

HEBER CITY CORPORATION
75 North Main Street
Heber City, Utah
Airport Advisory Board Meeting
August 19, 2015

4:00 p.m. Regular Meeting

**TIME AND ORDER OF ITEMS ARE APPROXIMATE AND MAY BE
CHANGED AS TIME PERMITS**

- I.** Call to Order
- II.** Roll Call
- III.** Pledge of Allegiance
- IV.** Minutes for Approval: June 17, 2015 Regular Meeting
 - 1.** Airport Manager Report / Construction Update
 - 2.** Report on City Council Action Regarding Existing Non-Reversionary Leases
 - 3.** Discuss General Liability Insurance Requirements for Hangar Owners
 - 4.** Discuss End of Lease Provisions for Daniel Hangar Reversionary Leases
 - 5.** Review Request from Barry Hancock for a Specialized Commercial Aeronautical Operator (SASO) License Under Chapter 8 of the Airport Minimum Standards
 - 6.** Discuss Cancellation or Rescheduling of the September 16th Airport Board Meeting
 - 7.** Review Letter of Intent Received from North American Service Group
 - 8.** Other Items as Needed
- V.** Adjournment



Ordinance 2006-05 allows Heber City Council Members to participate in meetings via telecommunications media.

In accordance with the Americans with Disabilities Act, those needing special accommodations during this meeting or who are non-English speaking should contact Karen Tozier at the Heber City Offices (435) 657-7898 at least eight hours prior to the meeting.

Posted on August 13, 2015, in the Heber City Municipal Building located at 75 North Main, Wasatch County Building, Wasatch County Community Development Building, Wasatch County Library, on the Heber City Website at www.ci.heber.ut.us, and on the Utah Public Notice Website at <http://pmn.utah.gov>. Notice provided to the Wasatch Wave on August 13, 2015.

Memo

To: Mayor and City Council
From: Mark K. Anderson
Date: August 13, 2015
Re: Agenda Items for August 19, 2015

1. Airport Manager Report / Construction Update: Enclosed are the Airport Manager's reports that have been prepared by Terry Loboschefskey that cover parts of June, July and August. Terry will be available to review the highlights of the reports and answer any questions the Board may have.

2. Report on City Council Action Regarding Existing Non-Reversionary Leases: On August 6th, the City Council adopted the enclosed policy regarding existing non-reversionary leases at the Heber Airport. At this time, I am drafting a letter that will be sent out to the affected hangar owners to notify them of the option to change to the new lease agreement. The City has already received one request to opt for the new lease.

3. Discuss General Liability Insurance Requirements for Hangar Owners: In discussing this matter with Terry Loboschefskey, the \$1M Occurrence and \$2M Aggregate insurance policies are the most common requirements at airports. In most cases, hangar owners obtain a \$1M insurance policy for their aircraft and can extend coverage to the hangar for a fee usually not in excess of \$150. The City/airport can also be listed as an additional insured on the policy. Because each policy has its pros and cons, Terry and I are comfortable recommending that the City accept (as a minimum) either of the above policies to meet the insurance requirements of the lease agreement. This gives the hangar owners more flexibility in determining what coverage they obtain to best meet their individual needs, while providing protection to the City and other airport users.

I have spoken with Avemco and they confirmed that the airplane does not have to be in the hangar or involved in the damage for coverage to be provided for accidents that occur in or around the tenant owned hangar.

For reference, I am also providing information that has been supplied to the Board by Paul Boyer.

4. Discuss End of Lease Provisions for Daniel Hangar Reversionary Leases: As part of the ongoing process of reviewing end of lease provisions, the Board should discuss what recommended changes, if any, they have with regard to the 9 Daniel Hangar reversionary leases. The current lease terms for these hangars are as follows:

II. TERM. Subject to all other provisions of this Agreement regarding termination reserved herein, the term of this lease shall commence on the _____ day of _____, _____ and end on the _____ day of _____, _____, with the option to extend this Lease for two (2) five (5) year periods provided such extension is at prevailing market lease rates. The prevailing market rate renewal will be determined by the most recent hangar lease executed by Heber City. If more than one year has passed since the execution of the most recent lease, the said rate renewal of the proposed lease at issue would then be adjusted by the Consumer Price Index (CPI).

III. FIRST RIGHT OF REFUSAL TO RENEW LEASE. Lessee shall have the first right of refusal to renew this lease agreement on the condition that Lessee is not in default hereunder at the time of such renewal. To renew this Lease under the first right of refusal, Lessee shall provide a minimum of thirty (30) days written notice to Lessor prior to the expiration of the initial lease term stating Lessee's desire to have the opportunity to exercise his first right of refusal. The terms and conditions contained herein shall govern any renewal of this Lease unless otherwise agreed between the parties hereto.

IV. REVERSIONARY CLAUSE. Lessee's ownership shall be limited. Lessee's ownership of the hangar and all associated improvements shall terminate and revert back to the City upon expiration of the Lease and any granted options from the commencement date of this Lease or earlier termination of said Lease. Until such expiration of Lease, title to all improvements, including the hangar shall be in the name of Lessee. Consequently, the term of Lessee's ownership, and the term of this Lease shall consist of twenty (20) years for the primary Lease, and the option to renew said lease for two (2) terms of five (5) years. The hangar, and all associated improvements on the premises at the expiration of the term or earlier termination of this Lease shall, without compensation to Lessee, automatically and without any act of Lessee or any third party become City's property. Lessee shall surrender the

improvements to City at the expiration of the term or earlier termination of this Lease, free and clear of all liens and encumbrances, other than those, if any, permitted under this Lease or otherwise created or consented to by City. Lessee agrees to execute, acknowledge, and deliver to City any instrument requested by City as necessary in City's opinion to perfect City's right, title, and interest to the improvements and the premises. Lessee shall have the right to remove such personal property, machinery, and equipment as may be removed without threat to the structural integrity of any building or improvement. If damage results from the removal of such items, Lessee shall repair such damage at its sole expense.

In summary, the lease is a 30 (20 + (2) five year extensions) year lease with hangar ownership reverting to the City at the end of the lease. Currently the reversionary lease rates are similar to the Daniel non-reversionary lease rates. The lease agreement for Daniel Hangar #5 (January 2001) was initially a non-reversionary lease that was converted to a reversionary lease at the request of the owner. Daniel Hangars 23-30 were built by the City and sold between 2009 and 2013. The reversionary nature of the leases and economic climate made them more difficult to sell, but eventually all hangars built by the City were sold. In my opinion, offering the reversionary lease was a way to increase financial consideration that is given to the airport as the market value of the airport increases.

5. Review Request from Barry Hancock for a Specialized Commercial Aeronautical Operator (SASO) License Under chapter 8 of the Airport Minimum Standards: Barry Hancock is requesting that the two SASO agreements he has with the City for Worldwide Warbirds and Utah Warbird Adventures be consolidated under Worldwide Warbirds and that he be allowed to provide the additional service of flight training. He is requesting that the Airport Board look to consolidate these services under Chapter 8 of the Minimum Standards. (See enclosed application and Chapter 8 of the Minimum Standards.) It appears that Mr. Hancock intends to abandon aircraft sales as a part of his proposed business.

I have not had an opportunity to review the application with Terry Lobschefsky. The leasehold associated with this application is not well defined in the lease agreement. I have attached a copy of the drawing that was attached to the original lease. The parking lot to the east of Mr. Hancock's hangar has historically been used by the museum and glider ride customers who have been housed in the hangar owned by Mr. Hancock. The apron in front of this hangar is not contained within the leasehold of the FBO, but it is not clearly within the leasehold of Mr. Hancock's hangar either. Some clarity ought to be sought on these two issues and agreed to as Mr. Hancock expresses a potential need for tie downs in front of his hangar. On first impression, the application appears to meet the minimum standards provided appropriate certifications are presented to the City.

6. Discuss Cancellation or Rescheduling of the September 16th Airport Board Meeting:

The normally scheduled Airport Board meeting conflicts with the Utah League of Cities and Towns (ULCT) annual convention which Heidi Franco and I expect to attend. The Board should discuss if they want to cancel, reschedule or keep the scheduled date for this meeting.

7. Review Letter of Intent Received from North American Service Group:

Attached is a letter that I received today from Ryan Klassovity of the North American Service Group. I have spoken with Ryan and expect that Terry Loboschefskey and I would meet with Ryan in the next few weeks to see what sites might be suitable for a second FBO. If we are successful in locating a site that makes sense, I expect that Ryan would want to begin formal discussions with the Airport Board.

