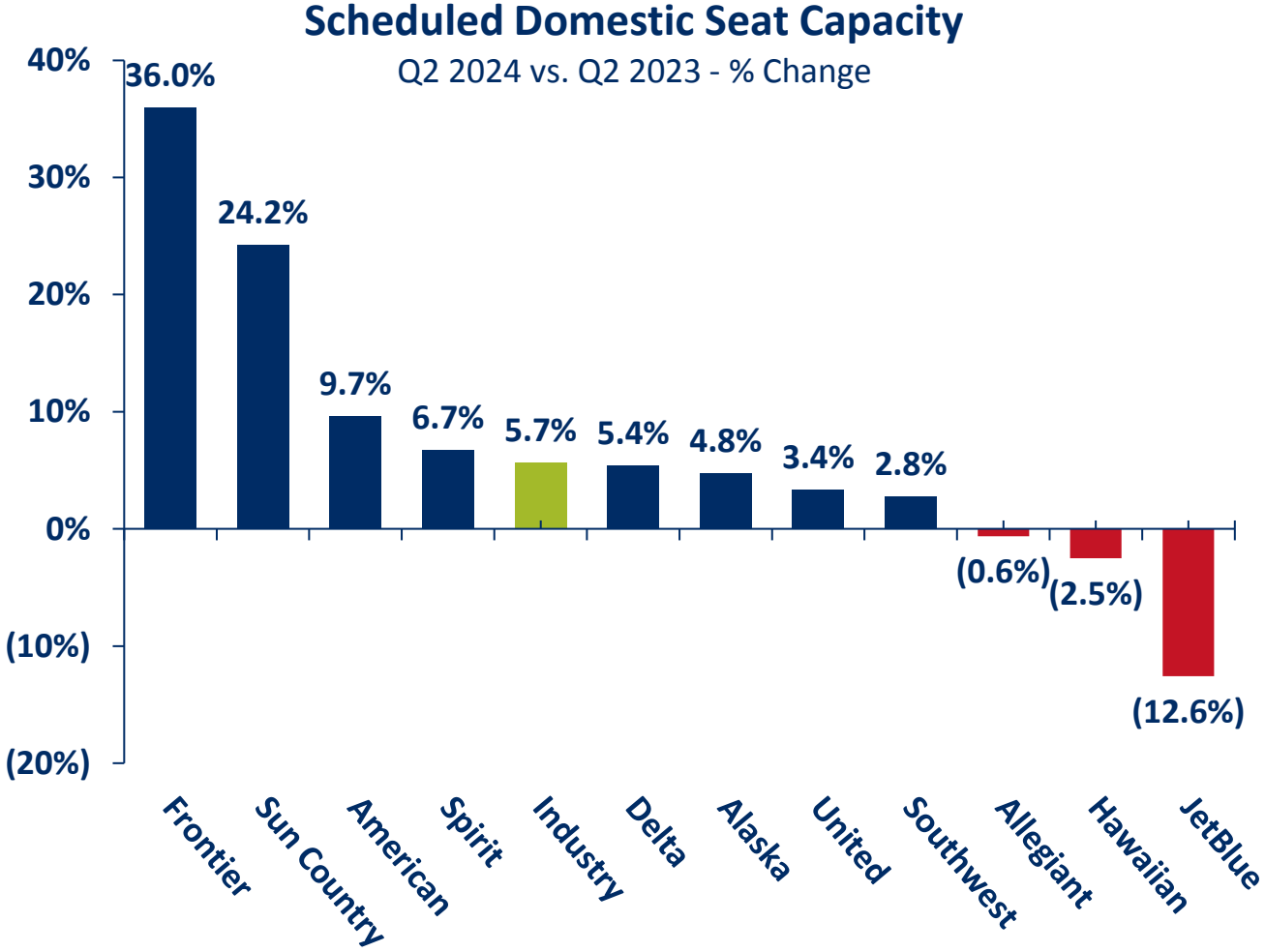
Traffic Recovery

U.S. Passenger Traffic



30 years of industry growth were erased in 2020, but 2023 had “macro-level” recovery.

Domestic Seat Capacity Change by Airline

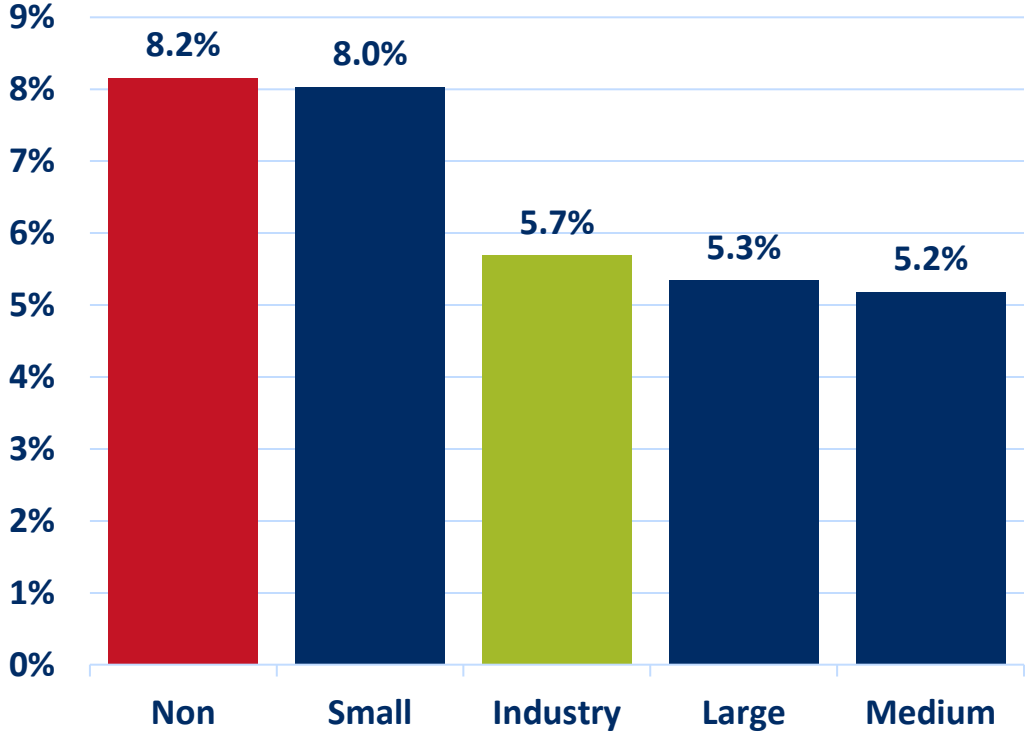


- Q2 2024 scheduled seat capacity is 6% above Q2 2023 levels.
- Ultra-low-cost carriers (ULCCs) Frontier and Sun Country lead domestic capacity growth.
- American is the capacity growth leader among the major airlines.
- Allegiant, Hawaiian, and JetBlue are the only airlines down versus Q2 2023.

Domestic Seat Capacity/Flight Change by Hub

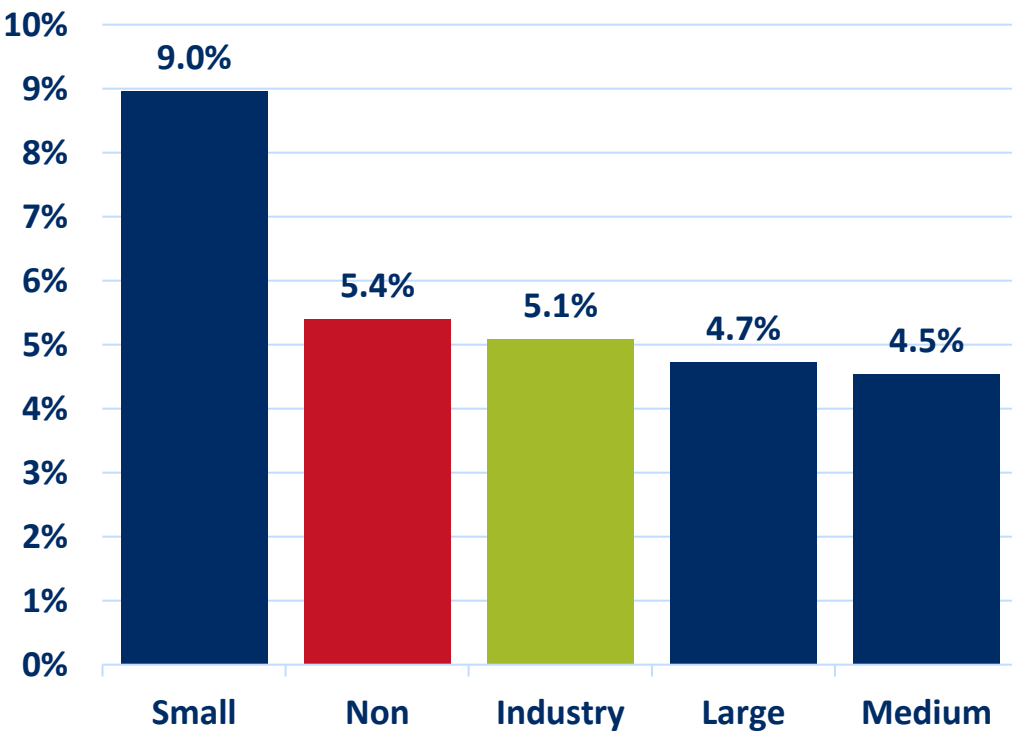
Scheduled Domestic Seat Capacity

Q2 2024 vs. Q2 2023 - % Change



Scheduled Domestic Flights

Q2 2024 vs. Q2 2023 - % Change

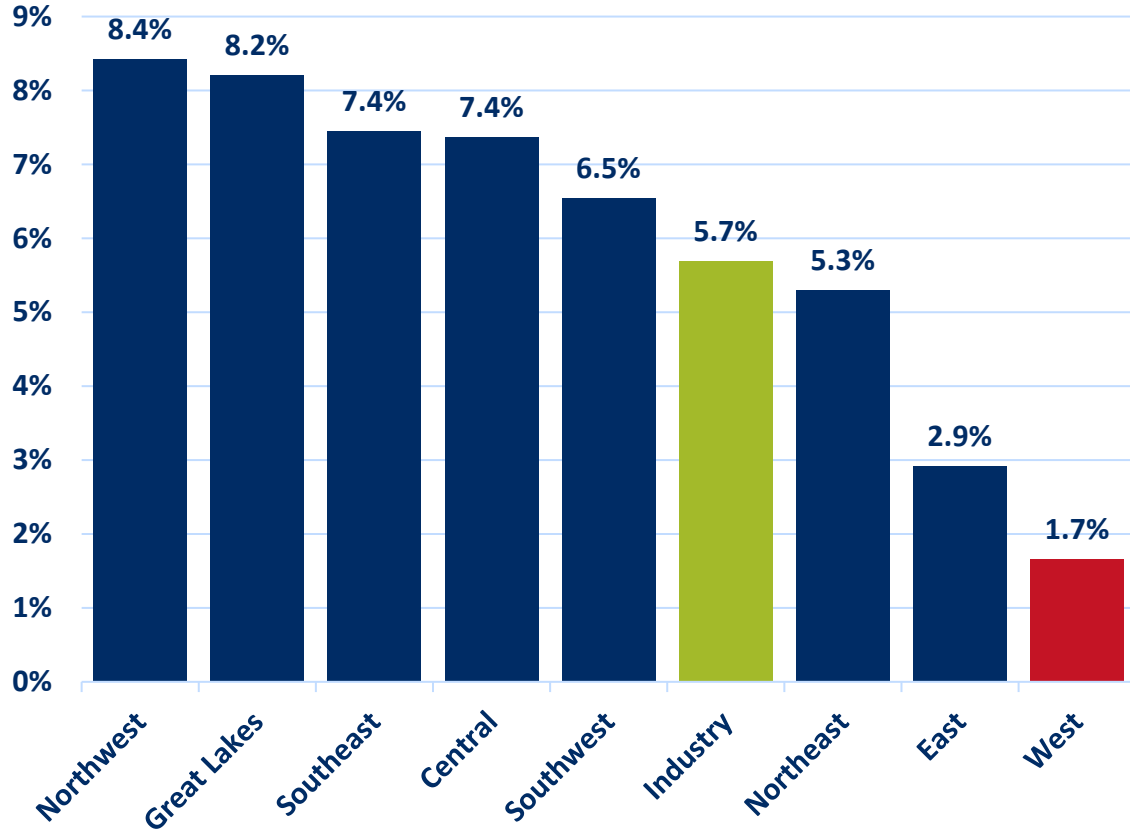


While the overall industry is scheduled to be up 5.7% in seats, non-hub airports are up 8.2%.

