

***LEASE POLICY AND STANDARDS
FOR SERVICES AND OPERATIONS***

AT

PETALUMA MUNICIPAL AIRPORT

June, 1992

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**LEASE POLICY AND STANDARDS FOR SERVICES AND OPERATIONS
AT THE PETALUMA MUNICIPAL AIRPORT**

I. DEFINITIONS

As used herein, the following terms shall have the meanings indicated:

Airport: Petaluma Municipal Airport.

Airport Layout Plan: The approved layout of the City airport property, indicating current and proposed usage for each identifiable segment, as approved by the City and amended from time to time.

Airport Manager: The City Manager of Petaluma or his on-site airport designee.

City: City of Petaluma, California.

Commercial Activity: Any transfer of goods, operation or service performed for compensation which is conducted on or based at the Airport, excepting those activities specifically designated herein as noncommercial operations.

Commercial Operator: Any person involved in a commercial activity.

Noncommercial Activity: Any airport activity which does not involve the providing of goods or services for compensation. This includes the use and maintenance of an aircraft by its registered owner(s).

Noncommercial Operator: Any person involved in a noncommercial activity.

Employee: Any individual performing services for another person and designated as an employee for the purposes of Federal/State unemployment insurance, Federal social security, or Federal/State withholding.

FAA: The Federal Aviation Administration.

Fixed Base Operator: A proprietor of a commercial operation offering aeronautical-related activities and services to the general public.

Licensee: Any person, firm, general or limited partnership, corporation, company, organization, trust, or association leasing or using any land or facility at the Airport.

Rules and Regulations: That body of directions as may be approved and promulgated from time to time by the City to protect the public health, safety, interest, and welfare at the Airport and to augment any ordinance and resolutions pertaining to the Airport.

II. GENERAL PRIVILEGES AND RIGHTS

In addition to any specific requirements contained in these standards for a particular category of operation, the following items shall be common requirements of all operators, permittees, licensees, and lessees on the Airport.

A. Activities Per Agreement

Each licensee on the Airport will be granted the right to offer a single integrated activity per agreement (i.e. base operators shall have services to be offered enumerated in their leases). This does not preclude a licensee from applying for another concession or privilege; provided, however, that this concession or privilege will be the subject of a separate and distinct agreement or amendment. As with any other applicant, the licensee must meet the standard qualifications for the particular activity regarding related experience, quality and depth of management, personnel, etc.

B. Activity Limitation

Each licensee will be expressly prohibited from conducting any activity at the Airport other than that provided by agreement. Likewise, any commercial user of the airport facilities shall be expressly restricted from entering into any other commercial activity at the Airport without the prior written consent of the City.

C. Nondiscrimination

In the operation and use of the facilities at the Airport, no licensee shall discriminate or permit discrimination against any person or group of persons in any manner on the grounds of race, color, or national origin.

D. Operations Covenants

All agreements granting commercial privileges at the Airport shall include covenants that govern the hours of operation, the type of operation, the extent of services to be offered, and the quality of performance required of the lessee. Such performance standards are essential in all commercial agreements in order to ensure a high performance level that will fulfill the City's public service goals. Therefore, each

licensee to whom a concession is granted is expected to operate his premises for the use and benefit of the public. This shall include, but not be limited, to:

1. Furnishing good, prompt, and efficient service adequate to meet the normal demands for its service at the Airport.
2. Furnishing such service on a fair, equal, and nondiscriminatory basis to all users.
3. Charging fair, reasonable, and nondiscriminatory prices for each unit of sale or service, provided that a licensee may make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.
4. Having telephone service and offices on the Airport and maintaining a current registry with the City of the licensee's officers and supervisory employees and their telephone numbers for emergency use.

E. Ground Space Leasing

Licensees for activities at the Airport who are required to provide ground space and structures for such activities shall enter into lease agreements with the City for the rental of such space. Ground space allocations to licensees under lease agreements will be made in accordance with the Airport Layout Plan for the development of the Airport as approved by the City.

Termination of an agreement for ground lease without other satisfactory arrangements having been made with the City shall automatically revoke a license for an activity, service, or operation.

F. Lease Plot Descriptions

The City shall attach a description of any leased area to the lease, use permit, or agreement. Such attachment will include a plan of the area showing dimensions and square footage or acreage.

G. Structures on Airport

All structures erected on the Airport shall comply with all applicable City and State building, health, and safety regulations, including, if applicable, any other building, fire, sign, electrical, heating, zoning, and plumbing codes. Architectural design of all structures shall be reviewed and approved by the City.

H. Airport Layout Plan (ALP)

The Airport Layout Plan for the Airport shall be as currently approved by the Federal Aviation Administration or the City. Nothing in these standards shall be construed as limiting the right of the City to revise these plans from time to time as may be deemed necessary.

I. License Subject to Laws and Regulations

Each licensee and its officers, agents, and employees shall carry on its activities and operations on the Airport in compliance with Federal laws and Federal Aviation Administration regulations, State statutes, the rules and regulations governing the use of the Airport, and all applicable City ordinances. Each licensee shall be responsible for the actions of its officers, agents, and employees. Each licensee shall designate in writing the name and title of its responsible officer or manager.

