

HEBER CITY CORPORATION
75 North Main Street
Heber City, Utah
Airport Advisory Board Meeting
Wednesday, November 13, 2013

4:00 p.m. - Regular Meeting in the Conference Room
4:30 p.m. - 6:00 p.m. - Open House in the Council Chambers

Public notice is hereby given that the monthly meeting of the Heber City Airport Advisory Board will be in the Heber City Office Building, 75 North Main, South door, in the Conference Room upstairs. The Open House will be in the Heber City Office Building, 75 North Main, South door, in the Council Chambers upstairs. The following items will be discussed:

Agenda:

4:00 p.m. in the Conference Room

Approval of Minutes

October 15, 2013, Regular Minutes

Item 1 Airport Manager Report

Item 2 Review Request for Specialized Aviation Service Operator (SASO) permit from Barry Hancock / World Wide Warbirds/Utah Warbird Adventures

Item 3 Review of Letter from the FAA regarding Airport Improvement Projects and update Five Year Capital Improvement Plan

Item 4 Discuss FAA/Marc Miller's and Other Comments on the Draft Lease/Rates and Charges Policy Document

Other Items as Needed

4:30 p.m. – 6:00 p.m. in the Council Chambers

Open House - Kirk Nielsen – Aviation - Public Review of the Draft Lease/Rates and Charges Policy and Public Input

Times are approximate and may vary if needed.

Those interested in the above items are encouraged to attend. Order of items may vary if needed. In compliance with the Americans with Disabilities Act, those needing special accommodations during this meeting or who are non-English speaking should contact Karen Tozier or the Heber City Planning and Zoning Department (435-654-4830) at least eight hours prior to the meeting.

Posted on November 7, 2013 in the Wasatch County Community Development Building, Wasatch County Library, Heber City Hall, 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 November 7, 2013.
Karen Tozier, Administrative Secretary

1
2 HEBER CITY CORPORATION
3 75 North Main Street – Council Chambers
4 Heber City, Utah
5 Airport Advisory Board Meeting
6 Tuesday, October 15, 2013

7
8 4:00 p.m.
9 Regular Meeting

10 Members Present: Nadim AbuHaidar Airport Advisory Board
Dave Hansen Airport Advisory Board
Jeff Mabbutt Airport Advisory Board
Mel McQuarrie Airport Advisory Board
Tom Melville Airport Advisory Board
Erik Rowland Airport Advisory Board

Absent: Kari McFee Airport Advisory Board

Others: Mark Anderson City Manager
Terry Loboschefskey Airport Manager
Karen Tozier Airport Advisory Board Secretary

11
12 Others: Dennis Gemmell, Ron Blue, Cole Miller, Lon Woodard, Paul Boyer, Lisa Kirchenheiter,
13 Jeff Maling, Carl Penner, Jim Church, and Kirk Nielsen of Jviation.

14
15 Chairman Rowland convened the meeting at 4:00 p.m. with a quorum present. Boardmember
16 McQuarrie was not present but had indicated he would be. Chairman Rowland welcomed those
17 present.

18
19 **Approval of Minutes**

20
21 **September 18, 2013, Regular Minutes**

22
23 Boardmember Melville moved to approve the minutes. Boardmember AbuHaidar seconded the
24 motion. Voting Aye: Boardmembers Melville, Rowland, Mabbutt, and AbuHaidar. Abstaining:
25 Boardmember Hansen. Voting Nay: none. The motion passed.

26
27 Boardmember McQuarrie arrived to the meeting at 4:01 p.m.

28
29 **Item 1** **Airport Manager Report**

30
31 Terry Loboschefskey reported on September's activities. Under discussion topics Loboschefskey
32 indicated the City funded dumpster had not been approved by the Councils. Boardmember
33 Hansen asked if their taxes were going towards this. Chairman Rowland indicated he had tried
34 to bring this up at Council meeting. It was noted that the furniture for the pilot's lounge is on
35 order.