Domestic Seat Capacity/Flight Change by Region

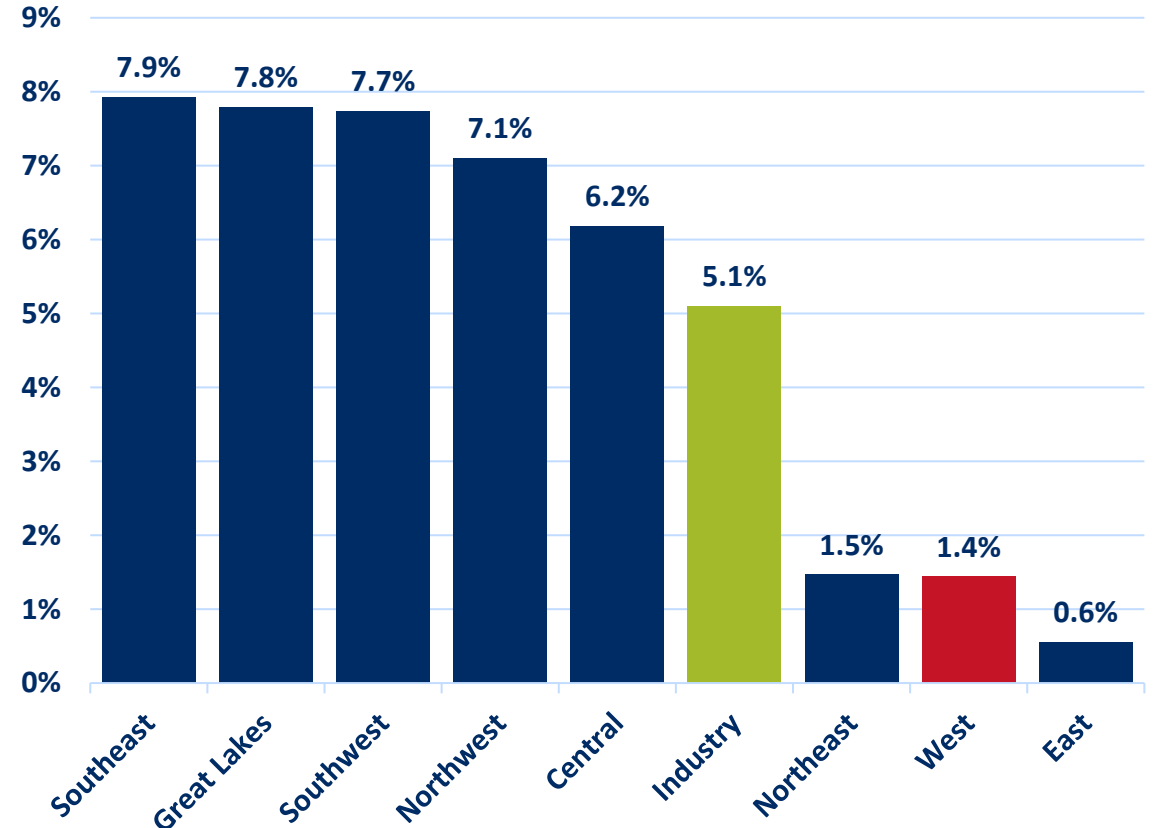
Scheduled Domestic Seat Capacity

Q2 2024 vs. Q2 2023 - % Change



Scheduled Domestic Flights

Q2 2024 vs. Q2 2023 - % Change

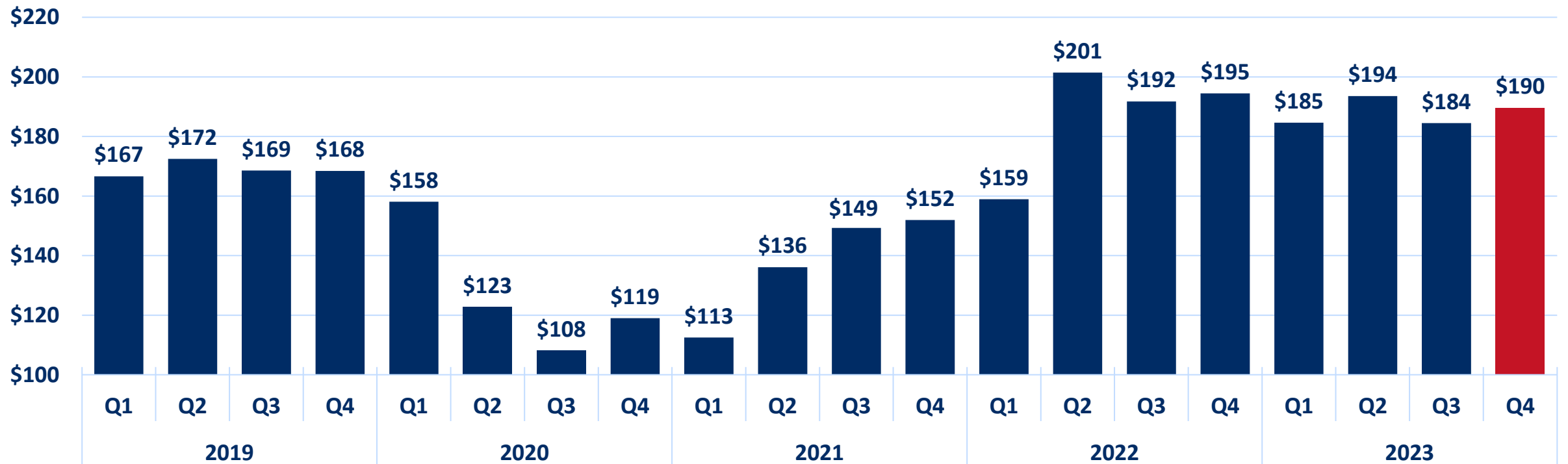


The West Region is below the industry average change in seat capacity and flights.

Domestic Airfare Trends

- Fares peaked in Q2 2022 at over \$200 one-way and have moderated somewhat.
- However, domestic fares are still above 2019 levels.