MINUTES

1 Heber City Corporation
2 Airport Advisory Board Meeting
3 June 17, 2015
4 4:00 p.m.
5

6 REGULAR MEETING
7

8 The Airport Advisory Board of Heber City, Wasatch County, Utah, met in **Regular Meeting** on
9 June 17, 2015, in the City Council Chambers in Heber City, Utah
10

11 I. Call to Order
12 [City Manager Memo](#)
13

14 II. Roll Call
15

Present: Board Chairman Mel McQuarrie
Board Member Kari McFee
Board Member Jeff Mabbutt
Board Member David Hansen
Board Member Ron Phillips
Board Member Erik Rowland
Board Member Heidi Franco

Excused: Board Member Rob Shallenberger

Also Present: City Manager Mark Anderson
City Deputy Recorder Allison Lutes

17
18 Others Present: Richard Clark, Robert Ford, Jeremy McAlister, Paul Boyer, Dale Stewart, and
19 Alan Robertson
20

21 [III. Pledge of Allegiance](#)
22

23 Chairman McQuarrie led the Pledge of Allegiance.
24

25 [IV. Minutes for Approval: May 20, 2015, Regular Meeting](#)
26 [May 20, 2015 Draft Meeting Minutes](#)
27

28 Board Member Phillips moved to approve the minutes of the May 20, 2015 Meeting. Board
29 Member Mabbutt made the second. Voting Aye: Board Members McQuarrie, McFee, Mabbutt,
30 Hansen, and Phillips. The motion carried.
31

32 [1. Airport Manager Report](#)
33 [Airport Manager Report](#)
34

35 Terry Loboschefskey was on vacation, so Anderson summarized the Airport Manager's Report.
36 Anderson highlighted some of the points he felt the Board would be most interested in
37 concerning the airport runway project, and added that the City was pleased with the quality of
38 workmanship and the resources committed to the completion of the project. Anderson noted that
39 the runway lighting project was scheduled to be completed by June 29. He indicated the runway
40 would need to close to apply permanent runway markings, and they were working with the FBO
41 to select dates that would create the least impact to the airport operations.
42

43 **2. Discuss End-of-Lease Provisions for Existing Hangar Ground Leases**
44 **Daniel Hangar End-of-Lease Provisions**
45 **Updated End-of-Lease Provisions**
46

47 Chairman McQuarrie suggested that the discussion focus initially on the Daniel hangars, then on
48 the eight reversionary hangars, and finally on hangar row to avoid confusion.
49

50 Anderson directed the Board to the existing lease language in the leases, as provided in the
51 Board meeting packets. He added that Paul Boyer provided some additional materials to the
52 packet. Anderson presented a brief statement to provide the Board with some clarity from the
53 City's perspective concerning the issue. He summarized the history of the evolution of the
54 airport leases, noting three phases during which non-reversionary or reversionary leases were
55 negotiated, which was reflective of the airport activity and the value of the airport to the aviation
56 community at the time. Each time a lease type changed, there was a consistency to the lease
57 types offered during those periods.
58

59 Anderson spoke with Marc Miller, the FAA's Compliance Specialist, regarding whether he
60 perceived the number of leases at the airport could create a discriminatory situation. Miller did
61 not view that practice as discriminatory over time. Anderson noted that Paul Boyer's report
62 suggested there were six types of leases currently in place at the airport, however he explained
63 that Daniel Hangar 5's lease was the same as the Daniel Hangar 22-30 leases, and that the
64 Commemorative Air Force ("CAF") lease was different, because there were unique
65 circumstances to justify the Council's actions concerning that lease, namely the CAF's status as
66 a non-profit organization. Finally, Anderson explained that the Daniel Hangar 1 lease was
67 extended at the request of the FBO. City Council thought it would allow the FBO to store more
68 aircraft on the field which would benefit the City.
69

70 Anderson concluded by encouraging the Board to ensure there would be fair consideration given
71 back to the City if the Board considered changing lease provisions that were considered more
72 generous.
73

74 Board Member Phillips felt it was not necessary to change the leases, and believed the leases
75 should be allowed to run their terms, at which time new lease provisions would be negotiated.
76

77 Board Member Hansen questioned whether it would be possible to insert the end of lease
78 language in the new lease approved by the Council into the existing non-reversionary leases to
79 add clarity. Board Member Rowland pointed out that any clarification made to a lease would
80 constitute a change, and he was concerned whether Board Member Hansen's suggested blanket

81 change to the current leases was the appropriate process to undertake, adding that ordinarily any
82 changes to a lease would be negotiated solely between the lessee and the lessor.

83
84 Discussion ensued regarding when or if to implement new language, and whether the existing
85 lessees should have to pay more if they chose to accept the new lease language. Chairman
86 McQuarrie explained that since the new language would make an existing lease more
87 marketable, then the lessee should be expected to pay more.

88
89 Ultimately, the Board was favorable to providing the current non-reversionary lessees the option
90 of opting into the new approved lease, within the remaining term of their current leases, rather
91 than taking a "Band-Aid" approach and offering new end of lease language.

92
93 Paul Boyer provided the Board with the Grand Junction Aeronautical Use Lease Policy, and
94 directed their attention to page 6 of the policy. Boyer suggested they adopt the same language in
95 the Heber Airport policy.

96
97 Board Member Hansen moved to recommend that the City Council amend the language of the
98 existing non-reversionary airport policies to incorporate new non-reversionary terms and
99 conditions and to do so in a manner that would utilize the provisions set out in Sections 6.7.1
100 through 6.7.5 of the Grand Junction Regional Airport Aeronautical Use Lease Policy, revised
101 November 18, 2014, and as revised by the Board as follows:

102
103 6.7.1 Any current Aeronautical Use Non-Reversionary Ground Lessee will be offered a
104 one-time option to opt-in to the new, approved Standard Form Ground Lease, prior to the
105 expiration of their current lease.

106 6.7.2 The new Standard Form Ground Lease will contain the initial term contained in
107 the Lessee's prior Ground Lease.

108 6.7.3 The rental rate shall be the rate established in the Authority's then current Fee
109 Resolution.

110 6.7.4 If the Lessee exercises this option, the Authority reserves the right to assure the
111 Lessee's improvements are in good order and repair, and will remain serviceable for the
112 remaining term of the new lease.

113 6.7.5 If it is determined that the current improvements are not in good order and repair
114 (at the sole discretion of the Airport Authority), the authority will give the Lessee
115 direction on how to achieve good order and repair. Requests for an evaluation should be
116 made at least 90 days prior to term expiration December 31, 2015, to allow for evaluation
117 and proper approvals.

118 Board Member McFee made the second. Voting Aye: Board Members McQuarrie, McFee, and
119 Mabbutt. Voting Nay: Board Member Phillips. The motion carried.

120
121 3. [Discuss City-sponsored Self-Service Fuel Pump](#)
122 [Self-Service Fueling - AVGAS](#)
123 [Chapters 3 and 14, Minimum Standards](#)

124 Anderson explained Loboschefskey conducted some research into this agenda item and found that
125 it would require approximately \$90,000 to \$100,000 to implement it. Further, it would require
126 locating it in an area that would be accessible to service vehicles and it would need to be
127 monitored seven days per week. Anderson questioned whether the City had the right to enter
128 into the self-service fuel business in light of the Minimum Standards which provided that only
129 the FBO or someone with a self-fueling permit was authorized to dispense fuel. He clarified that
130 those holding a self-fueling permit were only permitted to fuel their own airplane.

131
132 Board Member Hansen read excerpts from Section 5190.6B of the FAA Airport Compliance
133 Manual concerning exclusive rights violations and allowing a competitive environment among
134 aeronautical service providers. He further expressed his belief that the City needed to create a
135 more competitive environment, adding that the current arrangement was potentially chasing
136 business away. As an example, Hansen noted that the City lost fuel flowage fees and tax
137 revenue during the B-17 event, because a number of aircraft flew to other airports where the fuel
138 cost was lower. Hansen was concerned that the City, as the sponsoring agency, was in effect
139 channeling self-service activities to a commercial aeronautical service provider, thereby creating
140 an exclusive rights violation. Anderson explained that the City allowed other aeronautical
141 service providers, but the Minimum Standards provided the conditions under which those
142 providers could operate. The most recent version of the Minimum Standards was passed by the
143 City Council in 2010. Anderson advised that pursuant to Paragraph 3 of the FBO's lease, they
144 would need to consent to any changes to the Minimum Standards.

145
146 Board Member Hansen clarified that he was not proposing another FBO at the airport, but rather
147 a Special Aviation Service Operation ("SASO") that would solely provide fuel. Hansen further
148 stated that the FBO was not interested in selling Avgas, because it wasn't their market. He felt
149 the Board should work to change the Minimum Standards to so accommodate.

150
151 Board Member Phillips expressed that the proposal represented a large financial investment, and
152 he was unsure whether it would be a moneymaker. He asserted the City should attempt to
153 negotiate a lower cost of fuel with the FBO, adding that if it did not do so, it could put the
154 anticipated lease negotiations with the FBO in jeopardy.

155
156 Further discussion ensued, wherein Board Member Hansen reiterated his proposal to explore the
157 possibility of bringing in a SASO to operate a fuel pump near the run up area, adding that it
158 would take the burden off of the City, it would be equitable, and it would encourage a
159 competitive business environment at the airport. Board Member Rowland advised that the
160 foregoing proposal was moot unless the FBO would agree to modify the Minimum Standards.
161 After further discussion, the Board was in favor of initiating discussions with the FBO
162 concerning fuel service options. Further, the Board agreed they were unable to render a decision
163 on whether to recommend the City provide a self-service pump, or that it consider allowing a
164 SASO to do so, until they had more information on financial and potential liability concerns.

165
166 Board Member Phillips moved that before the Board undertakes an extensive analysis of the self-
167 service fuel proposal, it encourages the City Council to instruct staff to meet with the FBO to
168 explore options for less costly fuel options for the type of aircraft that utilize Avgas. Board

169 Member McFee made the second. Voting Aye: Board Members McQuarrie, McFee, Mabbutt,
170 Hansen, and Phillips. The motion carried.

171

172 4. Review and discussion of OK3-AIR's Lease Agreement

173 01.26.2015 Addendum

174 05.08.2012 Addendum

175 07.31.2000 Assignment

176 07.08.1996 Assignment

177 01.08.1995 Amended Agreement

178

179 The Board agreed to table this item until a future meeting.

180

181 In response to Board Member Franco's question regarding a lease rate analysis, Anderson
182 indicated the lease rates were included in the February Board packet. Concerning insurance
183 rates, Anderson stated that neither he nor Loboschefskey had an opportunity to meet to discuss
184 insurance rates, however he stated the foregoing would be on the next meeting agenda.

185

186 Board Member Phillips moved to table this agenda item until at least next month or longer, if
187 necessary. Board Member Hansen made the second. Voting Aye: Board Members McQuarrie,
188 McFee, Mabbutt, Hansen, and Phillips. The motion carried.

189

190 5. Other Items as Needed

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192 The Board agreed that the July meeting would remain on the calendar.

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194 V. Adjournment

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196 With no further business, the meeting was adjourned.