J. Off-Airport Commercial Operators

Commercial use from off-airport property (through the fence) will not be permitted by the City unless the following conditions can be met by the proponent:

1. It must be demonstrated that no on-airport property is available that adequately meets the proponent's needs.
2. It must be demonstrated that this off-airport use will not unfairly compete with licensees currently engaged in business with the City.
3. The proponent must agree to pay an appropriate use fee to the City.
4. A statement of "no objection" must be obtained from the FAA.

III. TERM OF AGREEMENTS

A. Length of Term

The length of the term of any license, agreement, lease, or permit shall be determined on the following basis:

1. All agreements should be of sufficient length to permit any licensee making a substantial capital investment to amortize fully the capital investment over the term of the agreement.

2. All agreements for the use of any City-owned building or hangar which do not involve more than a nominal capital investment on the part of the lessee shall normally have maximum lease terms of three (3) years. "Nominal" should apply to all portable or temporary type construction or improvements of an amount which requires three (3) years or less to amortize in accordance with accepted IRS standards.
3. All agreements for the use of City-operated tie-down space and/or T-hangar bays shall normally be on a month-to-month basis with a five (5) day cancellation provision. However, the City may offer annual agreements with discounted up-front cash payments.
4. All agreements with a term in excess of three (3) years will provide for a suitable means for adjusting charges and fees at stated periods as set forth in Section IV, Rates and Charges.

B. Options

Options for additional terms will generally not be granted. There may be cases where a City option to renew with renegotiated terms and conditions could be beneficial. Such cases might be desired to retain a competent and satisfactory operator, net the City more return, or avoid management cost and time-consuming procedures.

IV. RATES AND CHARGES

The principle underlying the establishment of rates and charges shall be that each licensee at the Airport and each user of the landing area pay an appropriate rate or fee for such license or use. The City shall endeavor to recover all operating and maintenance expenses, as well as the capital costs of the facilities provided, through the consistent and uniform implementation of this user pay policy.

A. Fixed Rates

Fixed rates will be incorporated into any agreement for aircraft storage or ground area use. This rate will normally be expressed in terms of a monthly rental.

B. Variable Rates (Activity Level Dependent)

A variable rate, for example, a percentage of gross receipts (normally excluding aircraft sales) or a fuel flowage fee will be incorporated insofar as feasible into all agreements for concession privileges at the Airport.

C. Audits

When an agreement specifies a percentage rental, the City will, in addition to the right of confidential review of records, reserve the right to audit the accounts and records of the licensee. Should a discrepancy of five percent (5%) or more be found in net profit or gross receipts reported to the City, the cost of such an audit will be borne by the licensee. The City may require the gross sales of any major concession on the Airport to be verified by a certified public accountant. These provisions will be included in any percentage rental agreement.

D. User Fees

With regard to the various users of the Airport, the following policy shall apply:

1. Airport Space and Ground Rentals

- a. All hangar and owner-constructed building area lessees shall be required to pay a ground rental for the gross area leased, including any exclusive-use aprons, parking areas, etc.
- b. All occupants of City-owned airport buildings shall pay a standard rate per square foot per month for building space exclusively leased. The rate will be determined on the basis of the ground rent and actual cash and noncash costs and expenses incurred in the development and operation of the particular building.
- c. The rates for City-owned aircraft storage, including hangars, shall be periodically set by the City. The rental of a tie-down space does not entitle the renter to locate any structure (permanent or portable) on said space without specific prior written City approval.

The City shall receive not less than 50% of the transient aircraft tie-down and parking fees collected by the licensee on all applicable aircraft parked on the Airport overnight.

2. Landing Area and Field Use Fees: All users of the landing area shall pay a field-use fee in addition to any other airport space or ground rentals that they may currently be paying. The following basic policy will apply:
 - a. For scheduled commuter airline users, if any, a specific landing fee will be negotiated using the aircraft's maximum approved gross landing weight. These charges will be applied for each landing aircraft, regardless of whether such landing are extra sections, training flights, etc.
 - b. For most general aviation aircraft users, a use charge can be most easily obtained through a fuel flowage fee established by the City. This fee, based upon a percentage of the sales price, shall be collected by the licensed fueling operator and remitted to the City on a monthly basis. The fueling operator shall submit an annual report of activities, including copies of all product delivery receipts.
 - c. For military and government users, a service charge shall be negotiated with the appropriate agency on the basis of the type of missions and the aircraft operated, if on a continual basis.
3. Airport Encroachment Permit Fees

If off-airport commercial use is granted by the City, the licensee shall meet all the requirements of Section VIII and shall pay all applicable user fees.
4. Special Use Fees

Special use permits may be issued by the City on a case-by-case basis and subject to any appropriate fees, charges, or conditions deemed reasonable by the City.
5. Rate and Fee Escalation
 - a. For airport operating and landing area agreements, such adjustments shall be on a negotiated basis, with the operation and maintenance expenses and improvement costs (as developed by the City's accounting system), used as a basis criteria for the rate adjustment.