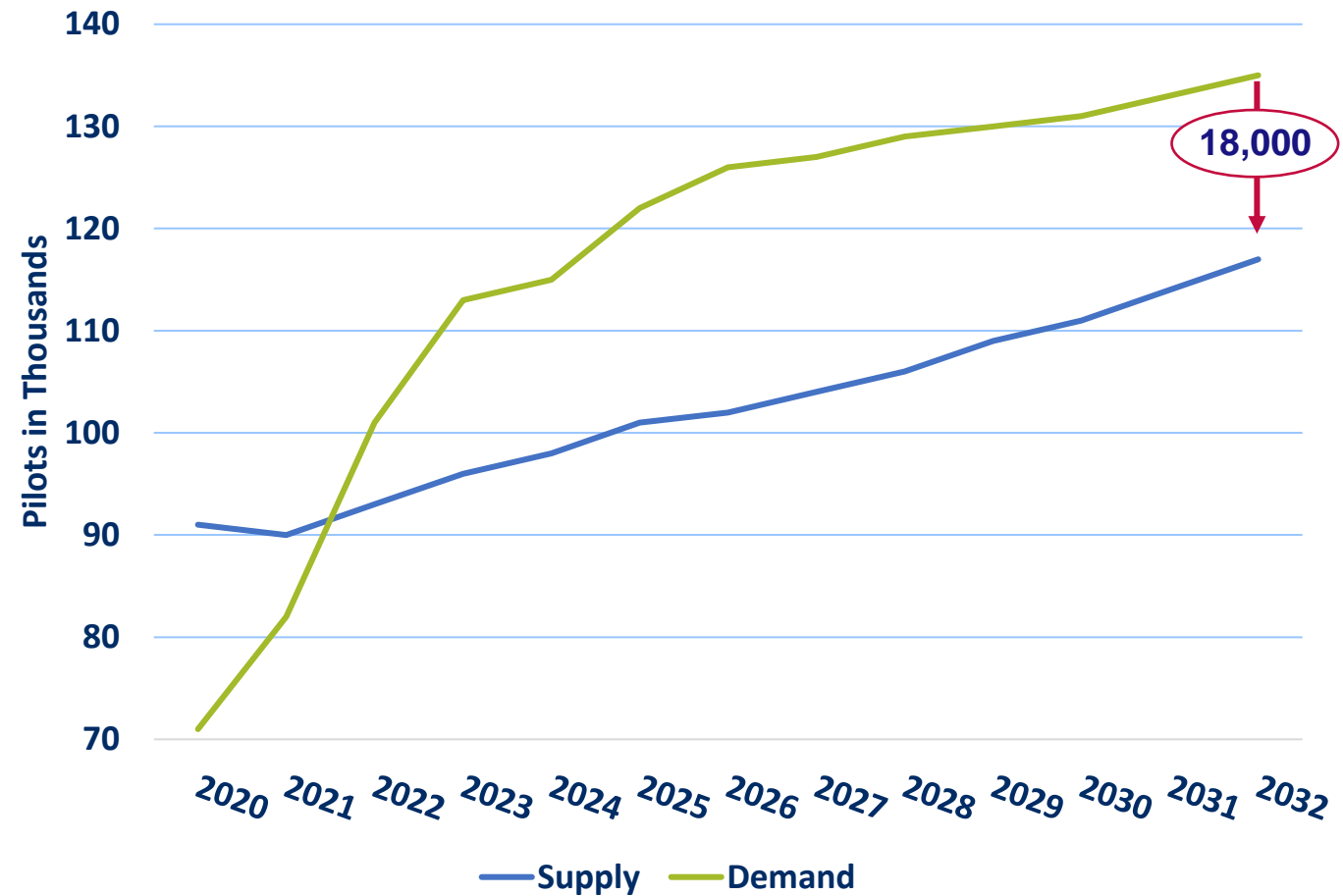
Average Domestic Airfares by Quarter



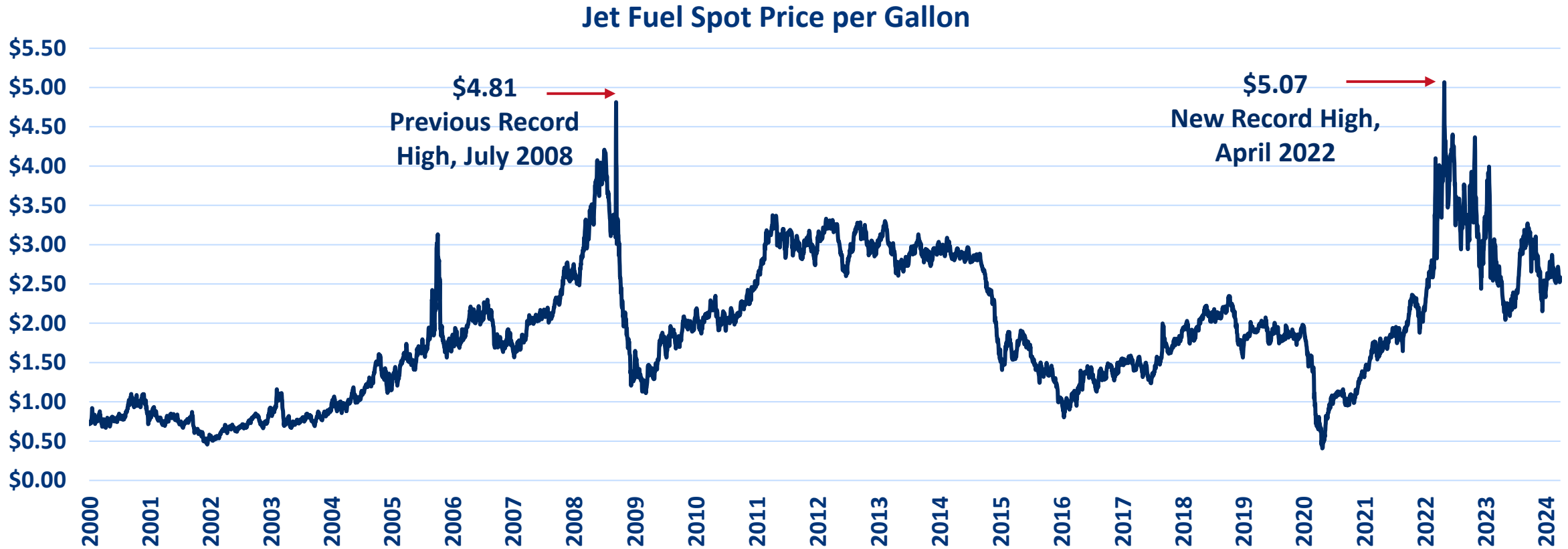
Pilot Shortage Continues

- By 2032, the aviation industry is estimated to be short roughly 18,000 pilots.
- The shortage has been mitigated by rising salaries and faster career paths.
- The widest gap occurs in 2026 with a shortage of 24,000.
- Shortage driven by voluntary reductions, retirements, job changes, and employer shutdowns in addition to the continued impacts of the 1,500-hour rule.

Global Pilot Supply Vs. Demand



Jet Fuel – A Major Expense

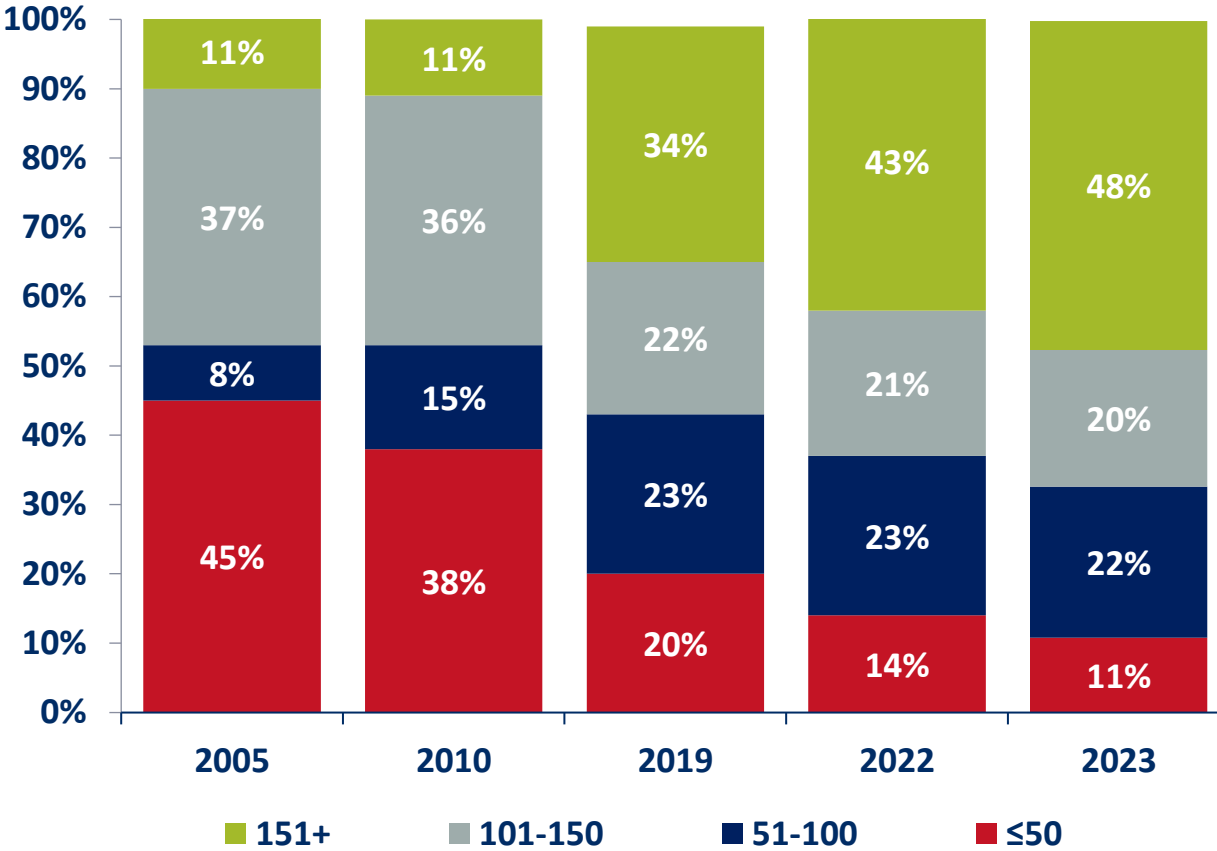


- At the peak in April 2022, jet fuel prices were over 5 times what they were two years prior.
- Daily spot price today is ~\$2.58 per gallon, still elevated but down from peaks of 2022.

Shift to Larger Aircraft

- Use of small regional jets (with 50 seats or fewer) continues to decline.
- Up-gauging and the growth of ULCCs has boosted the average.
- The regional pilot shortage has also contributed to airlines using higher gauge aircraft to maximize capacity with reduced pilot hours.
- Bigger aircraft require more passengers per departure.

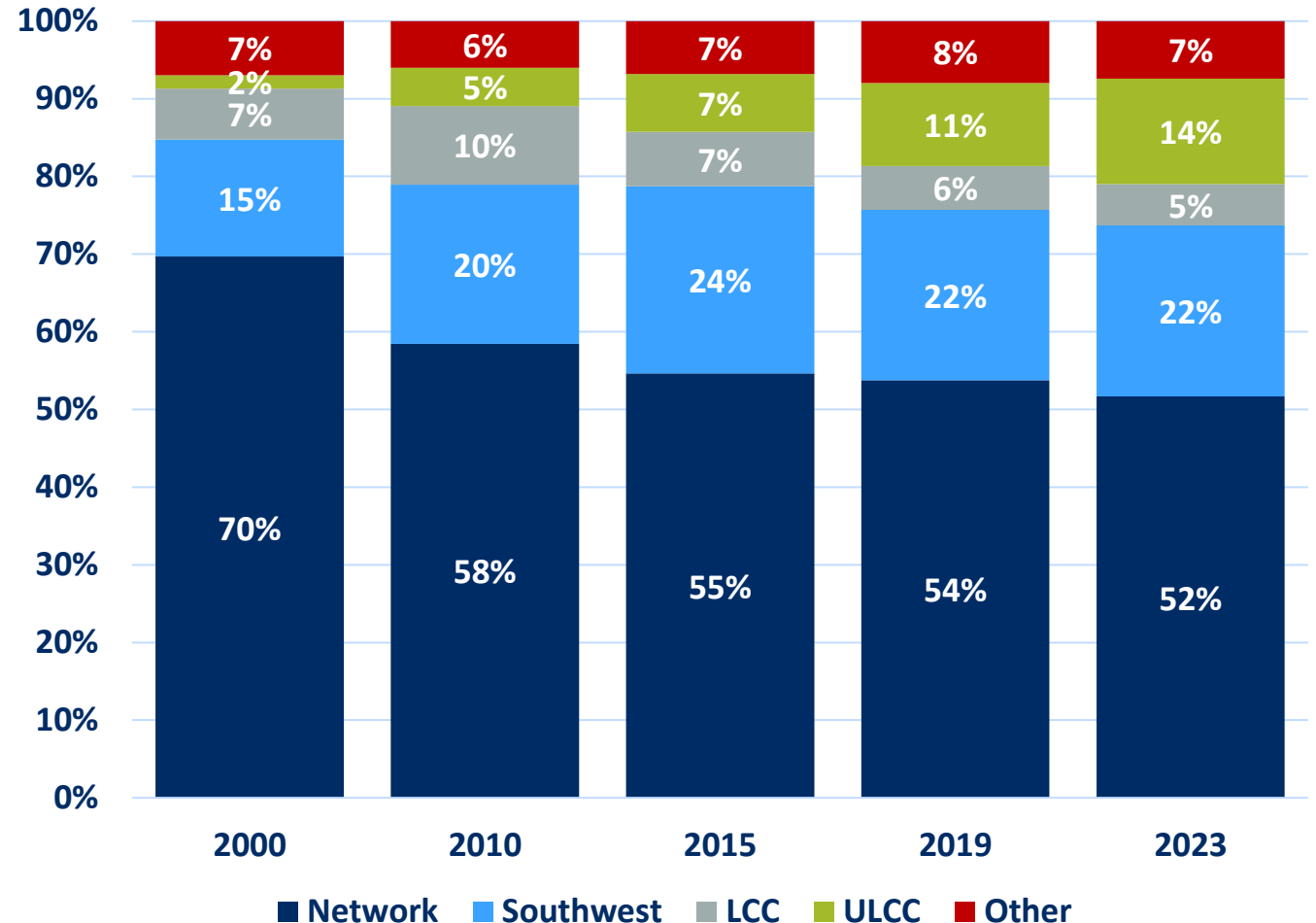
% of Domestic Departures by Aircraft Size



Domestic O&D Passengers by Airline Business Model

- Global network carrier share fell from 70% in 2000 to 52% in 2023.
- Southwest grew to 24% by 2015 but has lost 2 points of share since.
- The ULCC business model has risen from virtually nothing 20 years ago to 14% of the U.S. industry in 2023, with growth rates in excess of any other airline group.