36
37 **Item 2** **Review Request from OK3AIR for Funding Assistance with Proposed**
38 **Airport Landscaping Improvements**
39

40 Boardmember AbuHaidar expressed his thoughts; they are proposing to landscape the entrance
41 area and pointed this area out on the site plan. The area to the far right of the diagram is on City
42 property. He asked if the City was open to sharing a portion of the landscaping costs for the
43 portion that is on City property. Boardmember AbuHaidar's proposal was to split the costs
44 60%/40% with the FBO paying 60% and the City paying 40%. This excludes signage.
45

46 Beth Schneider asked whose responsibility it was to maintain the sign. Discussion on this.
47 Boardmember Mabbutt thought that if the City is splitting costs then they should consider
48 landscaping at the SRE Building as well. Boardmember McQuarrie agreed but indicated he did
49 not want to hold up the FBO. Boardmember AbuHaidar indicated they could push off until
50 spring and do something more comprehensive. There was a suggestion made for the Board to
51 make a list of priorities regarding needs.
52

53 Discussion on how to proceed; a number of suggestions were made. A decision was made to
54 move forward with making a list of priorities and budget in the spring. Anderson suggested
55 placing this on the agenda in February.
56

57 **Item 3** **Kirk Nielsen, Jviation - Continuation of Review of Draft Lease/Rates and**
58 **Charges Policy**
59

60 Gratitude was expressed to the hangar owners for their comments as their comments were useful
61 and provided valuable insight. Kirk Nielsen of Jviation asked what would be the best way to get
62 comments back from the hangar owners. The Board discussed this. Boardmember Melville
63 indicated he thought all comments should come to the Airport Board Secretary, Karen Tozier as
64 a common point and she would then disseminate the comments to the Board. Chairman
65 Rowland asked if the Board and hangar owners concurred. There was concurrence on this.
66 Boardmember AbuHaidar commented on being able to go through this efficiently. He thought it
67 was important for them to receive some feedback.
68

69 As discussion was initiated it became evident that there were some who thought there were
70 questions which needed to be addressed before final decisions could be made on the policy
71 document. Much discussion and debate ensued on reversionary and non/reversionary leases, the
72 question as to whether it is in the City's best interest to own hangars and the question of what is
73 the City's goal in this respect.
74

75 Boardmember AbuHaidar read from a written response he'd made to the draft lease/rates and
76 charges policy document relating to Section 5, Appendix specifically 5.1.4.2.1. He commented,
77 "I don't think that it is in the best interest to have the Policy document issue such restrictive
78 language at this time. I believe that this specific issue merits it's own study/analysis – five years
79 before the expiration of the first lease – that takes into account, at that time, the condition of the
80 buildings, the financial condition of the airport, current fair market value lease rates, and demand
81 for Hangar space at the airport. A more studied recommendation can then be made by the Board,
82 taking into account multiple factors and options." He indicated his feedback on this was it is too
83 strong of language without enough supporting documentation as to why you want to do that and
84 nor is this an issue for about 12 years. He said that to the extent that you can't decide, you can
85 just leave it out.
86

87 Ron Blue commented on this. In essence he thought that leaving this section out puts those who
88 have non-reversionary leases in limbo; and as an investment goes open-ended. He thought that if

89 someone goes to sell a hangar and they do not have a definitive answer on what is going to
90 happen to the hangar as to what the City has determined as far as allowing the owner to keep the
91 hangar or the City taking it back; that you then have a pretty big depreciating asset.

92
93 Boardmember AbuHaidar replied that he was sympathetic to this but they had not started this
94 project with the objective of answering that question.

95
96 Ron Blue replied that this was what all of them were there for. Boardmember AbuHaidar
97 commented that he understood this but that the objective of this study was to create a lease rates
98 and charges policy document that has a lot of elements in it. The impetus for that was a request
99 to extend a hangar lease.

100
101 In summary of further discussion, there was more than one Boardmember who indicated that
102 although this issue was related to the discussion on the Draft Lease Rates and Charges Policy it
103 was not the focus and should be looked at in greater detail separately. There was much
104 discussion on this topic between Boardmembers and members of the public including Ron Blue,
105 Paul Boyer, and Beth Schneider, particularly as to how hangar status at end of lease related to
106 future airport plans. One of the points brought up during discussion was that there are three
107 different lease contracts at the Airport; so contractual agreements are a consideration and
108 whatever the solution is the fact that there are three different lease contracts makes the process
109 more complicated. Boardmember Hansen had addressed a question Beth Schneider had had on
110 what the Council's stance was. He indicated he thought they needed to address the policy
111 document to go forward and then address those leases already standing; he thought they would
112 need to be addressed separately. Beth Schneider stated, "So just give all of us lifetime non-
113 reversionary leases, done with that problem, now write your policy for the new stuff."
114 Boardmember AbuHaidar noted there was a regulatory issue with that as well. The FAA
115 basically regards anything over 40 years as ownership (of the taxpayers) and this related to
116 title/grant assurances. Beth Schneider indicated the first of the hangar row hangars would expire
117 in six years and asked for the City to make these decisions expeditiously. Ron Blue thought the
118 City should make the hangar row hangars non-reversionary until the FAA tells the City that they
119 have to move those hangars. Mark Anderson indicated that they never will; this is a City
120 decision ultimately. This issue was debated at great length and a comment was made to give
121 Kirk Nielsen of Jviation the direction he needs to move forward and to hold the open house.