- b. For hangar and building area agreements, a readjustment of rental shall be based on either the current market value of the land and/or an agreed upon incremental increase as the basic criterion for readjustment. The latter basis, an agreed-upon increase, can be tied to an established measure, such as the consumer price index. It is desirable, however, to select an index which reflects local real property values, a better measure of increased rental value.

V. MAINTENANCE AND OPERATIONAL OBLIGATIONS

All lease agreements will be explicit regarding the maintenance and operational obligations of both the City and each licensee.

A. Maintenance Obligations

1. In the landing area, the City shall be obligated for full maintenance of all public-use runways, taxiways, and aprons. Exclusive-use aprons, taxiways, or ramps will be maintained by the licensee.
2. In a hangar or building area, the City shall not be required to provide any maintenance of gross area leased or of buildings or facilities erected by licensee. All agreements for the leasing of any City-owned buildings (single tenant) will be negotiated on a "net" basis, with the licensee required to assume the responsibility for providing its own day-to-day services including, but not limited, to:
 - a: Provide and pay for all light, gas, electric, water, janitorial, and sewer charges used or incurred in or about the leased premises.
 - b. Maintain all leased areas, landscaping, facilities, and structures in a state of repair and good appearance acceptable to the City.
3. Maintenance provisions are necessarily difficult to enforce. There the City shall be the sole judge of the quality of maintenance and that, upon written notice, the City may require the licensee to perform all necessary maintenance. In the event such maintenance is not undertaken as required, the agreement will further provide that the City may perform such maintenance upon behalf of the licensee and at the licensee's expense, plus twenty percent (20%) for administration.

B. Tax Obligations

Each licensee shall pay all taxes and assessments against any buildings or other structures used by licensee in its operations and, if imposed at any future date, any and all real property taxes assessed against the land leased from the City, including any possessory interest taxes.

C. Operational Obligations

In addition to the above, licensees shall be responsible for the following items, as appropriate:

1. Obtain permits from appropriate agencies as necessary to conduct business operations on the Airport. Licensees must also conform to all applicable State/City/District codes and ordinances.
2. All commercial licensees must provide on-site, off-street, paved-surface parking equal to the maximum number of employees on duty at any one time and for all company vehicles. Additionally, the same type of parking space be provided for customers at the ratio of one customer space for each company vehicle or employee space. In any event, not less than five customer spaces shall be provided.
3. To the extent necessary to protect the rights and interest of the City or to ascertain compliance with these standards and rules and regulations, the City or its authorized representative shall have the right to inspect, during reasonable hours, all aircraft, equipment, structures, premises, facilities, and improvements on the Airport.

VI. INSURANCE AND BONDING

A. Coverage

All agreements shall require the licensee to provide, at his own cost, insurance coverage (at a magnitude to be determined by the City) the category to be underwritten by a responsible insurance carrier, authorized by the State of California to provide such coverage. The following coverage shall be included, as applicable:

1. Third-party comprehensive general liability coverage for bodily injury and property damage including owned and nonowned vehicles.

2. Aircraft liability coverage, including bodily injury and property damage.
3. Airport liability insurance.
4. Passenger liability insurance for bodily injury and disability.
5. Products liability and complete operations coverage in addition to the foregoing comprehensive general liability insurance where the licensee operates a food service or offers goods or merchandise for sale.
6. Statutory workers' compensation and employer's liability coverage.
7. Fire and extended coverage and vandalism and malicious mischief insurance (full replacement value), as provided by the lease agreements, for damage or destruction of real property or leasehold improvements, where the City has, or will have, an interest in such property by virtue of an existing lease.
8. Hangarkeeper's liability coverage where the licensee operates a fixed base operation.
9. All licensees erecting substantial improvements at the Airport shall be required to furnish to the City a copy of a contract between licensee and a licensed contractor. The contract shall be protected by a labor and materials bond to guarantee that the improvements will be completed according to the existing codes, and said improvements will be free from any liens. A cash deposit or the pledging of a savings account to the City in the amount of ten percent (10%) of the estimated improvement value may be used by the licensee in lieu of a performance bond. Such deposit or pledging of a savings account to be returned to the licensee upon acceptance of the completed improvements by the City.
10. All licensees shall provide a performance bond of an amount equaling to three (3) months' rent on all leases.

B. Additional Insured

The City shall be named as an additional insured and require that the insurance carrier underwriting such coverage give the City sixty (60) days' written notice of cancellation, via certified mail, material alteration to the policy, or expiration without

renewal. Said insurance shall be primary, and not excess or contributing to any insurance or obligation of the City.

C. Certificates

The City shall require that each licensee provide the City with a certificate of insurance evidencing the coverage in effect, including limits and expiration date. Such policy or policies shall be maintained in full force and effect during all terms of existing leases, contracts, or agreements, and renewals or extension of same. A copy of the policy shall be delivered to the City.

D. Hold Harmless

In addition to providing liability insurance, the licensee shall agree to hold the City harmless from all claims and liabilities occasioned by the operator's activities under his agreement with the City.

E. Hazardous Materials

The City shall reserve the right to restrict the licensee from conducting any activity or storing inflammable materials or substances, which would increase the City's insurance rate or cause an insurance agreement of the City to be cancelled.