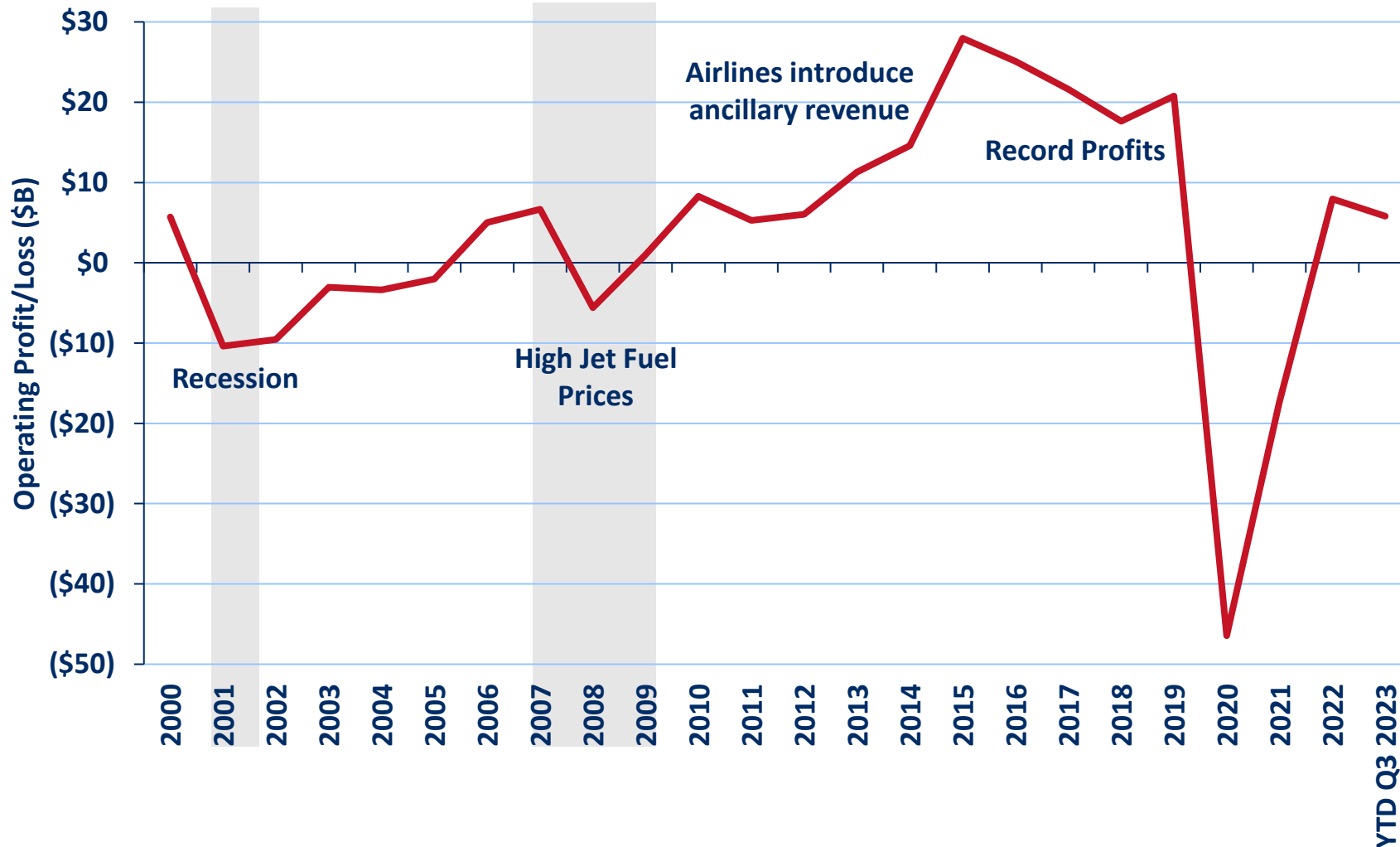
Share of Domestic O&D Passengers by Airline Business Model



Financials

Operating Profit/Loss (\$B)

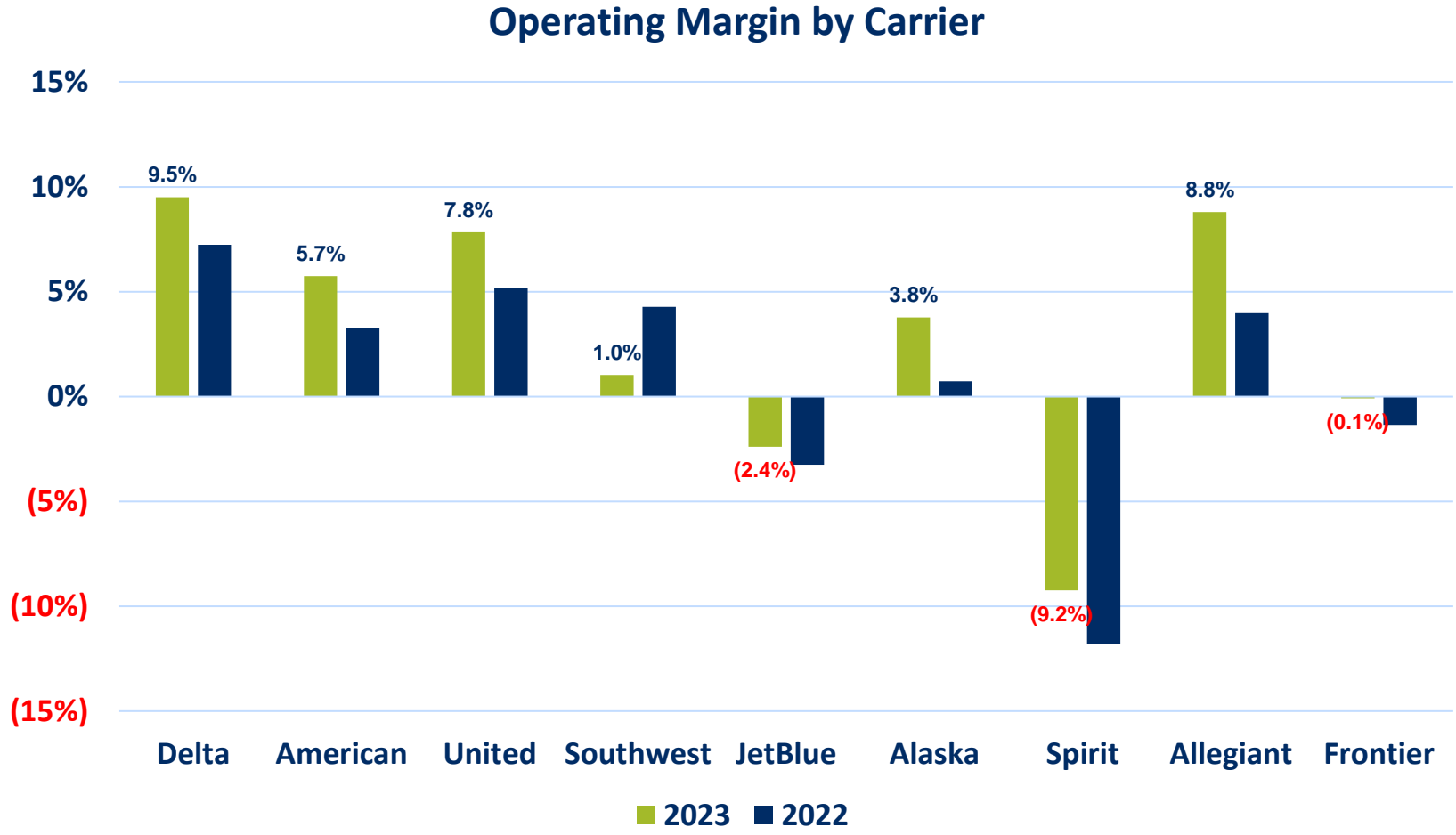
U.S. Passenger Airlines



- The U.S. airline industry enjoyed over 10 years of profitability before COVID-19.
- Carriers were profitable for the first 9 months of 2023, but returns are a fraction of pre-pandemic.

2023 Airline Profitability

- In 2023, operating margin varied widely by carrier.
- JetBlue, Spirit, and Frontier had negative margins.
- Only Southwest improved its margin over 2022.
- Rising costs affected all carriers, while lower fares to key leisure destinations had an outsized effect on Spirit and Frontier.

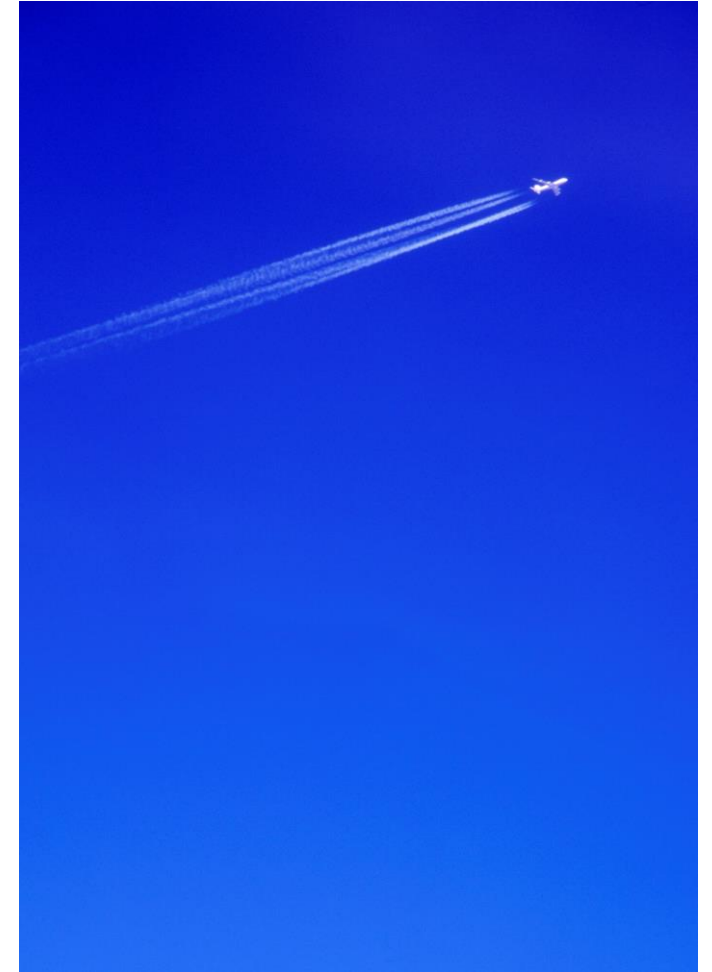


Carrier Restructuring Round-Up

Carriers	Status	Next Step
JetBlue/Spirit Merger	<ul style="list-style-type: none"> In January, a judge blocked JetBlue's \$3.8B deal for Spirit 	<ul style="list-style-type: none"> Appeal arguments to be heard in June Meanwhile, the two carriers are working on standalone plans
Alaska/Hawaiian Merger	<ul style="list-style-type: none"> In December, the two carriers reached an agreement to combine Approved in February by Hawaiian Holdings Stockholders 	<ul style="list-style-type: none"> Approvals expected in the next 10-16 months No objection yet from DOJ but requested info in February
American/JetBlue Northeast Alliance (NEA)	<ul style="list-style-type: none"> Fall 2023, Alliance unwound after a court ruling 	<ul style="list-style-type: none"> American's appeal filed in December; awaiting outcome but will not result in reinstatement of the NEA
GOL	<ul style="list-style-type: none"> In January, filed for Chapter 11 Bankruptcy Fleet is 141 aircraft, of which 136 are leased 	<ul style="list-style-type: none"> Operations continue while debt is restructured
Delta/Aeromexico Joint Venture	<ul style="list-style-type: none"> In January, DOT denied request for extension of antitrust immunity 	<ul style="list-style-type: none"> Objections to termination submitted Feb. 23

Implications for the Future

- The surge of leisure-driven demand has been strong, but 2023 had weakness in key leisure markets. Was 2023 the beginning of a trend?
- With strong demand for premium and international travel and weaker fares in some domestic leisure markets, carriers face differing demand depending on the type of product and network they offer.
- Several carriers have placed large orders for aircraft, but delivery timelines are uncertain and limit growth.
- The shortage of captain-level pilots is expected to last several years and continues to put pressure on smaller markets.