122
123 The document was reviewed at this time and the Board asked Kirk Nielsen to make a number of
124 changes to the document. Kirk Nielsen asked for Karen Tozier to send Boardmember
125 AbuHaidar's written comments on the Draft Lease Rates and Charges Policy to him. During
126 discussion of the document Nielsen had confirmed that removing Section 5.1.4 from the
127 document would not compromise the document. It was confirmed that if they were to do this
128 Mr. Nielsen would still be maintaining his contractual agreement with the City. Nielsen
129 suggested that they strike all of Section 5.1 and part of Section 5.2.

130
131 Boardmember McQuarrie moved to strike (Section) 5.1 out of the document. Boardmember
132 AbuHaidar seconded the motion. Discussion after the motion regarding Section 5.2 which was
133 the flowchart as to how Section 5.1 works. Boardmember McQuarrie amended his motion to
134 strike 5.2 (also). Boardmember AbuHaidar seconded the amendment to the motion. Voting
135 Aye: Boardmembers McQuarrie, Melville, Hansen, and AbuHaidar. Voting Nay:
136 Boardmembers Rowland and Mabbutt. The motion passed.

137
138 Both the Board and the public asked to be able to see the Draft Lease Rates and Charges Policy
139 document after Kirk Nielsen had made the amendments and prior to the open house. A decision
140 was made to hold the open house on November 13th. Kirk Nielsen was to email the document to
141 Karen Tozier who would forward this to the Board and make it available to the public.

142
143 Boardmember Melville left the meeting at 5:50 p.m.

144
145 The Board identified important discussion topics for future meetings:

- 146
- 147 • Hangar Row; what to do?
 - 148 • Section 5.1; what happens at the end of lease?
 - 149 • Reversionary / lease on the non-reversionary
 - 150 • What is the City in business to do?

151
152 There was discussion on contracts and a comment was made to enter into like contracts as long
153 as the structure is in good repair.

154
155 Boardmember McQuarrie moved to adjourn the meeting. Chairman Rowland seconded the
156 motion. Voting Aye: Boardmembers McQuarrie, Hansen, Rowland, Mabbutt, and AbuHaidar.
157 Voting Nay: none. The motion passed and the meeting adjourned at 6:06 p.m.

DRAFT-UNAPPROVED MINUTES

Memo

To: Airport Advisory Board
From: Mark K. Anderson
CC: Mayor & Council
Date: November 6, 2013
Re: November 13, 2013 - Agenda Items

4:00 P.M.

Airport Manager Report: Enclosed is the monthly Airport Manager’s report that has been prepared by Terry Loboschefsky for month of October. Terry will review the document with the Board and answer any questions that the Board might have regarding airport operations.

Review Request for Specialized Aviation Service Operator (SASO) permit from Barry Hancock / World Wide Warbirds/Utah Warbird Adventures: Barry Hancock is requesting permission to obtain a Specialized Aviation Service Operator permit to operate a business/businesses at the Heber City Airport. Enclosed is his application for Board consideration by Worldwide Warbirds, Inc. and Utah Warbird Adventures.

In reviewing the application, I would recommend that the Board clarify if Barry is requesting permission to operate one or two businesses. If two, I would recommend that each business be evaluated on their individual merits. With regard to determining if Barry’s application meets the Airport Minimum Standards, I have enclosed copies of Chapter 2 (General Requirements) and Chapter 8 (Specialized Commercial Aeronautical Operator (SASO)) which seem most relevant to the submitted application. Also, I have enclosed a copy of Attachment A (Minimum Insurance Requirements) for Board review.

The fees that the City imposes on SASO’s are based on gross sales. The annual fee is imposed per the following schedule:

Special Service Operator Fee (Gross Sales)

<i>\$1 –\$ 25,000</i>	<i>\$220.00</i>
<i>\$25,000 - \$50,000</i>	<i>\$495.00</i>
<i>\$50,000 - \$100,000</i>	<i>\$825.00</i>
<i>\$100,000 - \$150,000</i>	<i>\$1,100.00</i>
<i>\$150,000 - \$250,000</i>	<i>\$1,320.00</i>
<i>\$250,000 - \$400,000</i>	<i>\$1,787.50</i>
<i>\$400,000 +</i>	<i>\$2,200.00</i>

The Board should determine if Barry's application meets the Minimum Standards and make a recommendation for approval or denial.