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Allison Lutes, Deputy City Recorder

TAB 1

Heber City Airport – Russ McDonald Field

Airport Manager's Report For June 2015

Existing Grants/Projects

The runway/apron rehabilitation project, AIP3-49-0011-026-2014, has been essentially completed with a short Project punch list remaining. The following addresses the current status of the Project as of 7/08/15:

- The airport is now open for daylight and night flight operations. There are no NOTAMs filed for the airfield.
- The airfield lighting system and electrical vault relocation have been completed and are fully operational.
- The runway and apron has temporary painting applied. Permanent painting is scheduled for 7/15/15. This will require runway closure for approximately one day. Appropriate NOTAMs will be issued. Airport user advisory emails have been sent (7/7/15) and notices at airport entry points have been placed.
- The temporary power hook-up to the fuel farm coming from the SRE building has been removed.
- The south airport perimeter road where many of the millings were placed has been finish graded and an emulsion applied to consolidate the surface.
- Final inspection of the Project with Armstrong Consultants and the FAA should occur several weeks upon the conclusion of the final painting.
- There appears to be excess funds available due to an under-run of the Project budget. The amount of excess funds is dependent upon final contractor assessments. The exact amount figure may be available prior to the Airport Advisory Board meeting. Use of any excess funds would have to be in alignment with the Project (i.e. Project related) and be subject to FAA approval.

One consideration would be: the existing taxiway light wiring has been identified as deteriorating. This places undue stress and shortens the lifespan of the voltage regulator. Replacement of this wiring would be through existing conduit and not require interruption of airport operations.

Airport Condition

- PAPI Lights are operational.
- Rotating beacon is operational.
- Segmented circle lights and windsock are operational.
- AWOS is operational, includes radio and phone recordings.
- Runway lights are operational.
- Taxiway lights are operational.
- Mowing operations are underway. The 10 yr old mower deck continues to have mechanical issues and may need to be considered for replacement next year.
- A deer was located on the field and chased-off with the help of DNR 6/29. The damaged gate by the AWOS was the probable entry point. This has been rectified.
- Reports of sunlight reflections off the new distance signs on the runway have been a distraction to pilots. This is on the Project punch list and is being investigated by the manufacturer.

7/08/2015

Heber City Airport – Russ McDonald Field

Other

- Volunteer help for airport tasks: the City is currently reviewing insurance coverage for volunteer help on the airfield. A volunteer application form is being prepared.
- The CAF B-17 event held the week of 6/8 was a complete success. It was well attended by the public with many rides and ancillary activities provided.
- The current AWOS ceilometer is being phased-out and will no longer be supported after 2016. This is a very expensive item (\$25K). Funding from UDOT Aeronautics Division and FAA is being pursued.

Heber City Airport – Russ McDonald Field

Airport Manager's Report For June - July 2015

Existing Grants/Projects

The runway/apron rehabilitation project, AIP3-49-0011-026-2014, has been essentially completed with a short Project punch list remaining. The following addresses the current status of the Project as of 8/07/15:

- The airport is now open for daylight and night flight operations. There are no NOTAMs filed for the airfield.
- The airfield lighting system and electrical vault relocation have been completed and are fully operational.
- The runway and apron had temporary painting applied at the conclusion of the Project. Permanent painting was applied 7/15/15 requiring runway closure for one day. All painting operations are concluded.
- The temporary power hook-up to the fuel farm coming from the SRE building has been removed.
- The south airport perimeter road where many of the millings were placed has been finish graded and an emulsion applied to consolidate the surface.
- There appears to be excess funds available due to an under-run of the Project budget. The amount of excess funds is dependent upon final contractor assessments. Use of any excess funds would have to be in alignment with the Project (i.e. Project related) and be subject to FAA approval.

One use has been identified as the existing taxiway light wiring deterioration. This places undue stress and shortens the lifespan of the constant current voltage regulator. Replacement of this wiring would be through existing conduit and should not require interruption of airport operations. This effort has been bid by the electrical subcontractor and is under consideration by the FAA.

- Final inspection and formal approval of the Project is pending FAA review of pavement test data and budget accounting.

Airport Condition

- PAPI Lights are operational.
- Rotating beacon is operational.
- Segmented circle lights and windsock are operational.
- AWOS is operational, includes radio and phone recordings.
- Runway lights are operational.
- Taxiway lights are operational.
- Mowing operations are underway. The 10 yr old mower deck continues to have mechanical issues and may need to be considered for replacement next year. The latest repair should hopefully make it operational through the remainder of the season.
- A deer was located on the field and chased-off with the help of DNR 6/29. The damaged gate by the AWOS was the probable entry point. This has been rectified.
- Reports of sunlight reflections off the new distance signs on the runway have been a distraction to pilots. This is currently being investigated.

7/08/2015

Heber City Airport – Russ McDonald Field

Other

- Volunteer help for airport tasks: the City is currently reviewing insurance coverage for volunteer help on the airfield. A volunteer application form is being prepared.
- The CAF B-17 event held the week of 6/8 was a complete success. It was well attended by the public with many rides and ancillary activities provided.
- The current AWOS ceilometer is being phased-out and will no longer be supported after 2016. This is a very expensive item (\$25K). Funding from UDOT Aeronautics Division is doubtful. However, remaining funds from the Project are being pursued and under review by the FAA.
- The CAF "Mustang Roundup" event is scheduled for 8/8/15 Friday evening-Saturday. It involves classic cars coupled with aircraft photo opportunities. All activities are to be held at the CAF museum area and not impact the ramp. This event is open to the public.
- Hillary Clinton's entourage arrived at the airport 8/5/15.
- Filming of a TV show on the ramp occurred 8/5/15. This was coordinated by OK3Air and confined to the FBO immediate area.
- Some excavation work has commenced at the industrial area behind the airport. No impacts to airport operations are anticipated.

TAB 2

HEBER CITY RESOLUTION #2015-_____

RESOLUTION ADOPTING POLICY REGARDING NON-REVERSIONARY HANGAR
LEASE TERMS AND CONDITIONS

WHEREAS, pursuant to the formal recommendation of the Heber City Airport Board, dated the 17th day of June, 2015, Heber City, Wasatch County, Utah (Heber City) desires to adopt a policy which would incorporate new non-reversionary terms and conditions of certain existing non-reversionary airport policies, for the twenty two (22) existing non-reversionary hangar agreements with the City,

NOW, THEREFORE, it is hereby resolved by the City Council of Heber City, Wasatch County, Utah, that Heber City hereby adopts the following policy allowing, at a minimum, the incorporation of the following new non-reversionary terms and conditions, specified below:

1. Any current Aeronautical Use Non-Reversionary Ground Lessee will be offered a one-time option to opt-in to the new, approved Standard Form Ground Lease, such option is to be available until December 31, 2015.
2. The new Standard Form Ground Lease will contain the initial term contained in the Lessee's prior Ground Lease.
3. The rental rate shall be the rate established in the Authority's then current Fee Resolution.
4. If the Lessee exercises this option, the Authority reserves the right to assure the Lessee's improvements are in good order and repair, and will remain serviceable for the remaining term of the new lease.
5. If it is determined that the current improvements are not in good order and repair (at the sole discretion of the Airport Authority), the authority will give the Lessee direction on how to achieve good order and repair. Requests for an evaluation should be made at least 90 days prior to December 31, 2015, to allow for evaluation and proper approvals.

The use and inclusion of these terms identified by this Policy in hangar agreements is limited to the specified current 22 Hangars.

ADOPTED AND PASSED by the City Council of Heber City, Utah this _____ day of _____, 2015, by the following vote:

	AYE	NAY
Councilmember Robert L. Patterson	_____	_____
Councilmember Jeff Bradshaw	_____	_____

Councilmember Eric Rowland

Councilmember Heidi Franco

Councilmember Kelleen Potter

APPROVED:

Mayor Alan W. McDonald

ATTEST:

_____ Date: _____

RECORDER

TAB 3

SURVEY: MINIMUM LIABILITY INSURANCE FOR PRIVATELY OWNED HANGARS

Performed by the 36U Hangar Owners Group – Mar 30 to Apr 8, 2015

*NOTE: The following coverages are as explained by the indicated contact to the best of my understanding of how insurance rates work. I suggest you might want to consult with an attorney for a better explanation of “aggregate” vs. “each occurrence.”

Airport / Contact Info

Minimum Liability Insurance/comments

UTAH AIRPORTS:

KSLC Salt Lake International Airport, UT
Property Management Specialist Phil Bevan 801-575-2401

Varies by hangar size and size of business on case-by-case basis
KSLC examples* minimums:
FBO-size businesses: \$5M aggregate*
Corporate-size** hangars: \$2M aggregate* ON-AVERAGE
GA T-hangars: \$100,000

*Aggregate indicates the minimum insurance requirement includes other types of coverage in addition to liability insurance

**KSLC defines “corporate” as a privately owned hangar that can store 3-4 aircraft without having to move other aircraft to move one of them in/out. The only Heber hangars that appear to meet this definition are the 75x75 and 100x100 Daniel hangars.