Air Service Tasks and Progress



Air Service Tasks – FY 2024

- **Market analyses**

- True Market Estimate (CY 2023)
- ✓ – True Visitation Estimate (CY 2023)
- ✓ – Destination Analysis (CY 2023)

- **Industry conferences**

- Allegiant Airports Conference (delayed)
- JumpStart (4 meetings scheduled)
- ✓ – Mead & Hunt Air Service Conference (6 airline meetings)
- ✓ – Routes Americas (4 airline meetings)
- ✓ – TakeOff North America (3 airline meetings)

- **Airline headquarters meetings**

- ✓ – SkyWest Airlines (Nov. 2023, in-person)
- ✓ – Southwest Airlines (Dec. 2023, in-person)
- ✓ – United Airlines (Dec. 2023, virtual)

- **Other**

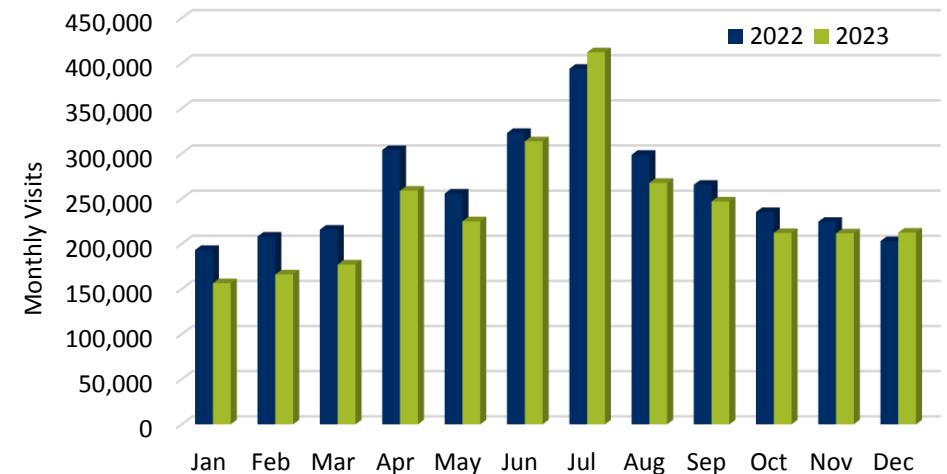
- Stakeholder meetings (to be scheduled)
- ✓ – Visitation estimate for the combined Central Coast

True Visitation Estimate – Aggregate



- The True Visitation Estimate assesses inbound visitation.
- Visitation was down 8% from 2022 to 2023, similar to many domestic markets.
- July and December had increased visitation at 5% each.
- Santa Maria Valley has some slight seasonality, with 35% of visitation in the summer.

Month	Calendar Year		% Change
	2023	2022	
January	156,390	193,228	(19%)
February	166,051	207,969	(20%)
March	177,090	215,637	(18%)
April	258,911	303,854	(15%)
May	224,932	255,635	(12%)
June	313,530	322,793	(3%)
July	412,153	393,855	5%
August	267,503	298,600	(10%)
September	246,899	265,449	(7%)
October	211,997	235,168	(10%)
November	211,560	224,358	(6%)
December	212,400	202,900	5%
Total	2,859,416	3,119,446	(8%)



True Visitation Estimate – Comparisons

Rank	Select MSA	CY 2023 Visitation			% Diff.	
		Santa Maria	San Luis Obispo	Santa Barbara	Vs. San Luis Obispo	Vs. Santa Barbara
1	Los Angeles-Long Beach-Anaheim, CA	472,428	665,910	1,952,438	(29%)	(76%)
2	San Francisco-Oakland-Hayward, CA	164,485	410,740	501,892	(60%)	(67%)
3	San Jose-Sunnyvale-Santa Clara, CA	112,980	188,428	186,201	(40%)	(39%)
4	Sacramento--Roseville--Arden-Arcade, CA	86,877	155,278	117,740	(44%)	(26%)
5	San Diego-Carlsbad, CA	80,096	187,439	285,855	(57%)	(72%)
6	Phoenix-Mesa-Scottsdale, AZ	32,150	30,044	68,956	7%	(53%)
7	Las Vegas-Henderson-Paradise, NV	31,017	15,375	35,607	102%	(13%)
8	Seattle-Tacoma-Bellevue, WA	18,401	60,048	61,733	(69%)	(70%)
9	New York-Newark-Jersey City, NY-NJ-PA	14,598	19,429	91,239	(25%)	(84%)
10	Dallas-Fort Worth-Arlington, TX	12,937	14,197	35,705	(9%)	(64%)
11	Portland-Vancouver-Hillsboro, OR-WA	10,152	26,436	29,223	(62%)	(65%)
12	Washington-Arlington-Alexandria, DC-VA-MD-WV	8,980	9,666	25,759	(7%)	(65%)
13	Chicago-Naperville-Elgin, IL-IN-WI	8,723	12,873	43,205	(32%)	(80%)
14	Denver-Aurora-Lakewood, CO	8,179	21,730	36,841	(62%)	(78%)
15	Miami-Fort Lauderdale-West Palm Beach, FL	7,389	4,543	18,121	63%	(59%)
16	Houston-The Woodlands-Sugar Land, TX	6,661	5,641	16,890	18%	(61%)
17	Salt Lake City, UT	5,729	6,668	14,017	(14%)	(59%)
18	Boise City, ID	5,467	9,085	8,442	(40%)	(35%)
19	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	5,269	5,110	18,039	3%	(71%)
20	Boston-Cambridge-Newton, MA-NH	4,331	6,859	30,989	(37%)	(86%)
21	Atlanta-Sandy Springs-Roswell, GA	4,047	5,219	15,214	(22%)	(73%)
22	San Antonio-New Braunfels, TX	3,794	2,080	5,078	82%	(25%)
23	Austin-Round Rock, TX	3,774	6,851	22,149	(45%)	(83%)
24	Minneapolis-St. Paul-Bloomington, MN-WI	3,741	5,906	16,615	(37%)	(77%)
25	Urban Honolulu, HI	3,206	10,134	14,880	(68%)	(78%)
Total All Visitation - Beyond 50 Miles		2,859,416	3,663,390	5,030,641	(22%)	(43%)

While aggregate inbound visitation to the Santa Maria Valley was below that of Santa Barbara and San Luis Obispo, the Santa Maria Valley visitation exceeded San Luis Obispo in several key markets.

Destination Analysis – Aggregate

Destination	SMX Catchment Area			Central Coast Combined			SMX % 2023
	2023	2022	% Change	2023	2022	% Change	
San Diego, CA	67,859	48,130	41%	337,959	234,376	44%	20%
San Francisco, CA	43,637	54,837	(20%)	345,617	387,871	(11%)	13%
Phoenix, AZ	31,036	38,801	(20%)	113,126	123,885	(9%)	27%
Sacramento, CA	31,015	23,734	31%	156,742	104,849	49%	20%
Dallas, TX	12,792	14,434	(11%)	56,306	56,268	0%	23%
Honolulu, HI	10,764	9,449	14%	50,236	52,515	(4%)	21%
Denver, CO	9,297	16,220	(43%)	41,134	70,470	(42%)	23%
Seattle, WA	6,952	4,381	59%	57,485	42,469	35%	12%
Portland, OR	6,281	8,963	(30%)	38,469	40,317	(5%)	16%
Salt Lake City, UT	5,817	8,993	(35%)	29,888	23,779	26%	19%
Destination Average	22,545	22,794	(1%)	122,696	113,680	8%	18%

- The Destination Analysis estimates outbound visitation to 10 selected destination markets.
- The average visitation from the SMX catchment area to the 10 markets decreased 1% versus an increase of 8% from the combined Central Coast.
- San Diego was the largest destination of the 10 for the SMX catchment area versus San Francisco for the combined Central Coast.
- The SMX catchment area averaged an 18% share of Central Coast outbound visitation.



Destination Analysis – Comparisons

- Visitation for each market is compared to several MSAs.
- The SMX catchment area compared the best on a per capita basis to San Diego, Phoenix, and Dallas.
- Favorable comparisons are used in the business case for new nonstop service.

San Diego Example:

Comparison Market	2023 Population	Visitation				Seats			
		2023	Per 1,000 Pop.	2022	% Chg.	2023	Per 1,000 Pop.	2022	% Chg.
SBA Catchment Area	219,789	164,128	746.8	120,535	36%	-	-	10,792	-
SBP Catchment Area	204,575	105,972	518.0	65,711	61%	19,456	95.1	21,736	(10%)
SMX Catchment Area	250,032	67,859	271.4	48,130	41%	-	-	-	-
Central Coast	674,396	337,959	501.1	234,376	44%	19,456	28.8	32,528	(40%)
Santa Rosa, CA	491,458	113,349	230.6	95,406	19%	45,824	93.2	48,336	(5%)
Monterey, CA	440,226	112,078	254.6	72,235	55%	25,080	57.0	26,828	(7%)
Eugene-Springfield, OR	388,406	40,962	105.5	26,180	56%	22,818	58.7	4,836	372%
Bend-Redmond, OR	238,398	25,241	105.9	16,276	55%	20,064	84.2	19,988	0%
Arcata, CA	137,020	24,357	177.8	19,874	23%	-	-	-	-
Redding, CA	184,028	22,338	121.4	23,162	(4%)	-	-	-	-
Medford, OR	227,588	16,343	71.8	16,655	(2%)	3,330	14.6	4,254	(22%)
Comparison Market Average	301,018	50,667	282.3	38,541	31%	-	-	-	-



Air Service Opportunities

Recent Airline Communication (FY 2024) – Major



- **American Airlines (AA)**
 - Met in Feb. 2024; Target = Phoenix (PHX)
 - Opportunity once SBA/SBP increase to 4x+ daily but not a short-term opportunity
- **Delta Air Lines (DL)**
 - Met in Feb. 2024; Target = Salt Lake City (SLC)
 - Reinstating SBA service in June – DL watching performance before expanding further, not a short-term opportunity
- **Southwest Airlines (WN)**
 - Met in Aug. 2023/Mar. 2024 at conferences; Dec. 2023 at HQ
 - SBA service performing very well; SMX could be a future consideration on a less-than-daily basis, not a short-term opportunity
- **United Airlines (UA)**
 - Met virtually in Dec. 2023; Targets = San Francisco (SFO) and Denver (DEN)
 - Pilot and fleet availability still constraints; little appetite for adding new markets in the near term