Review of Letter from the FAA regarding Airport Improvement Projects and update Five Year Capital Improvement Plan: The City has received a letter from John Sweeney (FAA Planner) and Matt Swapp (UDOT Aeronautics Engineer) regarding the update of our Airport Development Plan. (See enclosed) The Board should review the proposed projects to determine if any changes should be recommended. I have enclosed a copy of the document that the City submitted to the FAA last year for reference. Comparing the documents, the most significant change is that in 2019 the project has been changed from an Environmental Assessment for CII Upgrade to Rehabilitate Runway. I suspect this was changed because it is presumptuous that the City will elect to Master Plan for a CII/DII Airport in 2015. With regard to the 2016 project, it should be noted that the Airport Board talked about ramp expansion that could be used for both helipads and fixed wing aircraft parking.

A project that the Board may wish to discuss is the maintenance of taxi lanes as complaints are starting to come in from hangar owners. UDOT Aeronautics will no longer help fund the maintenance of taxi lanes and the only way to get any grant assistance is to use entitlement monies. Without grant assistance, the City and hangar owners will be hard pressed to fund the maintenance of the asphalt in these areas.

Discuss FAA/Marc Miller's and Other Comments on the Draft Lease/Rates and Charges Policy Document: If time permits, the Board should review the comments that were provided by Marc Miller, FAA Compliance Specialist, regarding our draft Lease Rates and Charges Policy. (See enclosed) I have already asked Kirk Nielsen to address the first comment as transfer fees are only imposed on existing leases. The most significant issue is to clearly state what type of leases are being offered in the policy. Although this has been a highly controversial issue with the Board, reversionary leases are most common and our consultant is recommending that this practice be continued. Also, the Guidebook for Developing and Leasing Airport Property put out by the Airport Cooperative Research Program provided by Cole Miller of JUB Engineering, exclusively recommends reversionary leases. Lastly, the last eight hangars have been sold on a reversionary basis and we have one or two other persons that appear ready to purchase a hangar under the current lease terms once a hangar becomes available.

Also, an email from Beth Schneider is included in the packet as she is the only person that provided written comments for Board consideration before the Lease Rates and Charges Policy is finalized.

Other Items As Needed:

Heber City Airport – Russ McDonald Field

Airport Manager's Report For October 2013

1. Existing Grants/Projects

- The *Hangar Lease/Rates and Charges Policy* from Aviation was reviewed during the Airport Advisory Board meeting 10/15. Resultant policy discussions, including public open house continue.
- The 2013 Airport Development Plan (ADP) Runway 4/22 & Apron Rehabilitation Project *design* phase is well underway. Part of this design effort involves core drilling both the runway and apron. This requires closing of Runway 4/22 for two days, Monday Nov 11th & 12th (2013).

2. Upcoming Projects

- 2013 Runway 4/22 & Apron Rehabilitation Project: the *construction phase* grant funding from the FAA was not released as anticipated. Implementation will be delayed until either fall of 2014 or spring of 2015.
- Update of CIP – on Board agenda

3. Airport Condition

- Runway lights operational – except for one RW4 approach – HBE has been contacted
- AWOS- OK. The AWOS-to-Base station (OK3Air) radio license has been renewed with the FCC.
- Taxiway lights, other than those previously identified, are operational
- Segmented circle – repainting of structures to be done spring 2014
- PAPI Lights operational
- Rotating beacon operational
- Windsock & lights operational
- A purchase order for a snowbox (snow removal) attachment for the front loader has been initiated.
- Derelict glider trailer disposition: 3 trailers to be demolished and taken to recycle
- City funded dumpster on airport was denied by the City Council. Acquisition will be revisited for next year's budget.
- Furniture for the pilot's lounge (SRE Bldg) has been purchased and received.
- The 10 wheel dump truck/snowplow has completed preventative maintenance by Public Works.
- The SRE Building fire alarm monitoring system contract with Firetrol has been renewed.
- The tractor, used for mowing, has been returned to the Case dealer. This is a yearly, no-cost arrangement.
- 84 hours of mowing operations have been completed this season
- RW closure scheduled and published for Nov 11 & 12th

4. Discussion Topics

- New hangar construction: policies concerning construction approaches (i.e. Individuals, City, developers). There are several interested parties currently exploring new hangar construction options.