F. Insurance Adjustment

All agreements with a term in excess of three (3) years will provide a suitable means for adjusting the insurance coverage based on then-current industry standards.

VII. PRIVATE DEVELOPMENT

A. Environmental Requirements

If required by any Federal, State, or local agency, the licensee shall prepare and submit appropriate environmental documents to measure the effect of the proposed project on the ecology of the area.

B. Utilities

Each lessee shall be responsible for all utility connections without any charge to the City.

C. Ground Rental

The ground rental rate for a given plot or parcel shall be based upon the appraisal of that land to ensure the rental rates are consistent with current market values of the land.

If it is found that the rate which the City is currently using for ground leases at the Airport is lower than the appraised market value, a new rental rate shall be established for ground leases at the Airport. The rental rate will be subject to reappraisal at periodic intervals of no less than three (3) years so that the City may at all times receive fair income appropriate to the increasing value of the land. The ground rental rate shall be subject to escalation as set forth in Section IV, Category 5-b, Rates and Charges, but any increase will be in increments of no less than one-half cent (\$.005) per square foot per year.

D. Site Improvement

In the construction of improvements, the following factors shall be required:

1. All ground leases shall specifically provide that, in addition to having the right to build, the lessee is obligated to construct facilities within a reasonable time period as determined jointly by the lessee and the City and stated in the lease.
2. All construction undertaken upon the basis of a ground lease shall obligate the lessee to meet a minimum improvement standard as established by the City. In addition, design standards will be required so that compatible and aesthetically pleasing developments occur at the Airport.
3. All buildings or structures constructed on leased premises at the Airport shall be constructed in a manner to conform to all safety regulations and shall be in compliance with the requirements of current building codes and fire regulations of appropriate districts.

E. Restriction of Leasehold

Each agreement shall require removal by the lessee at his cost of all lessee-constructed improvements upon termination of the agreement and for restoration of the premises. This covenant expressly precludes the City from becoming liable for the acceptance of obsolete facilities and the possible financial liability for removing such improvements and restoring the premises. Title shall at all times remain in the lessee, but the City shall have the option on termination to take title in lieu of removal.

F. Federal Requirements

All agreements shall be subordinated to any present or future sponsor's assurance agreement with the Federal Aviation Administration. A covenant to this effect will be included in any new agreement or in any amendment to an existing agreement.

G. Relocation

The facilities of any lessee shall be subject to relocation at the cost of the City to a suitable location at the Airport if the leased premises are required by the City for the development of the Airport.

H. Assignment and Subleasing

1. No lessee shall sublease any premises leased from the City, or assign such lease without the prior written approval of the City. Such approval shall not be unreasonably withheld. Any such subletting or assignment shall be subject to all of the minimum standards and application procedure set forth herein. In the event the lessee sublets any portion of his lease, the sublessee must assume the full obligations of the lease and must fully cooperate with the City in complying with these standards.
2. Approval of any assignment or sublease by the City, upon complete and thorough investigation of the proposed assignee or sublessee, will be based on the following:
 - a. The assigning or subleasing will only be to individuals, firms, or corporations who can meet the required qualifications and stipulations of these standards.
 - b. Conformity with the appropriate Airport Master Plan.
 - c. Continuity of performance standards.
3. The City shall reserve the right to assign, pledge, or hypothecate any agreement without the consent of the other party.

VIII. COMMERCIAL OPERATOR STANDARDS - GENERAL AVIATION

The City shall require that any person desiring to provide general aviation commercial services comply with all applicable elements (insurance, maintenance and operational obligations, etc.) of the lease policy as set forth herein. Additionally, the person shall be required to comply with the minimum standards applicable to the category(ies) of services provided as set forth in the following sections.

As part of the consideration for allowing the operator to conduct a business on the Airport, certain site improvements will be required of the lessee. Said improvements may be constructed by the lessee or leased from the City as appropriate. All site improvements constructed by the lessee shall revert to the City after an agreed upon period of time.

With the exceptions noted below, a commercial operator at the Airport will be required to provide a full service fixed base operation including all of the following minimum services:

- A - 1. Aircraft repairs and maintenance.
- 2. Air taxi and charter services.
- 3. Flight instruction and aircraft rental.
- 4. General services and facilities.

Additionally, at the option of each such Category A operation, the concessioner may sell aircraft. At the option of the City, a concessioner may be retained to operate the City-owned aviation fuel service facility.

Exceptions to Full Service Requirement

Four categories of limited service commercial operator are established outside of the full service requirements. These categories, detailed in subsequent text, are:

- B - Aircraft Repair and Maintenance Service.
- C - Commuter Airline Service.
- D - Specialty Services.
- E - Air Taxi and Charter Services provided that such operation is subject to the consent of all FBO located on the airport who will have a first right of refusal to provide such services as a part of their operation.

Category A: Full Service Fixed Base Operator

A commercial operator in this category shall be required to provide as a minimum, all the requirements of this section excepting aircraft sales which shall be at the option of the concessioner; and Aviation Fuel and Petroleum sales which shall be at the option of the City.