Recent Airline Communication (FY 2024) – LCCs/ULCCs

- **Allegiant Air (G4)**
 - Have not met since Apr. 2023 due to conference delay
 - Target for expansion given existing Las Vegas (LAS) service
- **Avelo Airlines (XP)**
 - Have not met this fiscal year; relatively new entrant air carrier operating primarily out of Burbank (BUR) on the West Coast
 - Interested in Central Coast as they add additional West Coast focus cities
- **Breeze Airways (MX)**
 - Met in Mar. 2024; Targets: Denver (DEN), Phoenix (PHX), and Ogden/Provo (Salt Lake City metro area)
 - Relatively new entrant air carrier, primarily on East Coast but interested in more West Coast expansion
 - Staff from G4 and familiar with SMX/Central Coast
- **Frontier Airlines (F9)**
 - Met in Mar. 2024; Target = Denver (DEN) but would also consider Dallas (DFW), Las Vegas (LAS), and Phoenix (PHX)
 - Want to serve 2 to 3 focus cities when serving a market
- **JetBlue Airways (B6)**
 - Met in Feb. 2024; Target = East Coast, Orlando (MCO)
 - Interested in continuing discussions
- **Spirit Airlines (NK)**
 - Met in Aug. 2023 and Feb. 2024; still focused on larger metro areas of 1 million+
- **Sun Country Airlines (SY)**
 - Met in Feb. 2023; Target = Minneapolis (MSP)
 - Typically provide summer-seasonal service

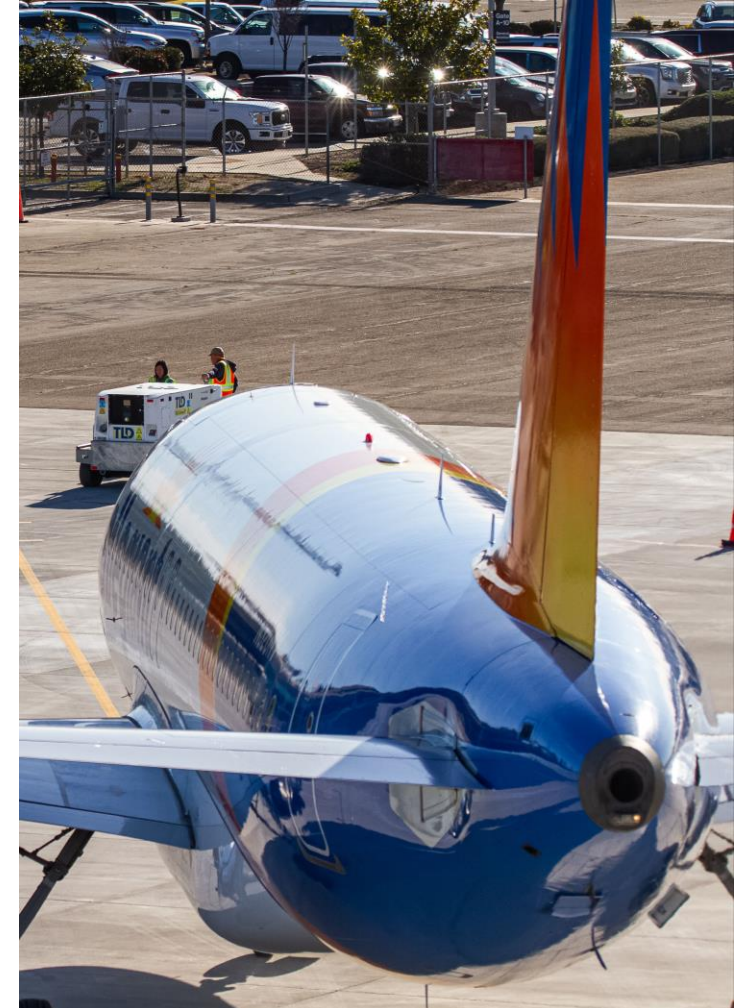
Recent Airline Communication (FY 2024) – Other

- **Alaska Airlines (AS)**
 - Met in Feb. 2023; Targets = Portland (PDX) and Seattle (SEA)
 - Expressed interest in the concept of adding SMX to be able to add capacity to the region but no new markets likely in short-term due to pilot/equipment constraints
- **Boutique Air (4B)**
 - Met in Mar. 2024; Target = Sacramento (SMF)
 - 9-seat aircraft operator that would likely require significant incentives
- **Hawaiian Airlines (HA)**
 - Met in Feb. 2024; Target = Honolulu (HNL)
 - Continues to look at new market opportunities with anticipated aircraft deliveries; expressed interest in the Central Coast
- **SkyWest Airlines (OO)**
 - Met in Nov. 2023 at HQ; Target = San Francisco (SFO)
 - Not adding any new pro-rate flying until they are 100% back on their contract flying; still suffering from pilot shortage



Next Steps

- **Continue to update market analyses**
- **Meet with airlines as frequently as possible**
 - Industry conferences
 - JumpStart – May 2024 (Washington, DC)
 - Allegiant Airports Conference – Oct. 2024 (Las Vegas, NV)
 - TakeOff North America – Oct. 2024 (Green Bay, WI)
 - Routes Americas – Feb. 2025 (Nassau, Bahamas)
 - Mead & Hunt– Mar. 2025 (Phoenix, AZ)
 - Headquarters meetings
 - Typically held in the Fall
 - Meetings will be pursued with multiple airlines, including ULCCs
- **Consider expanded incentives for top priority markets and airlines**
 - Strong revenue guarantee for hub markets like DEN/PHX already in place
 - Consider level of incentives for ULCCs





Thank You!

Questions & Discussion

CONSULTING SERVICE AGREEMENT
(PRELIMINARY, DESIGN, BIDDING, CONSTRUCTION, AND COMPLETION PHASE)
SERVICES FOR THE U.S. CUSTOMS BUILDING UPGRADES
AT THE SANTA MARIA PUBLIC AIRPORT DISTRICT

By this Agreement, dated April 11, 2024, between SANTA MARIA PUBLIC AIRPORT DISTRICT (herein called "District") and TARTAGLIA ENGINEERING a sole proprietorship owned by John A. Smith, (herein called "Engineer"), District retains Engineer to perform certain engineering and design services.

WITNESSETH

In consideration of the mutual covenants, conditions, and promises contained herein below, District and Engineer agree as follows:

1. SCOPE OF AGREEMENT

District hereby hires Engineer to provide the services as defined in Exhibit "A" attached hereto and incorporated by this reference entitled "Engineer's Scope of Project and Compensation". Engineer agrees to perform said services and accept the compensation set forth in said Exhibit "A".

2. TIME OF PERFORMANCE

Performance of the services hereunder by Engineer will commence November, 2022, or upon sooner under the direction of the General Manager, with time of completion on or before October 31, 2024.

3. COMPENSATION

District shall compensate Engineer in accordance with the terms, rates, and conditions of Exhibit "A" attached hereto and incorporated by this reference. Engineer shall bill District monthly with an itemized invoice detailed to nearest one-half (1/2) of an hour of all services performed and authorized expenses, other than incidental office expenses, incurred during the preceding month. Compensation rates shall be reviewed on an annual basis.

4. MATERIALS AND DOCUMENTS

District shall be the owner of all drawings, mylars, reproducibles, plans, specifications, test reports, and other documents, data and work products produced or resulting from the services of Engineer. Engineer may retain copies for its files.

Engineer shall bear the cost and expense of all facilities, equipment, materials, supplies, documents, publications and other expenses or items used or needed or incurred by Engineer in the performance of the services hereunder, except as otherwise specifically provided.

5. ASSIGNMENT

This Agreement or any interest herein shall not be assigned by Engineer.

6. INDEPENDENT CONTRACTOR

The parties intend that Engineer shall be an independent contractor in performing the services provided by this Agreement. District is interested only in the results to be achieved, and the conduct and control of the work will lie solely with Engineer. Engineer is not to be considered an agent or employee of District for any purpose, and the officers, employees and agents of Engineer are not entitled to any of the benefits that District provides for its employees, including worker's compensation insurance. It is understood that Engineer is free to contract for similar services to be provided to others while under contract with the District, provided there is no actual or perceived conflict of interest. District's General Manager shall have the right, in his sole discretion, to determine if a conflict of interest exists.

7. PRIOR APPROVAL OF DISTRICT

Engineer shall not incur any obligations or provide any services for District without first obtaining approval therefore from a majority of District's Board of Directors at a publicly noticed meeting of the Board or from District's General Manager. The District's General Manager is authorized to review and approve Engineer's bills.

8. ENGINEER' RECORDS

Full and complete records of Engineer's services and expenses and records between District and Engineer shall be kept and maintained by Engineer and shall be retained by Engineer for three (3) years after District makes final payment to Engineer hereunder. District, the FAA, the Comptroller General of the United States, or any of their duly authorized representatives shall have access to any books of account, documents, papers, and records of Engineer which are directly pertinent to Engineer's work hereunder.

9. TERMINATION

This Agreement may be terminated by either party without cause upon the giving of thirty (30) days written notice to the other. In the event of such termination by the District, Engineer shall not be entitled to further compensation from District, other than for services previously approved and completed.

10. SUSPENSION OR ABANDONMENT OF PROJECT

District may at any time suspend or abandon any project or any part thereof. In the event District should determine to suspend or abandon all or any part of any project, it shall give written notice thereof to Engineer, who shall immediately terminate all work upon that portion of the project suspended or abandoned in the notice. Within thirty (30) days of the date of notice of suspension or abandonment, District shall pay to Engineer, as full and final settlement, compensation for all of Engineer's services performed and costs and expenses incurred prior to receipt of notice of suspension or abandonment in a prorated amount equal to the proportion that the Engineer's services rendered to the date of receipt of such notice bears to the total compensation the Engineer would have received in accordance with Exhibit "A" had the project been completed.

11. INSURANCE Engineer shall, at Engineer's expense, take out and maintain during the duration of this Agreement, the following types and amount of insurance insuring Engineer and Engineer's officers and employees:

Automotive and Public Liability and Property Damage Insurance: Automobile liability and comprehensive general liability insurance, including public liability, property damage liability, and contractual liability coverage, providing bodily injury, death and property damage liability limits of not less than \$1,000,000 for each accident or occurrence.

Professional Errors and Omissions Insurance. Professional errors and omissions insurance with liability limits of not less than \$1,000,000 per occurrence.

Before or concurrently with the execution of this Agreement, Engineer shall file with the District a certificate or certificates of insurance, issued by the insurance carrier, covering the specified insurance. Each such certificate shall bear an endorsement precluding the cancellation, or reduction in coverage, of any policy before the expiration of thirty (30) days after the District shall have received notification by registered or certified mail from the insurance carrier. Each certificate and policy shall bear an endorsement providing contractual liability coverage for this Agreement. District shall be named an additional insured for each policy, without offset to any insurance policies of District.

12. INDEMNITY

Engineer shall defend (with counsel acceptable to District), indemnify and hold harmless District, its directors, officers, employees, agents and representatives from and against any and all suits, proceedings, liens, actions, penalties, liability, loss, expense, claims or demands of any nature including costs and expenses for legal services and cause of action of whatever character which District may incur, sustain or be subjected to arising out of or in any way connected with the services or work to be performed by Engineer, or arising from the negligence, act or omission of Engineer, its officers and employees, provided, however, that Engineer is not hereby indemnifying and holding District harmless for liability or loss occasioned, caused or suffered by the sole active negligence of District or its willful misconduct.