U77 Spanish Fork – Springville – Woodhouse Airport, UT
Airport Manager Cris Child 801-420-8888

\$1M each occurrence (i.e. liability insurance only)

U14 Nephi Municipal, UT
Finance Manager Blair Painter 435-623-0822

\$2M aggregate*

KPVU Provo Municipal, UT
Airport Manager Steve Gleason 801-368-0383

\$2M aggregate*

KLGU Logan-Cache Airport, UT
Airport Manager Lee Ivie 435-752-8111

None required

KBMC Brigham City Airport, UT
Airport Manager Tyler Pugsley 435-226-1437

\$500k each occurrence (i.e. liability insurance only)

<p>KCNY Canyonlands Field, Moab, UT Airport Manager Judd Hill 435-259-4849</p>	<p>\$1M each occurrence (i.e. liability insurance only)</p>
<p>KOGD Ogden-Hinkley Airport, UT Airport Manager Jon Greiner 801-629-8223</p>	<p>\$1M each occurrence (i.e. liability insurance only)</p>
<p>KSGU St. George Municipal, UT Airport Operations Supervisor Brad Kitchen 435-627-4084</p>	<p>\$2M aggregate*</p>
<p>KVEL Vernal – Uinta County Regional Airport Manager Kelly Harvey 435-219-0156</p>	<p>waiting for return call</p>
<p>KCDC Cedar City Regional, UT Airport Manager Jeremy Valgardson 435-867-9408</p>	<p>\$2M aggregate*</p>
<p>74V Roosevelt Municipal, UT City Manager Justin Johnson 435-722-7167</p>	<p>\$500k each occurrence (i.e. liability insurance only)</p>
<p>KPUC Carbon County Regional, Price, UT County Commissioner John Jones 435-650-4515</p>	<p>Only three hangars total – Only one hangar is privately owned</p>
<p>KTVY Bolinder Field – Tooele Valley, UT Property Management Specialist Matt Jensen 801-575-2401</p>	<p>Airport owns all hangars – No privately owned hangars</p>
<p>KENV Wendover Airport, UT Airport Director Jim Peterson 435-665-2308</p>	<p>Airport owns all hangars – No privately owned hangars</p>

OTHER MOUNTAIN WEST AIRPORTS:

<p>KNFL Fort Collins – Loveland Municipal Airport, CO Airport Manager Jason Licon 970-962-2852</p>	<p>FBO: \$3M (I'm not sure if each occurrence or aggregate) Non-commercial: \$1M each occurrence (i.e. liability insurance only)</p>
<p>KEGE Eagle County Regional, Vail, CO Airport Manager Greg Phillips 970-328-2648</p>	<p>\$2M aggregate*</p>

KGUC Gunnison – Crested Butte Regional, CO Airport Manager Rick Lamport 970-641-2304	waiting for return call
KIDA Idaho Falls Regional Airport, ID Administrative Assistant Theresa Stone 208-612-8224	\$1M each occurrence (i.e. liability insurance only)
KBIL Billings – Logan International, MT Airport Business Manager Marita Herold 406-237-6284	waiting for return call
KDRO Durango – La Plata County Airport, CO Operation Specialist Tony Vicari 970-382-6052	\$1M each occurrence (i.e. liability insurance only)
KRIL Rifle – Garfield County Regional, CO Airport Director Brian Condie 970-625-1091 X4118	waiting for return call
KGJT Grand Junction Regional Airport, CO Business Manager Amy Jordan 970-244-9100	\$1M each occurrence (i.e. liability insurance only)
KMTJ Montrose Regional Airport, CO Property & Contract Specialist Susan Wheeler 970-964-2479	\$600k each occurrence (i.e. liability insurance only)
KHDN Yampa Valley Airport, Hayden, CO Administrative Assistant Kristen Miller 970-276-5001	waiting for return call / email
KASE Aspen – Pitkin County Airport, CO Asst Director of Admin Brian Grefe 970-429-2853	Airport and FBO own all hangars – No privately owned hangars
KJAC Jackson Hole Airport, WY Asst Airport Director Jeanne Kirkpatrick 307-413-1510	Airport owns all hangars - No privately owned hangars Airport is on leased National Park land that cannot be sublet
KRKS Rock Springs – Sweetwater County Airport, WY Admin Secretary Shannon Lucero 307-352-6880	Airport owns all hangars – No privately owned hangars



ATTACHMENT A (MINIMUM INSURANCE REQUIREMENTS)

16. ATTACHMENT A (MINIMUM INSURANCE REQUIREMENTS)

	Fixed Base Operator	Aircraft Maintenance Operator	Avionics or Instrument Maintenance Operator	Aircraft Rental, Flying Club, or Flight Training Operator	Aircraft Charter or Aircraft Management Operator	Aircraft Sales Operator	Specialized Commercial Aeronautical Operator, including Commercial Hot Air Balloon Operators	Temporary Specialized Aviation Service Operator	Commercial Hangar Developer or Operator	Non-Commercial Hangar Developer/Operator	Non-Commercial Self-Service Fueling Permittee
COMMERCIAL GENERAL LIABILITY (Combined Single Limit)											
Each Occurrence	\$5,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
VEHICULAR LIABILITY (Combined Single Limit)											
Each Occurrence	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
HANGAR KEEPER'S LIABILITY (Largest Aircraft Accommodated) – if applicable											
SE Piston Group I	Each Aircraft		\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	
	Each Occurrence		\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	
ME Piston Group I	Each Aircraft		\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	
	Each Occurrence		\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	
Turboprop Group I	Each Aircraft		\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	
	Each Occurrence		\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	
Turboprop Group II	Each Aircraft		\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	
	Each Occurrence		\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	
Turbojet Group I	Each Aircraft		\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	
	Each Occurrence		\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	
Turbojet Group II	Each Aircraft		\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	
	Each Occurrence		\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	
AIRCRAFT AND PASSENGER LIABILITY (Each Occurrence)											
SE Piston/Group I							\$1,000,000/\$100,000 sub limit per person				
Commercial Hot Air Balloon							\$1,000,000/\$100,000 sub limit per person				
ME Piston/Group I							\$1,000,000/\$100,000 sub limit per person				
Turboprop Group I & II							\$5,000,000/\$250,000 sub limit per person				
Turbojet/Group I							\$5,000,000/\$250,000 sub limit per person				
Turbojet/Group II					\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000			
Students and Renters					\$100,000						
ENVIRONMENTAL LIABILITY (Combined Single Limit, Each Occurrence)											
Each Occurrence	\$1,000,000										\$1,000,000

TAB 4

DANIEL REVERSIONARY LEASE vs. NEW STANDARD GROUND LEASE

1. FAA GUIDANCE.

- Mr. Kevin Willis, Manager of the Airport Compliance Division at FAA Headquarters in Washington DC (refer to enclosed Jan 14, 2015 email) confirmed: **“We [the FAA] do encourage airport sponsors to police their own commercial aeronautical users.”**
- Similarly, Mr. Willis’ staff FAA Compliance Specialist Larry MacDonald (refer to Jun 29, 2015 telephone discussion) confirmed: **The FAA “encourages airport sponsors to maintain consistency in leasing policy” as a best business practice.**

2. RECENTLY CONVERTED TO A STANDARD NON-REVERSIONARY LEASE.

- KBIL, Billings Logan Airport, Billings, MT (refer to enclosed email)
- KSGU, St. George Municipal Airport, St. George, UT (refer to enclosed email)
- KGJT, Grand Junction Regional Airport, Grand Junction, CO (refer to enclosed Leasing Policy)
- **All three airports allowed their existing hangar owners to opt into the new standard ground lease regardless of differences in original purchase prices or or age of the hangars.**

3. DIFFERENCES IN LEASING POLICY ADAPTED FROM GRAND JUNCTION.

- Heber City Airport Board adapted Grand Junction Regional Airport’s Leasing Policy nearly intact for allowing existing hangars to opt into the new standard ground lease, **but Heber City is considering applying it differently than Grand Junction does.**
- **Grand Junction allows ALL existing hangar owners to opt into the new standard ground lease regardless of differences in original purchase prices or age of the hangars.**
- **Heber Board is considering requiring cash payments from some Daniel reversionary hangar owners to recoup lost profits from decline in sales/market prices for City-developed hangars.**

4. ZBB VS. SUNK COSTS.

- Zero-Based Budgeting is an approach to resource planning, decision-making, and financial management. Rather than starting with last year’s estimates for the current year, a ZBB annual reevaluation is made with a starting point of nil or zero without consideration of past estimates.
- Sunk costs are those fiscal decisions that have already been incurred and cannot be recovered. They are independent of any event or decision that is made for current or future years.

5. APPLYING THE ABOVE LESSONS TO RUSS McDONALD FIELD.

- **Follow FAA guidance encouraging consistency in Heber City leasing policy.**
- **Mirror KBIL, KSGU, and KGJT precedents converting existing hangars to non-reversionary.**
- **Apply ZBB to 36U: Development decisions should be based on current and future options and not on trying to recoup previous years’ airport development sunk costs and lost profits.**
- **Allow existing Daniel reversionary owners to opt into the new standard ground lease regardless of the original hangar purchase price or how old the hangar is.**

From: "kevin.willis@faa.gov" <kevin.willis@faa.gov>
To: pebo@boyaire.us
Sent: Wednesday, January 14, 2015 1:28 PM
Subject: RE: Grant Assurance 22.b. Questions

http://www.faa.gov/airports/resources/publications/orders/compliance_5190_6/

This is one you really have to be careful – the slide implies that fuel prices should be comparable to prices at other airports. that’s not always true ---prices can vary for any number of reasons – the market, the FBO’s level of investment in the airport, return on investment, type of services provided. Because of the complexity of a private enterprises rate structure we don’t normally review rate disputes.

We do encourage airport sponsors to police their own commercial aeronautical users. You should read FAA Order 5190.6B Compliance Handbook chapter 9. “Unjust Discrimination between Aeronautical Users” it is located on the airports compliance page of the FAA website. It goes into detail on the issue of rates and the need for a subordination clause.

Kevin Christopher Willis
Manager, Airport Compliance Division, ACO-100
Federal Aviation Administration
800 Independence Ave., SW, RM 600
Washington, DC 20591
202-267-8741/267-3085

From: "Herold, Marita" <HeroldM@ci.billings.mt.us>
To: 'Paul Boyer' <pebo@boyaire.us>
Sent: Friday, January 10, 2014 4:38 PM
Subject: RE: Hangar information

Hi Paul:

In regard to the hangar lease reversion matter that we discussed on the phone, please note that these are perhaps the key reasons that our airport decided to stop writing leases with a reversionary clause:

- The clause was very unpopular with our tenants. Tenants often spoke of the difficulty getting financing for construction of hangars if the lease had a reversionary clause, and many opted not to build here because they could not get the financing for the construction.
- The Airport is municipally owned so all the land is zoned public, and is therefore tax exempt from county real estate taxes. The hangars constructed by tenants were considered "improvements" and were taxed separately to the tenant as a non-exempt entity. When the hangar ownership reverted to the Airport, it took a few years of working with the County to get the change made in all of the County's property records. This took a lot of administrative staff time to complete.
- The reversionary clause often resulted in delayed maintenance to the hangars as the deadline for the ownership reversion neared. This meant that by the time the Airport took ownership of the hangars, expensive items like overhead doors needed replacement and roofs often needed work, not to mention other deferred maintenance on the ramps, etc.