- 1. Aircraft Repair and Maintenance
 - a. Personnel: One FAA certified repairman or mechanic, licensed for type of repair work to be performed.

- b. Equipment and Parts: The minimum stock of equipment and readily available spare parts or adequate arrangements for securing spare parts required for the type of aircraft and models to be serviced.
- c. Hours of Operation: Minimum personnel as specified in item 1 above on duty a minimum of eight (8) hours per day, five (5) days per week during normal airport hours appropriate to season. "On-call" emergency mechanic service until two hours after sunset on normal working days and between the hours of 8:00 a.m. and two hours after sunset on weekends and holidays. Emergency service coverage at the airport may be provided on a scheduled basis on a rotating basis with the cooperation of all FBO's holding repair and maintenance concessions at the Airport.
- d. Other
 - (1) Aircraft washing, polishing, and cleaning service.
 - (2) Capability for removal of disabled aircraft from the Airport operations area. (The combined capabilities of all such operators at the Airport must provide suitable equipment to promptly remove any disabled general aviation aircraft upon request of the City.)

2. Air Taxi and Charter Services

- a. Qualifications: Hold a current FAR Part 135 Air Taxi-Commercial Operator Certificate with ratings appropriate to the services to be provided.
- b. Personnel: A suitable, properly certified and qualified operating pilot or crew which shall be located at the airport and ready for departure during at least eight (8) hours of normal daylight operation and, at other times, standby crews available upon call within one (1) hour's notice.
- c. Equipment: One (1) four-place aircraft meeting all requirements of the Air Taxi-Commercial Operator Certificate held must be owned or available under exclusive lease agreement and must meet all the relevant requirements of Part 135 of the Federal Aviation Regulations.

- d. Hours of Operation: In addition to specifications for personnel outlined above, the airport office shall be open for business eight (8) hours per day, seven (7) days per week during normal airport hours appropriate to season.

3. Flight Instruction and Aircraft Rental

a. Qualifications

- (1) Instruction for private, commercial, and instrument ratings and a continuing ability to meet FAA requirements for the flight training proposed.
- (2) Adequate facilities for storing, parking, servicing, and repairing all aircraft.

b. Personnel

- (1) At least one (1) full-time (eight (8) hours per day, seven (7) days per week) properly certified flight instructor for the types and models of aircraft in which instruction is given.
- (2) A properly certified ground school instructor capable of providing ground school instruction sufficient to enable students to pass the FAA written examination for private, commercial, and instrument ratings.
- (3) There shall be available, at least during eight (8) hours of the working day, a properly certified pilot capable of checking out rental aircraft.

c. Equipment and Parts

- (1) At least one (1) dual equipped single-engine aircraft properly equipped and maintained for flight instruction and such additional types of aircraft as may be required to give flight instruction of the kind(s) advertised.

- (2) Adequate mock-ups, pictures, slides, filmstrips, or other visual aids necessary to provide proper ground school instruction.
 - (3) For rental, at least one (1) airworthy aircraft suitably maintained and certified, which may be used to meet requirement (1) above.
 - (4) Any aircraft utilized to meet the requirements of (1) and/or (3) above which is available to the operator on a leaseback agreement must be on an exclusive-use agreement.
- d. Hours of Operation: In addition to specification for personnel outlined above, the airport office shall be open for business eight (8) hours per day, seven (7) days per week during normal airport hours appropriate to season.

4. General Services and Facilities

- a. UNICOM: Advisory services will be provided by qualified personnel during the same period that the fueling system is regularly operated.
- b. Weather Information: Wind speed and direction along with current barometric pressure using equipment satisfying the requirements for instrument operations under FAR Part 91 shall be provided concurrent with the UNICOM operation.
- c. Reporting: Anything that affects the safe and efficient operation of the Airport shall be immediately reported to the designated Airport Manager.
- d. Tie-Down Fees: Overnight tie-down fees shall be collected and accounted for by the Airport Manager or his designee.
- e. Lot Size: Normally not less than 130,000 square feet of ground area shall be leased from the City at the Airport to provide for:
 - (1) A maintenance hangar and office building as described below.
 - (2) A minimum of 12 paved automobile parking spaces for customer use.

(3) Apron area as required for circulation and storage of lessee's own aircraft and customer aircraft.

f. Building Size: Not less than 5,000 square feet of building area which will provide for:

(1) A properly heated and lighted customer lounge, restrooms, and a public telephone.

(2) Adequate table, desk, or counter for checking in air taxi and charter passengers, handling ticketing or fare collection, and handling of luggage.

(3) Suitable office space for administering rentals and the keeping of proper records in connection therewith.

(4) A suitable classroom and ground training space for the conduct of ground school classes.

(5) Sufficient hangar space to house any aircraft upon which airframe and/or engine maintenance is being performed.

(6) Adequate and proper storage for City-owned petroleum products (other than fuel) and equipment required for other services.