Heber City Airport – Russ McDonald Field

- A formal Emergency Protocol policy needs to be reviewed/generated/published (contact list/phone tree, access to airport, etc.).
- Possibility of security lights behind hangar row
- A based aircraft/hangar inspection project needs to be initiated; possibly as an early spring project.



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

Operator/Business Name: Worldwide Warbirds, Inc. and Utah Warbird Adventures

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

Type of Operation being applied (check one)

- Fixed Base Operator (FBO)
- Aircraft Maintenance Operator, Avionics, Instruments or Aircraft Accessory overhaul/Repair Maintenance Operator
- Aircraft Rental, Flying Club, or Flight Training Operator
- Aircraft Charter or Aircraft Management Operator
- Aircraft Sales Operator
- Specialized Commercial Aeronautical Operator
- Commercial Hot Air Balloon Operator
- Temporary Specialized Aviation Service Operator
- Commercial Hangar Developer
- Commercial Hangar Operator
- Non-commercial Self-Service Fueling Permittee
- Commercial Activity Permit
- Other



Heber City Airport – Russ McDonald Field 36U

SPECIALIZED AVIATION SERVICE OPERATOR (SASO) APPLICATION

PART 2 Applicant Proposal

Summary of services applicant shall offer:

Aircraft Sales, parts sales, scenic tours in North American T-6.

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

Worldwide Warbirds, Inc. has been in business since 2005 and is one of the premier warbird dealers in the nation. Specializing in ex-Eastern Bloc aircraft initially, we gained a reputation as the most detail oriented restoration company for L-39's and Nanchang CJ-6s. This reputation has allowed us to establish ourselves as a trusted source for all types of warbirds, unique, exotic, and classic aircraft. We have a substantial presence in several sales catalogues, as well as a professionally maintained web presence.

Economic factors dictated a reshaping of the business to brokering of aircraft, parts, and buyer consulting. Our operation now primarily consists of representing high quality aircraft all over the country. Occasionally, we will act as caretakers of customer aircraft while they are for sale, providing storage, routine maintenance (which we contract out), and demo flights.

Utah Warbird Adventures is a scenic tour business providing sight seeing rides in a standard category North American T-6, which is a WWII trainer. We are in the process of obtaining all necessary FAA 91.147 regulations, which specifically apply to Air Tour Operators. We anticipate being ready for commercial operations in late 2013 or early 2014.



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: Typically 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): One North American T-6G.

Number and qualifications of employees (if applicable):

Currently One.

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

Hangar and aircraft purchased outright.

Proposed leasing activities (check one)

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



Heber City Airport – Russ McDonald Field 36U

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

Applicant Signature

A handwritten signature in black ink, appearing to be "Russ McDonald".

Date 11/6/13



2. GENERAL REQUIREMENTS

All Operators engaging in aeronautical activities at the Airport shall comply with the requirements of this section as well as the minimum standards applicable to the specific activities set forth in subsequent sections.

2.1. Experience/Capability

- 2.1.1. Operator shall, in the sole judgment of the City Council, demonstrate the capability of providing high quality products, services, and facilities and engaging in activities in a professional manner.
- 2.1.2. Operator shall, in the sole judgment of the City Council, demonstrate the financial responsibility and capability to develop and maintain improvements; procure and maintain required vehicles, equipment, and/or aircraft; employ personnel, and engage in the activity.

2.2. Agreement/Approval

- 2.2.1. No entity shall engage in an activity unless the entity has an agreement with the City authorizing such activity or the entity has received approval from the City Council to sublease land or improvements from an authorized Operator and conduct the activity at the Airport.
- 2.2.2. An agreement shall not reduce or limit Operator's obligations with respect to these Minimum Standards.
- 2.2.3. Operator shall comply with all the provisions of the agreement between Operator and the City.

2.3. Payment of Rents, Fees, and Charges

- 2.3.1. Operator shall pay the rents, fees, or other charges specified by the City for leasing or using land or improvements or engaging in activities.
 - 2.3.1.1. *Fee schedule is available at the City Manager's office.*
- 2.3.2. No Operator shall be permitted to engage in activities unless said Operator is current in the payment of all rents, fees, charges, or other sums due to the Heber City under any and all agreements Operator has with the City.
- 2.3.3. Operator's failure to remain current in the payment of any and all rents, fees, charges, and other sums due to the City shall be grounds for revocation of the agreement or approval authorizing the occupancy or use of land or improvements or the conduct of activities at the Airport.