I hope this information is of assistance to you. If you have any questions, please give me a call.

Marita Herold
Aviation & Transit Business Manager
City of Billings Logan International Airport
1901 Terminal Circle, Room 216
Billings, MT 59105
Phone: (406) 237-6284
FAX: (406) 657-8438
Email: heroldm@ci.billings.mt.us

From: Bradley Kitchen <brad.kitchen@sgcity.org>
To: Paul Boyer <pebo@boyaire.us>
Sent: Thursday, January 16, 2014 9:44 AM
Subject: RE: Our conversation regarding non-reversionary leases

Good morning Paul,

As your aware, the City of St. George has been operating out of a new airport facility for the past 3 years. We spent several years planning the new facility which included drafting and approving new documents such as; land/hangar leases, the ACM, AEP, ASP, Minimum Aeronautical Standards, Rules and Regulations, and other plans that are required to operate a commercial Part 139 airport. In regards to SGU's land and hangar leases, the City never supported a reversionary clause in any of the leases at the old airport. For the past 15 years, the City planned and new they were going to build a new airport facility so as these old leases started to expire, the city decided to renew these old leases but to have an expiration date of January 11, 2011, as this was the date to move into the new airport facility and close down the old airport. At this time, a hangar owner had to remove their hangar from the old airport property and was given the opportunity to move it over to the new airport under the new regulations and lease agreements. Up until this time, SGU never supported the reversionary clause.

One year prior to moving into the new airport, the city started working on a new lease agreement to implement for the new airport. At this time the reversionary clause was added to the new lease with a 30 year term. After 30 years, the building or hangar would revert back to the city for ownership. This did not go over well with the people who wanted to invest in the new airport or move their hangars from the old facility to the new. After two years working and planning with the airport users, the city decided to remove the reversionary clause from the new lease. It's my opinion if the reversionary clause was implemented into the new lease agreement, over half of our airport tenants at the old airport would not have made the move to the new airport. With this being said, 95 % of the hangar owners who held a lease on the old airport made the move and signed the new lease agreement at the new airport.

So as of this date, there is no airport lease that has the reversionary clause.

I hope this helps you in your decisions. Feel free to call with any other questions you might have.

Sincerely,

Brad Kitchen, C.M.
Airport Operations Supervisor/ASC
4508 S. Airport Parkway, Suite 1
St. George, Utah 84790
435-705-0748
Brad40@sgcity.org

AERONAUTICAL USE LEASE POLICY

GRAND JUNCTION REGIONAL AIRPORT

Revised: November 18, 2014

BACKGROUND, SUMMARY, RESPONSE TO COMMENTS AND TEXT

The Grand Junction Regional Airport Authority (the "Authority") owns and operates the Grand Junction Regional Airport (the "Airport"). The Authority was created by the City of Grand Junction and County of Mesa to own and operate the Airport pursuant to the Colorado Public Airport Authority Act, C.R.S. §41-3-101, *et seq.* Under that Act the Authority has the power to lease Airport property.

II. PURPOSE OF POLICY

The Policy clarifies that Airport land and/or general aviation facilities will generally be leased on a first come-first served basis. The Authority may also use a competitive proposal process to grant a lease for a particular parcel or facility where multiple parties are interested. The Authority will develop a standard aeronautical use ground lease; the initial form of which will be developed within 30-days of adoption of this Policy. Unless circumstances involve the use of a non-standard form, the Authority will attempt to promptly respond to a complete leasing request within 30-days of receipt. The Director of Aviation will be authorized to enter into standard form leases at rates pre-approved by the Authority Board, but the Authority Board in open meeting will make decisions on any lease denial or non-standard lease request.

Under the Policy, the initial ground lease term will continue to be 20 years with a 10-year lessee option to renew. Longer initial or option terms may be available for extraordinarily large investments in facilities. Aeronautical use ground tenants will also be granted up to four (4) additional five (5) year options to extend the lease term, if (a) the improvements have been maintained and are expected to be serviceable for the additional option term, (b) the Authority does not require the ground for other Airport purposes, (c) the extension would not violate FAA grant assurances then in effect, and (d) the lessee is not in material default under the lease or in other financial obligations to the Authority (a "Disqualifying Factor"). This will extend the opportunity of all lessees to own and occupy their hangars, so long as the above conditions continue to be met, for a combined term of up to 50-years. If the Authority Board determines that a facility has not been maintained or is not serviceable, then the lessee will be given a "punch list" and an opportunity to bring the facility into compliance, and thereby be eligible for an additional 5-year option.

Rent will continue to be set at an initial reasonable level, and reset at market rates at the beginning of each additional 5-year option term. Instead of being adjusted annually by any increase in the CPI, under the final Policy, rent may be adjusted every two-years based on any increase or decrease in the CPI. The Authority will not make any other periodic market rate adjustments.

IV. FINAL AERONAUTICAL USE LEASE POLICY

The following is the text of the final Aeronautical Use Lease Policy proposed for adoption by the Board of the Grand Junction Regional Airport Authority on January 7, 2013:

1. DEFINITIONS. The following definitions shall apply to this Policy:

1.1 "Aeronautical Use" shall mean any aeronautical activity, including but not limited to parking, storing, repairing, sale, fueling and maintaining aircraft owned or leased by a Lessee or third parties, and other activities associated with aircraft ownership and/or operation. For purposes of this Policy, Aeronautical Use shall not include operations conducted by scheduled air carriers.

1.2 "Airport" shall mean the Grand Junction Regional Airport located in Grand Junction, Colorado.

1.3 "Authority" shall mean the Grand Junction Regional Airport Authority, a body corporate and politic, which was created by the City of Grand Junction and County of Mesa to operate the Airport.

1.4 "Commercial Lessee" shall mean a Lessee which (a) regularly engages in fixed base operations, ground handling and servicing of air carrier and commuter airline operations, aircraft charter operations, flight training, aircraft rental, aerial photography, crop dusting, aerial advertising, aerial surveying, aircraft sales and services, sale of aviation petroleum products, aircraft repair and maintenance, sale of aircraft parts, and/or other commercial aeronautical services to the public, (b) has entered into or will enter into a lease with the Authority, and (c) meets, and in the case of an existing Lessee has met for a period of not less than six continuous months, the Authority's Minimum Standards then in effect for the type of aeronautical business operated by the Lessee.

1.5 "CPI" shall mean the Consumer Price Index for all urban consumers, all items ("CPI-U") Selected Large Cities, for the All U.S. Cities, for the previous October to October report, published by the United States Department of Labor, Bureau of Labor Statistics, 1982-84 base = 100. In the event the base year is changed the CPI shall be converted to the equivalent of the base year 1982-84 = 100. In the event the Bureau of labor Statistics ceases to use the CPI or this index, an equivalent or comparable economic index will be used.

1.6 "Policy" shall mean this Aeronautical Use Lease Policy.

1.7 "Improvements" means all structures and installations placed or constructed on the leased premises, including, but not limited to, hangars, fuel tanks and associated equipment, foundation and paving.

1.8 "Lessee" means any Commercial Lessee or Storage Lessee.

1.9 "Minimum Standards" shall mean the then current version of the Requirements and Minimum Standards for Commercial Aeronautical Services and Activities for Walker Field Airport, Grand Junction, Colorado. The version of the Minimum Standards in effect on the date of these Policy, were those adopted by the Airport Authority Board on December 19, 2000 and last revised on July 19, 2005.

1.10 "Person" shall mean any individual, partnership, corporation, trust, or other entity of whatever type or nature.

1.11 "Storage Lessee" shall mean any Aeronautical Use Lessee other than a Commercial Lessee as defined above.

2. OVERVIEW AND SCOPE.

2.1 This Policy set forth the parameters for leasing Airport land and/or improvements for Aeronautical Uses at the Airport. They outline the process, which will be used by the Authority to enter into ground and facilities leases for non-air carrier aeronautical uses, and establish and adjust the rents, fees, or other charges associated with leasing, occupying, and/or using Airport land and/or Improvements for such uses.

2.2 No Person shall occupy Airport land and/or Improvements unless such Person has entered into a lease with the Authority or has a sublease approved by the Authority.

2.3 No Person shall be a Commercial Lessee at the Airport unless the Person has first entered into an agreement or lease with the Authority or a sublease with an Airport Lessee, and is in full compliance with applicable provisions of the Minimum Standards.

2.4 The Authority reserves the right to designate specific Airport land areas in which Commercial Lessees and Storage Lessees, respectively, may or may not conduct business or construct Improvements. The Authority also reserves the right to establish classes of aeronautical activity, to establish land areas within which such classes may operate, and to treat such different classes differently with respect to the offering of leases or agreements.

2.5 The right to use the Airport and any Airport land and/or Improvements other than those leased exclusively to any Person shall be non-exclusive.

2.6 This Policy shall not apply to circumstances in which the Authority chooses to construct a hangar or other aeronautical use Improvement, at the request of and to the specifications of a Lessee for lease to such Lessee. Such a transaction would be subject to variables such as, but not limited to, the cost of construction, the type and cost of financing, and the lease term necessary to recoup the Authority's investment. It shall therefore be handled on a case-by-case basis pursuant to applicable laws and Authority policies then existing.