5. Aircraft Sales - New and Used (Concessioner's Option)

a. Qualifications: For sales activity of new aircraft, a sales or distributorship franchise from a recognized aircraft manufacturer of new aircraft and at least one demonstrator model of such aircraft available.

b. Personnel: One (1) person with current commercial pilot certificate with ratings appropriate for type of aircraft to be demonstrated and sold.

c. Equipment and Parts

(1) Current up-to-date specifications and price list for types and models of new aircraft sold.

- (2) Proper checklists and operating manuals on all aircraft available for sale and adequate parts catalog(s) and service manual(s) on all new aircraft sold.

6. Aviation Fuel and Petroleum Sales (City's Option)

- a. Qualifications: An agreement with the City to operate the City-owned fuel service island.
- b. Personnel: One (1) properly trained service person qualified as follows:
 - (1) Valid California driver's license.
 - (2) Fully competent in all fueling and safety equipment operation and aircraft fueling procedures.
 - (3) Capable and trained to provide all required ancillary services.
 - (4) Supplemented as level of business activity requires by additional equally-qualified personnel.
- c. Equipment and Inventory
 - (1) The City shall provide suitable and adequate underground storage of fuel and oil which meets all applicable fire codes, Federal, State and local laws, statutes, ordinances, rules and regulations pertaining to fire safety, with a minimum capacity of 12,000 gallons for each grade of fuel.
 - (2) The City shall provide suitable and adequate fixed location fuel dispensing equipment meeting all current NFPA criteria to service aircraft.
 - (a) Operator must dispense all required grades of fuel from appropriately marked equipment having separate meters and filters for each grade of fuel.
 - (b) The dispensing facility shall be equipped with one (1) dry chemical fire extinguisher with a 4A 30BC rating and one (1) 15-pound CO₂ fire extinguisher provided and

maintained by the operator and such other requirements from time to time imposed by the City.

- (3) The operator shall provide proper equipment for repairing and inflating aircraft tires, servicing struts, changing engine oil, cleaning aircraft windshields, and recharging or energizing aircraft batteries and starters.
 - (4) The City may provide all aviation fuel and petroleum products.
- d. Hours of Operation: Minimum personnel as specified in Section VIII - Category A-4 shall be available to provide aircraft fuel and required services from sunrise to sunset daily on a seven (7) day-a-week basis. Operators will be required to furnish "on-call" services after sunset; however, he has the right to charge a reasonable fee for this service. Said fee must be posted with an after-hours telephone number.
- e. Other: Personnel shall also be able to provide:
- (1) The directing of transient aircraft to a transient tie-down upon request of owner and the registering of aircraft with the City, as necessary for collection of applicable fees and charges.
 - (2) Information as to available maintenance service, ground transportation, and other helpful information as transient pilots may require.
 - (3) All services utilizing equipment listed in item C above.

Category B: Aircraft Repair and Maintenance

This category of limited service operation is established to provide special recognition of the importance which aircraft owners place on the availability of personally acceptable maintenance services and the perceived safety implications of such decisions. With this provision, the City is encouraging competition within this service category and thereby increasing the opportunity for consumer satisfaction. A commercial operation in this category shall be required to meet all of the conditions specified in Section II, A-J and additionally the following:

1. Lot Size: Not less than 39,000 square feet of ground area shall be leased from the City at the Airport including area for the maintenance hangar, 8 paved customer parking spaces and apron area required for circulation.
2. Building Size: Not less than 3,600 square feet including sufficient space for office, customer lounge, parts storage, restrooms, and a public telephone.

Category C: Commuter Air Carrier Service

A commercial operation in this category shall be required to provide as a minimum:

1. Qualifications
 - a. Provide satisfactory evidence of reliability and responsibility including a current FAA operating permit and current Civil Aeronautics Board Permit.
 - b. Publish and fly scheduled operations at published rates.
 - c. Establish, staff, and operate an adequate terminal facility, i.e., ticket counters staffed in such a manner as to provide proper service before and after each scheduled flight.
2. Personnel
 - a. Flight crews and ground personnel with appropriate and current FAA certification as required for class operations.
 - b. Properly trained passenger service and counter personnel to provide minimum hours of service.
3. Hours of Operations
 - a. Reservations services, either by phone or at ticket counter, not less than one (1) hour prior to first scheduled flight of the day and continuously thereafter until one (1) hour after the last scheduled flight of the day.
 - b. Counter personnel available to the public not less than one (1) hour prior to each scheduled flight of the day continuing until one-half (1/2) hour after each scheduled flight of the day.

4. Other

- a. The applicant shall not begin flight operations at the City Airport until an Airport Use Agreement is executed by both parties and the applicable performance bond and insurance certificate of the proper value has been received by the City.
- b. Operator shall furnish specified operational reports on a monthly basis to the City.

Category D: Specialty Services

This category shall not include items required by the FBO. Commercial operations in this category shall include, but not necessarily be limited to:

Agricultural chemical applicators
Aerial survey, mapping, and photography
Aerial firefighting and pipeline/power line patrol
Aerial advertising
Aeronautical research
Aircraft painting
Aviation mechanic schools
Helicopter services
Aircraft storage
Sailplane Rental and Instruction

1. Qualifications

- a. Provide satisfactory evidence of technical competency to provide proposed services.
- b. Hold all licenses or permits and meet all requirements of any governmental agency having jurisdiction over the proposed services.