13. EXTRA SERVICES

There will be no payment for extra services by Engineer unless it is expressly authorized by the District's General Manager or a majority of the Board of Directors. Compensation for any extra services shall be in accordance with Exhibit "A" attached hereto and incorporated by this reference.

14. RIGHT TO AMEND

This Agreement shall be subordinate to the provisions of any existing or future agreement between District and the United States by which District obtains federally-owned surplus property or federal aid for the improvement, operation, and/or maintenance of the airport. If the Federal Aviation Administration or any other federal agency requires modifications or changes in this Agreement as a condition for the granting of funds for the improvement of the air terminal or lands and improvements covered by its laws, rules, or regulations, Engineer agrees to consent to the amendments, modifications, revisions, supplements, or deletions of any of the terms, conditions, or requirements of this Agreement as may be required to obtain such funds. This right to amend will not affect payment to Engineer for previously approved expenses and completed services.

15. NOTICES

All notices required herein shall be in writing and may be given by personal delivery or by registered or certified mail, postage prepaid, and addressed to District at 3217 Terminal Drive, Santa Maria, California 93455, and to Engineer at Tartaglia Engineering, 359 Front Street, Suite E &F, Grover Beach, CA 93433. Any party may at any time change its address for such notice by giving written notice of such change to the other parties. Any notice provided for herein shall be deemed delivered upon being addressed and deposited as aforesaid at any United States Post Office or branch or substation or in any United States mailbox, or at time of personal delivery.

16. ATTORNEY'S FEES

In the event either party hereto commences any legal action or proceeding against the other party to perform or keep any term, covenant or condition of this Agreement to be kept or performed by the other party, the party prevailing in such action shall be entitled to recover court costs and a reasonable attorney's fee to be fixed by the court.

17. OTHER ENGINEERING SERVICES

District reserves the right to contract with Engineer or other engineering firms for engineering and design services on a project-by-project or other basis.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be fully executed.

Dated: April 11, 2024

Approved as to form on behalf of District:

DISTRICT:

General Manager

Ignacio Moreno, President

Approved as to form:

Steve Brown, Secretary

District Counsel

Engineer:

John A. Smith, P.E.
Principal

CERTIFICATION OF ENGINEER

I hereby certify that I am the owner or principal executive officer and duly authorized representative of the firm of TARTAGLIA ENGINEERING, ENGINEERING a sole proprietorship owned by John A. Smith, whose address is 7360 El Camino Real, Suite E, P.O. Box 1930, Atascadero, California 93423, and that neither I nor the firm I represent has:

- A. Employed or retained for commission, percentage, brokerage contingent fee, or other consideration, any firm or person (other than a bona fide employee working solely for me or the above firm) to solicit or secure this contract.
- B. Agreed, as an express or implied condition for obtaining this contract, to employ or retain the services of any firm or person in connection with carrying out the contract; or
- C. Paid or agreed to pay to any firm, organization, or person (other than a bona fide employee working solely for me or the above firm) any fee, contribution, donation, or consideration of any kind for or in connection with procuring or carrying out the contract, except as herein expressly stated (if any):

I hereby certify that I am a registered and California licensed civil engineer.
License Number: C46852

I acknowledge that this certificate is to be furnished to the Federal Aviation Administration of the United States Department of Transportation in connection with this contract involving participation of Airport Improvement Program (AIP) funds and is subject to applicable state and federal laws, both criminal and civil.

(Date)

JOHN A. SMITH, Owner

SCOPE OF PROJECTBackground:

The goal of the U.S. Customs Upgrades project is to convert the former Line Service Building to a U.S. Customs Point of Entry to the United States. Originally constructed in 1990, the structure was initially occupied as a Line Service Building with a focus on providing mobile aircraft fueling by a service provider. The other half of the space served as a General Aviation Terminal. The structure sat empty for several years until it was converted to a U.S. Customs Station in the 1990's. The operation was short-lived, for numerous reasons. Central Coast Jet Center has been the most recent tenant to the structure, using the facility as an annex to their main operation on the south side of the airfield.

In the fall 2022 the Board, within significant community input, directed staff to re-visit and reconsider U.S. Customs as a viable, desirable tenant of the building. Conversion back to a Customs facility would be quick and painless. While the logic was pure, the execution has been a circuitous path.

1. At 34 years old, the structure is in much need of repairs and upgrades, both interior and exterior.
2. While it was a Customs facility at one time, it has become apparent that not only have Customs standards changed in the last 20 years, but that the facility was evidently not given the level of review and direction from Customs Staff during the previous conversion.
3. Part way through the design process, Staff recognized the facility for what it truly will be once in operation: an international gateway to Santa Maria. With the Boards commitment to the marketing consultant, this no-doubt will come true. As a result, the level / quality of upgrades increased to help enhance the international travelers' entry experience.

Scope of Project:

Engage US Customs and Border Patrol (CBP) regarding the establishment of a US Port or Entry at Santa Maria Airport. Work with staff to gain an understanding of the general design standards and facility requirements for a Port of Entry, and specifically what is required at Santa Maria. Based on this input, secure professional architecture services necessary to prepare the appropriate plans, details, technical specifications, etc., documents to facilitate the upgrade.

Improvements determined during the several design scoping meetings, modified and expanded during the design effort include:

1. Install and preserve for the duration a temporary perimeter fence, thereby designating the work siter as "outside the secured airport perimeter".
2. Investigate and address building leaks (either roof or south-facing store front glass unit, or ?).
3. Remove and replace the roof, including replacement of designated sheathing panels.
4. Remove and reinstall a shortened service counter in a rotated orientation.
5. Update all building electronics and security systems.
6. Upgrade wall integrity for the hold room / detaining space.
7. Install building fire sprinklers, including water service lateral with connection to the city main.
8. Restroom upgrades including new fixtures, sinks, toilets, lighting, etc.
9. Interior wall, ceiling, and flooring treatments.
10. Building interior and exterior signage.
11. Upgrades to the entrance "sally-port".

12. Revisions to the IT closet and IT services throughout the building.
13. Emergency eye-wash station.
14. Remove and replace the ADA path of travel concrete between the front door and ADA parking spaces.
15. Pavement marking on the apron, creating two designated aircraft secured parking / holding positions, with personal path of travel from each to the building.
16. Apply a slurry seal to the parking lot, install new pavement markings, and install new ADA pole-mounted signage.

Based on bids received, the total cost / value of the upgrades is:

1. Building and site civil improvements:	\$694,000.00
2. Roof Upgrades:	\$ 89,887.00
Total:	<u>\$783,887.00</u>

The Building and Site Civil construction contract will extend for 150 calendar-days. The Roof Upgrade construction contract will extend for 30 calendar-days, within the overall 150-calendar-day contract period.

SCOPE OF SERVICES

Services to be provided by Tartaglia Engineering may include, but not necessarily be limited to, the following:

1. PRELIMINARY PHASE

- A. Provide project management, communication, invoicing, and overall coordination of Tartaglia Engineering through the work of this phase, including insight and guidance to the District-retained architecture firm.
- B. Participate in several scoping meetings, conference calls, and building site visits / inspection tours with the District, CBP, and the architect to gain an understanding of CBP standards, project goals, and specific revisions and facility upgrades expected at the Santa Maria Station.
- C. Perform a topographic survey of the area for civil improvements including the vehicle parking lot and area around the structure.

2. DESIGN PHASE

- A. Provide project management, communication, invoicing, and overall coordination of Tartaglia Engineering through the work of this phase, including insight and guidance to the District-retained architecture firm.
- B. Establish project construction contract packaging:
 - Building Upgrades and Site Civil
 - Roof RepairRavatt-Albrecht to focus on building upgrades.
Tartaglia Engineering to focus on the civil aspect of the building upgrades, and the roofing project.

- C. Perform design of exterior project improvements, to include the following, at a minimum:
- Water service for building sprinklers.
 - Parking lot upgrades including striping and marking plan, and signage plan.
 - Pavement markings for the secured aircraft holding boxes, and path of travel designation between secured areas and the Customs Station building.
 - Temporary fencing improvements to facilitate construction.
 - ADA path of travel improvements between building front door and the ADA parking spaces.
- D. Working with District staff and special subject expert (roof repair), prepare technical specifications for the roof project. This was separated out from the balance of the customs upgrades to allow for Tartaglia and District staff to generate a standard roof repair specification that can be used very quickly numerous times going forward on other District-owned structures.
- E. Prepare specifications and contract documents for both projects to include the following, at a minimum:
- Notice Inviting Sealed Bids.
 - Bid Proposal.
 - Contract.
 - General Provisions.
 - Special Provisions.
 - Technical Specifications.
 - Incorporate architect-provided technical specifications into the booklet.

Tartaglia will prepare specification booklets to include District-provided materials including District standard boiler plate specifications and contract.

- F. Prepare Construction Cost Estimates after District approves the documents, prior to proceeding with the public bidding.
- G. Perform all final revisions to plans and specifications based on input and review by the District, and any other agency or entity that has an interest and has provided review comments to the documents, including the City of Santa Maria and CBP.

3. BIDDING PHASE

At the appropriate time, based on direction provided by the District, proceed with public bidding of both construction contracts.

- A. Provide project management, communication, invoicing, and overall coordination of Tartaglia Engineering through the work of this phase, including insight and guidance to the District-retained architecture firm.
- B. Prepare and provide the two Notices Inviting Sealed Bids to the District for posting on the District web-site, to Public Purchase for posting on the bidding service website, and to the Santa Maria Times for publication in the local newspaper.
- C. Establish two project listings on the Public Purchase Web Portal. Provide documents for their distribution to interested contractors.

- D. Be available to answer contractor questions throughout the Bidding Phase, providing timely, unbiased, and thorough responses. Generate and distribute addenda if and as necessary.
- E. Chair, run, and take minutes at a Mandatory Pre-Bid Job Walk. Include a walking tour of the site including building interior and roof.
- F. Review contractors bids received on the Public Purchase website. Generate a summary of bids received and a detailed spreadsheet that includes all line item pricing, and listed subcontractors. Review DBE-provided documentation. Prepare a preliminary correspondence to the District identifying the "apparent low bidder" for each project. Prepare a second communication to the District to include a "recommendation for award of contract" for each project.

4 CONSTRUCTION PHASE

- A. Provide project management, communication, invoicing, and overall coordination of Tartaglia Engineering through the work of this phase, including insight and guidance to the District-retained architecture firm.
- B. Prepare, distribute, and gain District approval of two construction contracts, one each for both of the construction projects.
- C. Conclude all City of Santa Maria and CBP reviews and plan / project approvals. Gain inspection cards from the city and establish inspection milestones and requirements.
- D. Schedule, chair, and take minutes at a Pre-Construction Conference:
 - Focus on phasing of the improvements, short-duration impacts to the Fire Station Parking Lot and the Air Attack Annex.
 - Discuss coordination requirements for submittal review, pay requests, City of Santa Maria inspection requirements, and periodic inspections by Tartaglia Engineering and Ravatt-Albrecht Architects.
 - Present CBP standards and periodic inspection requirements.
 - Establish periodic construction progress meeting schedules.
 - Identify means and methods for the building and civil improvement package contractor to provide coordination and scheduling direction to the roofing contractor.
- E. Construction contract management:
 - Active communication between all parties of interest including the District, contractors, the City of Santa Maria, and CBP. Provide project updates and advance scheduling information in a format suitable for District dissemination to parties of interest.
 - Support the District in securing DIR registration for the project and in assuring contractor responsibilities for DIR registration and upload of payroll statements.
 - Actively manage, respond to, and document through log record all Requests for Information (RFI's), and other contractor-initiated communication, along with official responses.
 - Material submittal review.
 - Monitoring of contractor progress relative to the contract time for performance and contractor-provided, engineer-approved base line schedules for both projects.
 - Attendance at periodic construction progress meetings. Generate progressive meeting minutes.