3. PURPOSES.

3.1 The Federal Aviation Administration (FAA), by way of its Grant Assurances, requires all airports developed with federal grant assistance to operate for the use and benefit of the public, and for such airports to be made available to all types, kinds, and classes of aeronautical activity on fair and reasonable terms and without unjust discrimination. These Grant Assurances also require airport sponsors to maintain a fee and rental structure for the facilities and services at their airports, which will make the airports as self-sustaining as possible under the circumstances existing at the particular airport, and will not dispose of or transfer title to airport property without FAA approval. Airport sponsors must also avoid unjust economic discrimination within classes of users, taking into account such factors as the volume of traffic and economy of collection. The Airport and the Authority are subject to these grant assurances.

3.2 It is therefore the policy of the Authority to:

3.2.1 operate the Airport for the use and benefit of the public, and to make it available for all types, kinds and classes of aeronautical activity;

3.2.2 make the opportunity to engage in commercial Aeronautical Uses available to any Person who meets the Minimum Standards established by the Authority;

3.2.3 limit or prohibit any type, kind or class of Aeronautical Use of the Airport, if such action is necessary for the safe operation of the Airport or is necessary to serve the civil aviation needs of the public;

3.2.4 impose terms and conditions on those offering aeronautical services and commodities to the public to ensure they are offered on fair and reasonable basis and without unjust discrimination;

3.2.5 impose only the same rates, fees, rental and other charges as are uniformly applicable to all other Aeronautical Use Lessees in the same class of Lessees, making the same or similar uses of the Airport, utilizing the same or similar facilities, and entering into leases or agreements at approximately the same time;

3.2.6 make aeronautical facilities at the Airport available to the public on fair and reasonable terms and without unjust discrimination;

3.2.7 make the Airport as financially self-sustaining as possible under the circumstances; and

3.2.8 not enter into leases or lease amendments, which would constitute a transfer or disposal of Airport property, without prior FAA approval.

3.3 The leasing of Airport land is also regulated and influenced by local, State, and federal law including, but not limited to, the policies and rules of the Federal Aviation

Administration (the “FAA”) and Transportation Security Administration (“TSA”), and other policies, Policy, rules and standards adopted by the Authority.

4. LAND USES. The Airport Master Plan and Airport Layout Plan (ALP) have been developed by the Authority and are periodically updated. The FAA approves the ALP, and the Master Plan is developed in accordance with FAA standards. These documents provide guidance to the Authority regarding which land areas of the Airport may be made available for leasing to various classes of Lessee. No lease shall be entered into by the Authority, which, at its inception, is contrary to the Master Plan or the FAA-approved ALP. The Authority reserves the right to amend and revise the Master Plan and/or ALP from time-to-time, with FAA approval as may be necessary. Amendments and updates to the ALP and/or Master Plan may provide for changes in land use and/or reconfiguration of existing land use areas on the Airport, which shall be applicable to leases entered into or extended after the date of such ALP or Master Plan amendment or update.

5. AUTHORITY TO LEASE. The Authority filed Articles of Incorporation on March 24, 1971, and is a body corporate and politic, and a political subdivision of the State of Colorado. Power to enter into and administer leases of Airport property is granted to the Authority by Colorado Revised Statutes Section 41-3-106(f).

6. LEASE FORMS AND REQUESTS.

6.1 Manner of Leasing. Available Airport land and/or general aviation Improvements with runway access will generally be leased on a first come, first served basis, to Lessees wishing to use such land and/or Improvements for the aviation-related purposes described in the currently approved ALP. Under certain circumstances (i.e. multiple Persons interested in a single piece of property or Improvement or few/no remaining parcels or Improvements available for a specific aviation-related use), the Authority may use a public and competitive proposal process prior to grant a lease for a particular parcel or facility. Interested Persons should contact the Authority to discuss leasing opportunities, lease requirements, and information required for review by the Authority.

6.2 Review Standards. Requests to lease Airport land for Aeronautical Uses will be reviewed by the Authority based on parameters contained in these Policy including, but not limited to, whether:

6.2.1 The proposed use is appropriate and consistent with the ALP, Master Plan, and other relevant land use planning documents, including the Authority's design guidelines, if any;

6.2.2 Approval would not constitute a violation of Grant Assurances; and

6.2.3 If a commercial Aeronautical Use were proposed, Lessee’s proposed use of the property would comply with the requirements of the Minimum Standards for the commercial use proposed.

6.3 Leases More Restrictive. The Authority's Aeronautical Use leases shall be designed to protect the public interest and may contain more restrictive clauses than those typically found in private sector leases. They shall transfer to the Lessee the liabilities associated with possession and control of real property including, but not limited to, compliance with all federal, state and local laws and regulations pertaining to the use, storage and disposal of hazardous materials and storm water pollution prevention regulations.

6.4 Compliance with Law. Leases will require Lessees to comply with all applicable local, state, and federal laws, ordinances, rules, and regulations, including those of the TSA and FAA. Leases shall also require Lessees and sub-lessees on the Airport to comply with all applicable Airport regulations, policies, and Minimum Standards. Such Authority regulations, policies and Minimum Standards may be updated and/or amended from time to time as appropriate, and Lessees shall be subject to the same as updated and/or amended, if no such updated regulations, policies or Minimum Standards shall override any material provision of an existing lease.

6.5 Standard Lease Forms and Procedures. The Authority may require that requests to lease be submitted on a standard form, which it may develop and amend from time to time, but which shall conform to this Policy. Leasing requests may also be required to contain such additional information and documentation, as the Authority deems reasonably necessary to evaluate the proposal. The Authority will also develop standard forms of ground and facilities lease, which may be periodically updated to reflect changes in federal, state, and local regulations and real estate law as well as necessary to meet a changing economic environment and other risks associated with leasing. The Airport Manager will be authorized to execute the standard form lease at the rental rate fixed from time to time by the Authority Board in its rate resolution. Should the terms of a proposed lease differ from the standard form, or should a proposed rental rate differ from that established in the rate resolution, approval of the Authority Board in a public meeting will be required. Where a non-standard lease is requested or necessary under the circumstances, the Airport Manager may negotiate with the Lessee or prospective Lessee and shall submit his/her recommendation to the Authority Board.

6.6 Prompt Response. In all cases, the Authority shall attempt to respond to leasing requests in a prompt manner under the circumstances. The Authority shall attempt to respond to requests involving a standard form lease within thirty (30) days of receiving a complete written lease request. Requests, which will involve the use of a non-standard lease form, require engineering or other professional review, or otherwise require action by the Authority Board could take considerably longer. Any denial of a request for an Aeronautical Use lease shall be made by the Authority Board in public meeting and shall be accompanied by a statement as to the basis of the denial.

6.7 Current Lessees.

6.7.1 Any current Aeronautical Use Ground Lessee will be offered a one-time option to opt-in to the new, approved Standard Form Ground Lease, prior to the expiration of their current lease.

6.7.2 The new Standard Form Ground Lease will contain the initial term contained in the Lessee's prior Ground Lease.

- 6.7.3 The rental rate shall be the rate established in the Authority's then current Fee Resolution.
- 6.7.4 If the Lessee exercises this option, the Authority reserves the right to assure the Lessee's improvements are in good order and repair, and will remain serviceable for the remaining term of the new lease.
- 6.7.5 If it is determined that the current improvements are not in good order and repair (at the sole discretion of the Airport Authority), the Authority will give the Lessee direction on how to achieve good order and repair. Requests for an evaluation should be made at least 90 days prior to term expiration, to allow for evaluation and proper approvals.

7. DURATION OF LEASE TERM.

7.1 Policy. All leases of Airport land shall have a fixed term of limited duration to ensure the Authority's ability to control future development of Airport land should it be needed for a different purpose, while at the same time being fair to Lessees.

7.2 Initial Standard Ground Lease Terms. Except as provided below, the maximum initial Aeronautical Use ground lease term shall be twenty (20) years with one (1) Lessee option to extend for an additional ten (10) years.

7.3 Extended Term for Extraordinary Capital Investment. If a Lessee or prospective Lessee proposes to make an extraordinarily large investment in light of the square footage of land to be leased or which is being leased, the Board may in its discretion consider whether to amend these Policy to provide additional provisions under which the length of the extended ground lease primary and/or option terms may be determined.

7.4 Exercising of Additional Terms Early. The Authority may grant a perspective Lessee the ability to exercise additional terms upon lease assignment, to allow for financing.

7.5 Standard Facility Lease Term. Except as provided below, when the Authority owns the ground and the aeronautical Improvements to be leased the maximum facilities lease term shall be five (5) years.

7.6 Additional Option Terms for Ground Leases. In addition to the option term provided in Section 7.2 above, Lessees may be offered up to four (4) additional options to extend the ground lease term for five (5) years each (an "Additional Option"). The total of primary and all option terms of any lease shall not exceed 50-years unless individual and extraordinary circumstances are found to exist under Section 7.3 above. The Authority shall offer an Additional Option to a Lessee if, and only if:

- 7.6.1 Such Lessee requests the same; and
- 7.6.2 Improvements are in good order and repair and meet the Minimum Standards, as currently approved by the Airport Authority, and meet all applicable City and County code requirements; and
- 7.6.3 Lessee is not in material default under its ground lease with the Authority; and

7.6.4 Lessee is not in default in any other financial obligation to the Authority.

8. LEASE EXPIRATION/TERMINATION. Under This Policy, and subject to the limitations of Section 7.6 above, ground leases, which are subject to Additional Options, will expire only when a Lessee chooses not to exercise its option to renew. Ground Leases may also terminate upon material default by the Lessee. Upon the expiration or sooner termination of the ground lease, each ground lease shall provide that:

8.1 If not transferred, sold, or otherwise assigned, the Lessee shall peaceably surrender possession of the leasehold to the Authority.

9. RATES, FEES AND CHARGES.

9.1 Market Rates. The Authority recognizes its obligation to charge reasonable and not unjustly discriminatory rent for Aeronautical Use of Airport land and/or Improvements. Under the Grant Assurances, the Authority is also required to maintain a rent and fee structure, which makes the Airport as self-sustaining as possible under the circumstances.