2. Other

- a. Because of the anticipated limited nature and proposed location of these activities, the City shall review each application for commercial operations in these categories and establish specific requirements based on the applicant's proposal.

- b. Operators within these categories shall be encouraged to be tenants or sublessees of existing operators; however, leases for separate facilities will be considered if desired by the operator.
- c. The review of applications for these services shall be in accordance with the provisions of Section X.

IX. NONCOMMERCIAL OPERATIONS

These categories have been designed to allow for those bona fide noncommercial activities that take place on the Airport. The standards of this category are also designed to preclude unfair commercial competition that could develop between "quasi noncommercial" operators and bona fide operators meeting the requirements of Section VIII.

A. Flying Clubs

A noncommercial operation in this category shall be required to comply with the following:

1. Qualifications

- a. A flying club must be a nonprofit corporation or organization as evidenced by articles of incorporation or appropriate legal documents. Each member must be a bona fide partial owner of club aircraft or a stockholder in the nonprofit corporation. A verification of nonprofit status shall be submitted to the City annually by forwarding a Federal Internal Revenue Service Form 990 (if required according to IRS regulations) or a properly notarized statement signed by a club officer affirming the club's continuing nonprofit status.
- b. The club's aircraft will not be used by other than bona fide members for rental and by no one for commercial operations as defined by these standards.
- c. A licensee under this section may be exempt from Sections of the commercial operator standards insofar as they pertain to flight instruction and maintenance, provided such services are rendered by a properly

certified individual who (1) is a bona fide member and (2) does not receive monetary compensation for such services.

2. Personnel

The club will file and keep current with the City a complete list of the club's officers, directors, and general membership and shall list its members qualified to perform the services enumerated in Section IX-1-c and the investment share held by each member.

3. Aircraft Ownership

All aircraft shall be owned by the nonprofit corporation or owned in common by all members. Said ownership shall be evidenced by a copy of each club aircraft's current FAA Certificate of Registration which shall be filed with the City.

B. Corporate, Business, and Personal Aviation

A noncommercial operation in this category shall be required to comply with the following:

1. Qualifications

- a. The activities conducted at the airport must be of a completely noncommercial nature and related only to the conduct of business off the airport premises and in no manner competitive with any commercial operator, licensed or having a contract with the City to provide aviation services or products on a commercial basis nor shall any aviation services be offered to the public on any basis.
- b. Maintenance (beyond "preventative" as per FAR's Parts 43 and 91) of owned aircraft may be provided by the aircraft owner or the owner's bona fide employee(s), provided that all applicable FAA certifications and standards are adhered to and a building provided which meets all applicable building and fire code provisions or in a specific location on the Airport as designated by the City.
- c. Fueling of owned aircraft only may be permitted, provided that approved underground storage facilities are constructed and that such fueling

operations are performed by the aircraft owner or the owner's bona fide employee(s).

2. Equipment and Parts

- a. If fueling facilities are desired, provide suitable and adequate underground storage of fuel which meets all applicable fire codes, Federal, State, and local laws, statutes, ordinances, rules and regulations pertaining to fire safety.
- b. Comply with all applicable current fuel flowage fee assessments and fueling procedures as established from time to time by the City.

C. Airport Encroachment Permits

A noncommercial operation in this category shall be required to comply with the following:

1. Permits will only be considered for bona fide property owners of land contiguous to the Airport boundaries in such areas that any ultimate approval of the permit would not adversely affect existing Airport operations or safety.
2. The activities conducted at the Airport must be of a completely noncommercial nature and related only to the conduct of business off the airport premises and in no manner competitive with any commercial operator, licensed or having a contract with the City to provide aviation services or products on a commercial basis nor shall any aviation services be offered to the public on any basis.
3. Maintenance of owned aircraft may be provided by the aircraft owner or the owner's bona fide employee(s).
4. Fueling shall be restricted to those aircraft owned by the permittee. Permittee shall comply with current fuel flowage fee assessments and provide the City with an annual accounting of all product deliveries.
If fueling facilities are installed on Permittee's property, provide proof of compliance with all applicable zoning regulations and construction codes.
5. The applicant shall secure a statement of "no objection" from the FAA, after obtaining City approval.

X. APPLICATION PROCEDURE

A. Review Period

An applicant desiring a lease, permit, or license to engage in any commercial or noncommercial operation at the Airport shall submit a written application to the City preferably four (4) months prior to the desired occupancy date. The applicant shall submit all information and material necessary or requested by the City to establish to the satisfaction of the City that the applicant will qualify and will comply with these standards. The application shall be signed and submitted by an individual, a party owning an interest in the business, or partner of a partnership, or a director or an officer of a corporation or organization.

The City, within sixty (60) days of receipt of all pertinent or requested information relating to the application, shall make its decision concerning the application. If the application is approved by the City, the applicant shall execute a contract for the operation approved.

B. Applicant Documentation

If requested by the City, the applicant shall submit the following supporting documents to the City, together with such other documents and information as may be requested by the City.