- Manage issues during construction as they develop. Render opinion regarding contract obligation, additional work based on unforeseen conditions or circumstances, District-initiated modification or change, etc. Prepare and issue Requests for Proposals (RFP's), receive and negotiate cost proposals, prepare Change Orders, and gain District approval.
- Review and approval of contractor periodic progress payments.
- Receive, document, and verify DBE levels of participation.
- Coordinate the architect team as necessary, securing their input on pertinent items.
- Coordinate periodic progress inspections by CBP.
- Participate in preliminary and final inspections. Prepare and distribute Punch List.
- Prepare final correspondence to the Airport District for final acceptance. Prepare and submit Notice of Project Final Acceptance. For both projects.

F. Construction observation:

- Active inspection of all contractor operations.
- Field engineering and interpretation of plan and specification.
- Engaging dialog with the contractor through periodic progress meetings.
- Preservation of airport secured perimeter.
- Coordinate the architecture team for their input:
 - Identify expectations for performance.
 - Submittal and shop drawing review.
 - RFI responses.
 - Preparation of RFPs and review / approval of responses.
 - Coordination issues between skills working on the project.
 - Progress pay review for confirmation of progress toward completion.
 - Preliminary Final Inspection, preparation of a preliminary Punch List.
 - Final Inspection and Project Acceptance.

***Fee work-up assumptions for construction observation (NOT FULL TIME):**

- Overall contract duration = 150 calendar-days.
- Within this period, the roofing contractor has 30 calendar-days to perform. It is presumed work will occur concurrently.
- 150 days = 21 weeks, plus a week before and a week after = 23 weeks.
- 23 weeks with inspection
 - Active construction: 12 weeks, 3 days a week, 6 hours = 216 hours.
 - Partial construction: 11 weeks, 2 days a week, 6 hours = 132 hours.
 - **Total inspection budget (day time, straight time) = 348 hours.**
- Available by phone the other days.
- Daily inspection reports to include the following, at a minimum:
 - Day, date, and contract day.
 - Weather and working conditions.
 - Men and equipment.
 - Work accomplished.
 - Materials delivered.
 - Materials testing.
 - Issues and opportunities.
 - Documentation will be for days the inspector is on-site, with attempts to fill in the gaps for days without an inspector.
- Monitor contractor performance regarding airport perimeter security, site access, path of travel, escorts if necessary (for when working actually inside the fence), vehicle and equipment delineation, etc.

- Photo documentation of all activities.
- Review material certifications for compliance with approved submittals.
- Review shop drawings.
- Review contractor-prepared "As-Built" marked up drawings.
- Determine periodic pay and final pay quantities.
- Participate in preliminary and final inspections, with input to the Punch List. Pursue City of Santa Maria final inspection and acceptance of improvements.

5 COMPLETION PHASE

- A. Provide project management, communication, invoicing, and overall coordination of Tartaglia Engineering through the work of this phase.
- B. Establish final pay quantities and final compensation to contractor, including any adjustments based on performance. Prepare Balancing Change Order.
- C. Receive the contractor-prepared, marked-up as built plans. With Inspector input, revise electronic file version of the project plans to reflect the completed project.
- D. Assure complete contractor vacation of the airport and yard including removal of the temporary perimeter fence, removal of any contractor locks, removal of all excess materials and disposal facilities for solid and sanitary waste, etc.
- E. Prepare a final documentation summary of the project, including a description of the completion of both construction contracts, from start to successful completion, including photo documentation and all materials testing results.
- F. Provide final accounting documentation for the contractor and professional support team.

RAVATT ALBRECHT & ASSOCIATES

Ravatt Albrecht & Associates are the project architect, serving as lead consultant related to all things architectural. The firm is providing professional services in all phases of this effort, through a professional services contract direct to the District. Tartaglia Engineering is providing overall coordination of their activities, and Tartaglia will take the lead during construction, with Ravatt Albrecht providing focused services in a supporting role.

TIME FOR PERFORMANCE

Tartaglia Engineering provided and performed the work of the Preliminary, Design, and Bidding Phases in accordance with the schedule discussed with staff, extended through the performance of the team architect. Tartaglia will perform the services of the Construction and Completion Phases according to the following:

Pre-Construction Conference:	April, 2024
Notice to Proceed:	April, 2024
Construction:	150 calendar-day contract
Completion Phase:	Anticipated toward the end of October, 2024

COMPENSATION SUMMARY

All services identified in the Scope of Services Section of this Exhibit, on a Time and Materials Basis, Not to Exceed:

Nine Thousand Three Hundred Dollars	(\$9,300.00)	Preliminary Phase
Thirty-Six Thousand Seven Hundred Dollars	(\$36,700.00)	Design Phase
Eleven Thousand Four Hundred Dollars	(\$11,400.00)	Bidding Phase
Eighty-Two Thousand Seven Hundred Dollars	(\$82,700.00)	Construction Phase
Eight Thousand Nine Hundred Dollars	(\$8,900.00)	Completion Phase
Total Agreement Compensation, Not to Exceed:	\$149,000.00	

TARTAGLIA ENGINEERING HOURLY RATE SCHEDULE

<u>Position</u>	<u>Hourly Rate</u>
Principal-In-Charge.....	\$240.00
Licensed Land Surveyor	\$179.00
Registered Civil Engineer	\$188.00
Project Manager	\$157.00
Environmental Coordinator / CPESC	\$123.00
Engineer / Survey Technician III.....	\$141.00
Engineer / Survey Technician II	\$114.00
Engineer / Survey Technician I.....	\$92.00
Clerical.....	\$76.00
Professional Travel Time.....	\$114.00
Inspector: Day, Straight Time.....	\$168.00
Day, Overtime.....	\$197.00
Night, Straight Time	\$182.00
Night, Overtime.....	\$201.00
(Minimum night shift = 4 hours)	
Survey Party: One Man.....	\$250.00
Two Man	\$344.00

(Compensation to field surveyors performing construction staking and layout, and to construction inspectors, shall be in accordance with prevailing wage requirements.)

Direct expenses shall be reimbursed as follows:

Mileage	\$0.65 per mile
Per diem	\$224.00 per man-day
Reproduction, postage, express mail shipping, advertising.....	At Cost
Sub-consultant services.....	At Cost
Supplies including monuments and construction staking material.....	At Cost
Permit, plan check, and agency inspection fees.....	At Cost

Tartaglia Engineering DIR# 1000049201

Fee Schedule subject to change after December 31, 2024

		Principal	Land Survey.	Civil Eng	Tech. III	Tech. II	Tech. I	Clerical	Survey 1-Man	Inspect. Day ST	Inspect. Night ST	Inspect. OT	Prof. Travel	Mileage	Total
Task	Description	\$240.00	\$179.00	\$188.00	\$141.00	\$114.00	\$92.00	\$76.00	\$250.00	\$168.00	\$182.00	\$201.00	\$114.00	\$0.65	
1 Preliminary Eng. Phase															
A	Management of team & work	4.0													\$960.00
B	Scoping meetings with CBP	3.0		12.0	3.0			2.0							\$3,551.00
C	Topo survey & ADA analysis		4.0						14.0						\$4,216.00
	Supplies, Postage														\$573.00
	Sub-Total														\$9,300.00
2 Design Phase															
A	Management of team & work	18.0													\$4,320.00
B/C	Package project. Perform civil design.	12.0	1.0	46.0	39.0	57.0		3.0							\$23,932.00
D/E	Prepare specs. / contract docs.	2.0		18.0		31.0		5.0							\$7,778.00
F	Cost Estimate	1.0		1.0											\$428.00
G	Perform all revisions.														\$0.00
	Supplies, Prints, Postage														\$242.00
	Sub-Total														\$36,700.00
3 Bidding Phase															
A	Management of team and work	4.0													\$960.00
B	Provide Notice, Bid Docs			6.0											\$1,128.00
C/D	Manage Public Purchase. A. questions.			6.0	8.0			5.0							\$2,636.00
E	Pre-Bid Job Walk	4.0		4.0	8.0										\$2,840.00
F	Review bids, recommend award.	8.0		8.0				3.0							\$3,652.00
	Supplies, Postage														\$184.00
	Sub-Total														\$11,400.00

		Principal	Land Survey.	Civil Eng	Tech. III	Tech. II	Tech. I	Clerical	Survey 1-Man	Inspect. Day ST	Inspect. Night ST	Inspect. OT	Prof. Travel	Mileage	Total	
Task	Description	\$240.00	\$179.00	\$188.00	\$141.00	\$114.00	\$92.00	\$76.00	\$250.00	\$168.00	\$182.00	\$201.00	\$114.00	\$0.65		
4 Construction Phase																
A	Management of team and work	4.0													\$960.00	
B	Prepare contracts	2.0		4.0				5.0							\$1,612.00	
C	Gain city permits. Acquire inspect cards.			2.0	5.0										\$1,081.00	
D	Pre-Construction Conference	4.0		4.0	4.0			2.0							\$2,428.00	
E	Construction management	4.0		45.0		40.0		7.0							\$14,512.00	
F	Construction observation			18.0						348.0					\$61,848.00	
	Supplies, Postage														\$259.00	
	Sub-Total														\$82,700.00	
5 Completion Phase																
A	Management of team and work	4.0													\$960.00	
B	Final pay quantity & adjustment	3.0		5.0											\$1,660.00	
C&D	As-Built plans, Close out			4.0	3.0	11.0									\$2,429.00	
E&F	Engineer's Report, Documen.	3.0		8.0	5.0	5.0		3.0							\$3,727.00	
	Supplies, Postage														\$124.00	
	Sub-Total														\$8,900.00	
Summary																
												Construction Cost (Contractor Bid)		\$783,887.00		
														Services as a Percent of Construction		
												Preliminary, Design, and Bidding Phases Combined		7.3%		
												Construction and Completion Phases Combined		11.7%		
Total: Preliminary, Design, Bidding, Construction, and Completion Phase Services															\$149,000.00	
Notes and Assumptions																
1	Task items line up, one for one, with tasks identified in the Scope of Services portion of Exhibit A.															
2	Inspector mileage on site = 20 miles per day.															
3	Tartaglia does not mark-up third party invoicing, printing, shipping, supplies, etc.															
5	Assumed Night Shift will be 11 hours: 7:30 pm to 6:30 am															

		Principal	Land Survey.	Civil Eng	Tech. III	Tech. II	Tech. I	Clerical	Survey 1-Man	Inspect. Day ST	Inspect. Night ST	Inspect. OT	Prof. Travel	Mileage	Total
Task	Description	\$240.00	\$179.00	\$188.00	\$141.00	\$114.00	\$92.00	\$76.00	\$250.00	\$168.00	\$182.00	\$201.00	\$114.00	\$0.65	
6	Assumed 5 shift to require 2 on-site inspectors.														
7	Assumed 34 construction shifts: night work for 20 shifts, and day work for 14 shifts.														