9.1.1 Reasonable rent for Aeronautical Use land and/or Improvements at the Airport will be determined, at the discretion of the Authority, by rent study, comparison of rents for similar properties at this and other public use airports, appraisal, negotiation, or a competitive process.

9.1.2 Current rates, fees, and charges will be outlined in the Authority's approved Fees and Charges. All new, renegotiated, and adjusted lease rates, fees, and charges will be set according to the rates found in the approved Fees and Charges, which are reviewed, updated, and approved annually by the Authority Board.

10. PERMITTED USES. Leases shall provide that Improvements constructed on the Airport Operations Area of the Airport are to be used for Aeronautical Uses only, including but not limited to parking, storing and maintaining aircraft owned or leased by tenant or third parties, other activities associated with aircraft ownership, commercial Aeronautical Uses covered by the Minimum Standards, and self-fueling in strict accordance with the Authority's Fuel Storage and Handling Procedures.

11. CONSTRUCTION OF LEASEHOLD IMPROVEMENTS.

11.1 Prior to the construction of any Improvements, alterations, or additions to the leasehold, proposed plans must be submitted to the Authority for review and approval. The Authority shall determine if the Improvements are consistent with the Airport's Master Plan and meet the Authority's Development and Architectural Covenants and, if applicable, the Minimum Standards. Improvements must also meet all federal, State and local codes, rules and regulations. Authority approval of plans shall not be an indication that any Improvement complies with such laws, codes, or rules.

11.2 A period may be specified in the ground lease for the commencement and completion of any approved Improvements on any leasehold.

12. CONDOMINIUM ASSOCIATIONS. The Authority recognizes the existence of leases held by condominium associations. Recognizing that circumstances may arise whereby a condominium tenant may wish to change its structure to multiple, individual tenants, the Authority may at its discretion elect to accommodate such requests. The lease term of newly created individual, leases shall be equal to the lease term of the previous lease, with the sole exception that newly created individual leaseholds may exercise the same rights to enter into new lease instruments as other tenants. New lease instruments shall be based upon the original date of tenancy of the original lease instrument, which existed prior to the dissolution of the condominium association. The Authority may charge reasonable and appropriate fees for the costs incurred in the conversion of condominium association leaseholds to individual tenancy.

13. ASSIGNMENT, SUB-LEASING AND FINANCING.

13.1 Written consent from the Authority must be obtained prior to any assignment or subleasing of all or any portion of a lease, which assignment shall not be unreasonably withheld. Leases will provide that assigned and sublet leases will be subject to all the terms and conditions of the original lease, including the lease term.

13.2 The Authority shall make prompt and reasonable efforts to cooperate with Lessees and their lenders regarding the financing or refinancing of Airport businesses and Improvements, provided, however, that in doing so the Authority shall have no obligation to materially change any lease term or take any action which would be materially detrimental to the Authority or the public interest.

14. SUBORDINATE DOCUMENT. This document (a) is intended to provide guidance to the Authority when issuing or renewing leases for Aeronautical Uses, (b) does not itself constitute a legally binding agreement or contract with any Person, and (c) does not contain all terms and conditions of leases. Except as expressly provided herein, if any conflict of terms or conditions exist with other legal documents, including but not limited to a ground lease or Facilities Lease, this document shall be subordinate.

15. EFFECTIVE DATE. This Policy shall become effective upon adoption by the Authority and shall remain in effect, unless and until repealed or amended by the Authority.

TAB 5



SPECIALIZED COMMERCIAL AERONAUTICAL OPERATOR (SASO)

8. SPECIALIZED COMMERCIAL AERONAUTICAL OPERATOR (SASO)

8.1. Definition

8.1.1. A Specialized Service Operator A person who provides aircraft accessory services, flight training, commercial flying services, aircraft sales, aircraft airframe and engine repair, aircraft manufacturing, aircraft rental or charter, or any other commercial aeronautical activities or services, glider rides and glider towing, sight seeing flights; crop dusting; seeding and spraying; banner towing and aerial advertising; and aerial photography or survey; fire fighting power line or pipe line patrol and wild life spotting or any other operations specifically excluded from FAR Part 135, except fuel sales

8.1.1.1. **Limited Aircraft Services and Support** - are defined as limited aircraft, engine, or accessory support (for example, washing, cleaning, painting, upholstery, propeller, etc.) or other miscellaneous activities directly related to aircraft services and support.

8.1.1.2. **Miscellaneous Commercial Services and Support** - are defined as operations such as but not limited to ground schools, simulator training, charter flight coordinators, aircrew management, or any other miscellaneous activities directly related to supporting or providing support services for a commercial activity.

8.1.2. In addition to the General Requirements set forth in Section 2, each Specialized Commercial Aeronautical Operator at the Airport shall comply with the following minimum standards set forth in this Section 8.

8.2. Leased Premises (Sublessee or Multiple Activities)

8.2.1. An Operator engaging in this activity as well as other activities or an authorized Sublessee engaging in this activity shall have adequate apron, facilities, and vehicle parking (all located within close proximity) to accommodate all activities of the Operator, but not less than the following:

8.2.1.1. *Apron/paved tiedowns shall be adequate to accommodate the total number of aircraft in Operator's fleet at the Airport.*

8.2.1.1.1. If Operator utilizes a hangar for the storage of Operator's fleet at the Airport, no paved tiedowns will be required.

8.2.1.2. *Facilities shall include customer and administrative areas that are curbside accessible. Maintenance and hangar areas are required if Operator is conducting aircraft maintenance on aircraft owned and/or operated by Operator. If Operator provides aircraft maintenance on other aircraft, Operator shall meet the minimum standards for an Aircraft Maintenance Operator.*

8.2.1.2.1. Customer area: Operator's customers shall have immediate access to customer lounge(s), and restrooms.

8.2.1.2.2. Administrative area shall be sufficient to accommodate the administrative functions associated with the activity.

8.2.1.2.3. Maintenance area, if required, shall be at least 500 square feet and shall include adequate space for employee work areas, shop areas, and storage.

8.2.1.2.4. Hangar area, if required, shall be large enough to accommodate the largest aircraft in Operator's fleet at the Airport maintained by Operator.

8.2.1.3. *Vehicle Parking – Per Heber City Municipal Code, Chapter 18.72 Parking Standards.*

8.3. Leased Premises (Lessee)

8.3.1. An Operator other than an authorized Sublessee engaging in this activity shall have adequate land, apron, facilities, and vehicle parking to accommodate all activities of the Operator and all approved Sublessee(s), but not less than the following:

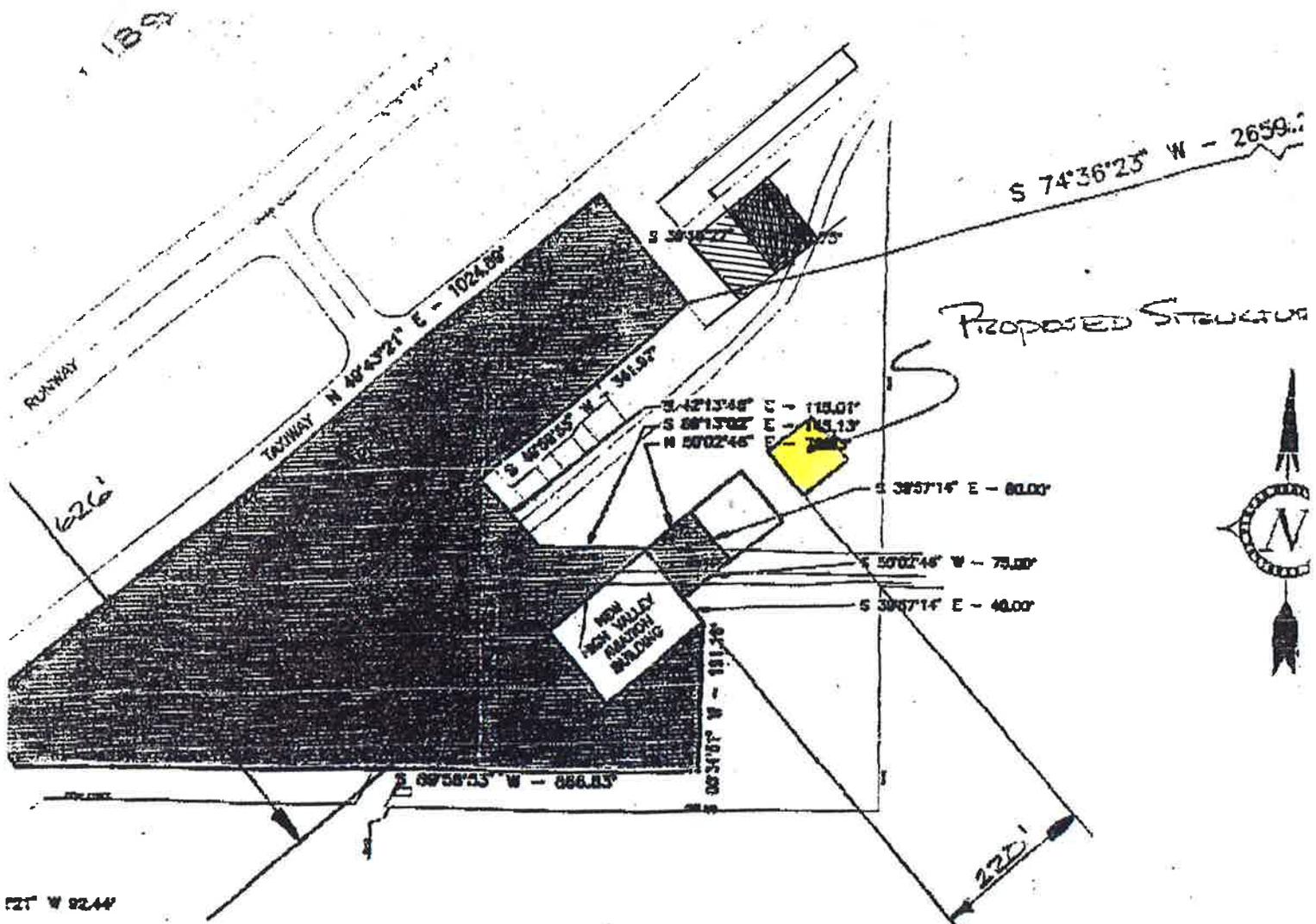
8.3.1.1. *All required improvements including, but not limited to, apron, vehicle parking, roadway access, landscaping, and all facilities shall be located on contiguous land.*