1. Financial Statement: A current financial statement reviewed by a Certified Public Accountant and two (2) prior years' tax returns from all principals.
2. Assets: A written listing of the assets owned or being purchased which will be used in the business on the Airport.
3. Credit Report: A current credit report covering all areas in which the applicant has done business during the past five (5) years.
4. Authorization for Release of Information: A written authorization for the FAA and the Civil Aeronautics Board and all aviation or aeronautical commissions, administrators, or department of all states in which the applicant has engaged in business to supply to the City all information in their files relating to the applicant or his operation. The applicant shall execute such forms, releases, and discharges as may be requested by any of these agencies.

5. Confidentiality: The City shall keep all such information confidential.

C. City Requirements

Every applicant, for permission to conduct activities at the Airport, shall satisfy the City that he meets the following requirements, if applicable:

1. That such applicant has a history of management and personal ability in conducting the same or similar or comparable type of service or activity in a good and workmanlike manner.
2. That such applicant has the financial responsibility and ability to provide facilities and services proposed.
3. That the applicant has or can reasonably secure necessary certificates from the FAA or other authority where the same are required for the activity proposed.
4. That the applicant is capable of meeting all lease policy requirements and standards as set forth herein.

D. Grounds for Disapproval

In reviewing an application, the City will evaluate the data submitted by the applicant on the basis of compliance with the lease policy and standards, as well as the items listed below. Within the sixty (60) days allowed for review, the City will respond in writing indicating approval of the application, disapproval of the application, or a conditional approval of all or part of the application. In the latter cases, the City will identify those areas which resulted in the disapproval or conditional approval in order that the applicant may take appropriate action. Reasons for disapproval may include the following:

1. Not Qualified: The applicant for any reason cannot meet the lease policy qualifications and standards as established herein.
2. Safety Hazard: The applicant's proposed operations or construction will create a safety hazard on the Airport.
3. City Expenditures: The granting of the application will require the expenditure of City funds, or the supplying of City labor or materials in connection with the proposed operations which will result in a financial unacceptably lengthy

payback or loss to the City when compared to the proposed financial gain from the operations.

4. Availability: There is no appropriate, adequate, or available space or building on the Airport to accommodate the entire activity of the applicant at the time of the application.
5. Noncompliance With Master Plan: The proposed operation or airport development or construction does not comply with the Master Plan of the Airport.
6. Congestion: The development or use of the area requested by applicant will result in depriving existing operators of portions of the area in which they are operating, or will result in a congestion of aircraft or buildings, or will result in unduly interfering with the operations of any present operator on the Airport through problems in connection with aircraft traffic or service, or preventing free access to another operator's area.
7. Misrepresentation: Any party applying or with an interest in the business has supplied the City with any false information or has misrepresented any material fact in his application or in supporting documents or has failed to make full disclosure on his application or in supporting documents.
8. History of Violations: Any party applying or with an interest in the business has a record of violating these standards or the rules and regulations of any other airport, the FAA regulations, or any other rules and regulations applicable to the Airport.
9. Defaulted Performance: Any party applying or with an interest in the business has defaulted in the performance of any lease or other agreements with the City.
10. Poor Credit Report: Any party applying or with an interest in the proposed business has a credit report which contains derogatory information and who does not appear to be a person of satisfactory business responsibility and reputation.

11. Lack of Finances: The applicant does not appear to have, or have access to, the finances necessary to conduct the proposed operation for a minimum period of six (6) months.
12. Undesirable Reputation: Any party applying or with an interest in the business has been convicted of any crime or violation of any ordinance of such nature that it indicates to the City that the applicant would not be a desirable operator on the Airport.
13. Ecological Considerations: The protection of the health, welfare, or safety of the inhabitants of the City requires such denial.

XI. REVOCATION OF LEASE, PERMIT, OR LICENSE

The City shall have the right to terminate any lease, permit, license, or agreement covering a commercial or noncommercial operation and to revoke a lease on any land or facility upon the Airport for any cause or reason provided by these standards, by the lease, license, or agreement itself, or by law, or upon the happening of one or more of the following:

- A. Filing a petition of voluntary or involuntary bankruptcy with respect to the operator or license.
- B. The making by the operator or licensee of any general assignment for the benefit of creditors.
- C. The abandonment or discontinuance of any operation at the Airport by the commercial operator or the failure to conduct any service, operation, or activity which the lessee or licensee has agreed to provide under the terms of his contract. If this condition exists for a period of ten (10) days without prior written consent of the City, it will constitute an abandonment of the land or facilities and the lease and/or license shall become null and void.
- D. The failure of any operator or licensee to pay promptly when due all rents, charges, fees, or other payments in accordance with applicable leases or licenses.
- E. The failure of the operator or licensee to remedy any default, breach or violation of the Airport Rules and Regulations by him or his employees within thirty (30) days after notice from the City.

- F. Violation of any of these standards and rules and regulations or failure to maintain current licenses required for the permitted operation.
- G. Intentionally supplying the City with false or misleading information or misrepresenting any material fact on the application or documents, or in statements to or before the City, or intentional failure to make full disclosure on a financial statement, or other required documents.