8.3.1.2. *Apron/paved tiedowns shall be adequate to accommodate the total number of aircraft in Operator's fleet at the Airport but not less than the space required.*



SPECIALIZED COMMERCIAL AERONAUTICAL OPERATOR (SASO)

- 8.3.1.2.1. If Operator has a hangar, apron shall be equal to the hangar square footage or adequate to accommodate the movement of aircraft into and out of the hangar, staging, and parking of Operator's aircraft, whichever is greater.
- 8.3.1.2.2. If Operator utilizes a hangar for the storage of Operator's fleet at the Airport, no paved tie-downs will be required.
- 8.3.1.3. *Facilities shall include customer and administrative areas that are curbside accessible. Maintenance and hangar areas are required if Operator is conducting aircraft maintenance on aircraft owned and/or operated by Operator.*
 - 8.3.1.3.1. Customer and Administrative areas shall be at least 500 square feet and shall include adequate space for customer lounge(s), and restrooms and be sufficient to accommodate the administrative functions associated with the activity, whichever is greater, and shall include adequate space for employee offices, work areas and storage. Maintenance area, if required, shall be at least 500 square feet and shall include adequate space for employee work areas, shop areas, and storage.
 - 8.3.1.3.2. Hangar area, if required, shall be at least 2,500 square feet or large enough to accommodate the largest aircraft in Operator's fleet at the Airport maintained by Operator, whichever is greater.
 - 8.3.1.4. *Vehicle Parking – Per Heber City Municipal Code, Chapter 18.72 Parking Standards.*
- 8.4. **Licenses and Certifications**
 - 8.4.1. Operator shall have and provide to the Airport Manager evidence of all federal, state, and local licenses and certificates that are required to conduct the activity.
- 8.5. **Personnel**
 - 8.5.1. Operator shall provide a sufficient number of personnel to adequately and safely carry out its activity in a prompt and efficient manner to meet the reasonable demands of the public seeking such services.
 - 8.5.2.
- 8.6. **Hours of Activity**
 - 8.6.1. Operator shall be open and services shall be available during hours normally maintained by entities operating competitive businesses at the Airport.
- 8.7. **Insurance**
 - 8.7.1. Operator shall maintain, at a minimum, the coverage and limits of insurance set forth in Attachment A - Schedule of Minimum Insurance Requirements



Proposed Construction Sketch
 HEBER VALLEY AIRPORT
 NEAL SALMI + DAVE MCCOY BUILDING
 3/20/75



Heber City Airport – Russ McDonald Field 36U

SPECIALIZED AVIATION SERVICE OPERATOR (SASO) APPLICATION

This application is a request to Heber City to utilize the Heber City Airport land or facilities for commercial activities, to issue a commercial aeronautical activities permit, or to issue any other permit to conduct commercial activities.

To familiarize the applicant to Heber City Airport SASO requirements, a copy of the *Heber City Airport Minimum Standards* (dated August 19, 2010) is attached to this application. Please refer to this document to ensure a complete and accurate application.

PART 1 Applicant Information

Contact Name: Barry Hancock _____

Contact Address: 2002 Airport Road _____

City: Heber City _____ **State:** UT _____ **Zip:** 84032 _____

Contact Phone: _____ **Cell:** 801-899-5313 _____

Email Address: bhancock@worldwidewarbirds.com _____

Operator/Business Name: Worldwide Warbirds, Inc. _____

Type of Operation being applied (check one)

- Vintage Aircraft Rides
- Flight Training
- Aircraft Rental



Heber City Airport – Russ McDonald Field 36U

SPECIALIZED AVIATION SERVICE OPERATOR (SASO) APPLICATION

PART 2 Applicant Proposal

Summary of services applicant shall offer:

Sightseeing Tours and Adventures Rides (Utah Warbird Adventures)

Flight Training (Pilot Maker Flight Academy)

Aircraft Rental (Worldwide Warbirds, Inc).

Detailed description of scope of intended operation - include means and methods to be employed to accomplish contemplated services. Use additional sheet(s) as necessary:

Utah Warbird Adventures is a company in good standing already operating at 36U conducting rides for hire. Worldwide Warbirds is also a company in good standing also in operation at 36U conducting aircraft sales. Worldwide Warbirds would take on the additional operation of aircraft rental. Pilot Maker Flight Academy will be a DBA under Worldwide Warbirds.

Pilot Maker Flight Academy will conduct flight training with an emphasis on advanced training for certificated pilots using predominately tailwheel aircraft.

The intent of this application is to consolidate our 3 operations under Section 8 of the Airport Minimum Standards to reduce administrative work loads on both our operation and the city.



Heber City Airport – Russ McDonald Field 36U

SPECIALIZED AVIATION SERVICE OPERATOR (SASO) APPLICATION

PART 2 Applicant Proposal (continued)

Proposed date of commencement of the activity and term: Immediately upon approval and indefinitely.

Proposed hours of operations: Monday to Friday 9-5, Saturday by appointment, and year round.

Amount and type of insurance coverage applicant will maintain:

Standard \$1M liability on both aircraft and hangar.

Number of aircraft involved (if applicable): 5 - 1 Super Decathlon, 1 Pitts, 1 T-6, 1 Super Cub, and 1 Stearman. All aircraft except Super Decathlon are currently based at 36U. With expansion we foresee the potential need to tie down one or two aircraft in front of the hangar. With the lack of available tie downs at reasonable rates we would install tie downs in front of our hangar within the leasehold boundary. This is a future projection and not necessary at current.

Number and qualifications of employees (if applicable):

Currently Three. Barry Hancock (see attachment for qualifications) a office manager a book keeper. A Certified Flight Instructor rating is required for the proposed type of instruction. My check ride is scheduled for Sept. 3. Applicant requests this SASO be approved pending proof of the CFI rating.

Evidence of applicant's financial capability to perform and provide proposed services and facilities (use attachment if necessary):

Hangar and aircraft purchased outright.



Heber City Airport – Russ McDonald Field 36U

Proposed leasing activities (check one)

- Undeveloped land
- Developed land
- Existing hangars
- Other (explain)

SPECIALIZED AVIATION SERVICE OPERATOR (SASO) APPLICATION

PART 2 Applicant Proposal (continued)

Amount of land applicant desires to lease (if applicable):

N/A

Location of the building(s) to be leased (if applicable):

N/A

Size and location of buildings to be constructed (if applicable):

N/A



Heber City Airport – Russ McDonald Field 36U

Applicant Signature

Date 11/6/13

TAB 6

**There are no physical
materials for this
agenda item.**

Tab 7



To whom it may concern:

My name is Ryan Klassovity, Aviation Department Manager for North American Flight Services, a subsidiary of North American Services Group and a permanent user of Heber City Municipal Airport – Russ McDonald Field. This letter is written on behalf of Tim Zilka, owner of North American Services Group.

North American Flight Services was founded in 2001 to help support and serve the community of Saratoga County, New York. It is owned and operated by dedicated aviation professionals offering a full range of FBO services including both full service and self-serve Jet-A/100LL, hangar support, tie down, ground support, catering, de-icing, aircraft management and aircraft sales. We also employ a full time, on-site maintenance staff (FAA Certified Repair Station Certificate Number: N0MR725J) providing turbine, piston, avionics and helicopter services.

I am writing this letter to discuss the current state of FBO services offered at 36U and declaring our intent to compete for the existing FBO lease and/or invest in 36U as a second Fixed Base Operator.

Currently, we feel that the services offered at 36U do not meet the needs of both the base tenants as well as the transient customers a community airport based FBO is designed to attract. Exceedingly high fuel prices, lack of maintenance support (primarily for piston aircraft), non-existent flight training/rental aircraft availability and predatory pricing for all ground based support services is the basis for our intent to become a competing FBO at 36U.

I can personally attest to this due to the fact that we “tanker” fuel and have all repairs/inspections performed at airports outside of the Heber City community. Unfortunately we are one of many aircraft operators at 36U forced to take these measures which in turn cause Heber City to lose excessive amounts of tax revenue.

Having an already established and reputable FBO in place gives us a leg up in becoming a successful business in the Heber City community. Current contracts with fuel providers such as Avfuel, Colt International, Uvair and many others gives us the ability to extend deep discounts to existing customers and attract new customers to 36U which in turn, increases revenue to the city. And utilizing our FAA Repair Station certification in good standing, will allow us to seamlessly

integrate into the aviation community at 36U and become a hub for aircraft maintenance throughout the region.

North American believes in providing affordable tie-down, hangar and ground services are essential to running a well-respected, efficient FBO. North American has these resources available to facilitate this need at 36U and intends to use them. Our model is designed to cater to the local community, attract new and loyal customers while creating a friendly environment for the aviation community to enjoy.

As stated above, as an already established full service FBO, North American Flight Services would like the opportunity to compete for the FBO lease and/or invest in 36U as a second Fixed Base Operator. We feel that with our resources, understanding of what the local aviation community deserves in an FBO and our desire to grow 36U as an aviation landmark, both Heber City and North American can greatly benefit from this opportunity.

At your convenience, we would like the opportunity to meet and discuss. Feel free to contact me at any time.

Regards,

Ryan Klassovity
North American Flight Services
Cell: 251-648-6741
Email: RKlassovity@NAFSINC.com

Tim Zilka
Owner
North American Services Group