2.4. Leased Premises

- 2.4.1. Operator shall lease or sublease sufficient land and lease, sublease, or construct sufficient improvements for the activity as stated in these Minimum Standards.
 - 2.4.1.1. *Leased premises that are used for commercial purposes and require public access shall have direct public streetside access.*
- 2.4.2. Operators providing rotary wing aircraft parking must follow AC150/5390-2B in the design of the apron to be utilized for rotary wing aircraft parking.

2.5. Facility Maintenance

- 2.5.1. Operator shall maintain the leased premises (including all related and associated appurtenances, landscaping, paved areas, installed equipment and utility services, and security lighting) in a neat, safe, and orderly condition.
- 2.5.2. Operator shall provide all necessary cleaning services for its leased premises, including janitorial and custodial services, trash removal services, and any related services necessary to maintain the improvements in good condition, normal wear and tear excepted.
- 2.5.3. Operator shall replace in like kind any property damaged by its employees, patrons, subtenants, contractors, et al, or Operator's activities.



GENERAL REQUIREMENTS

2.6. **Products, Services, and Facilities**

- 2.6.1. Products, services, and facilities shall be provided on a reasonable, and not unjustly discriminatory, basis to all consumers and users of the Airport.
- 2.6.2. Operator shall charge reasonable, and not unjustly discriminatory, prices for each product or service, provided that, Operator may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.
- 2.6.3. Operator shall conduct its activities on and from the leased premises in a safe, efficient, and first class professional manner consistent with the degree of care and skill exercised by experienced operators providing comparable products, services, and facilities and engaging in related activities from similar leaseholds in like markets.

2.7. **Non-Discrimination**

- 2.7.1. Operator shall not discriminate against any person or class of persons by reason of race, creed, color, national origin, sex, age, disability, or physical handicap in providing any products or services or in the use of any of its facilities provided for the public, or in any manner prohibited by applicable regulatory measures including without limitation Part 21 of the Rules and Regulations of the office of the Secretary of Transportation effectuating Title VI of the Civil Rights Act of 1964, as amended or reenacted.

2.8. **Licenses, Permits, Certifications, and Ratings**

- 2.8.1. Operator and Operator's personnel shall obtain and comply with, at Operator's sole expense, all necessary licenses, permits, certifications, or ratings required for the conduct of Operator's activities at the Airport as required by the Airport Advisory Board or any other duly authorized agency prior to engaging in any activity at the Airport. Operator shall provide copies of such licenses, permits, certifications, or ratings to the City.

2.9. **Personnel**

- 2.9.1. Operator shall have in its employ, on duty, and on premises during operating hours, trained and courteous personnel in such numbers as are required to meet these Minimum Standards and to meet the reasonable demands of the aviation public for each activity being conducted in a safe and efficient manner.
- 2.9.2. Operator shall provide a person to supervise activities and such person shall be authorized to represent and act for and on behalf of Operator during all hours of activities. When such person is not on the leased premises, such individual shall be immediately available by telephone or pager.

2.10. **Security**

- 2.10.1. Operator shall designate a responsible person for the coordination of all security communications and procedures.
- 2.10.2. Operator shall develop and maintain a security plan.

2.11. **Insurance**

- 2.11.1. Operator shall procure and maintain, during the term of an agreement, insurance policies required by law and the types and minimum limits set forth in Attachment A of these Minimum Standards for each activity. The insurance company or companies underwriting the required policies shall be licensed or authorized to write such insurance in the State of Utah.
 - 2.11.1.1. *When coverages or limits set forth in these Minimum Standards are not commercially available, appropriate replacement coverages or limits must be approved by the City.*
- 2.11.2. When Operator engages in more than one (1) activity, the minimum limits shall vary depending upon the nature of each activity and/or combination of activities, but shall not necessarily be cumulative in all instances. It shall not be necessary for Operator to



GENERAL REQUIREMENTS

- carry insurance policies for the combined total of the minimum requirements of each activity. However, Operator shall procure and maintain insurance for all exposures in amounts at least equal to the greatest of the required minimum.
- 2.11.3. All insurance, which Operator is required by the City to carry and keep in force, shall name Heber City, the Heber City Airport, and the Heber City Council, individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers as additional insured.
- 2.11.4. Liability policies shall contain, or be endorsed to contain, the following provisions:
- 2.11.4.1. *"Heber City, the Heber City Airport, and the Heber City Council, individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers are to be covered as additional insured with respect to: liability arising out of activities performed by or on behalf of Operator, products and services of Operator, premises owned, leased, occupied, or used by Operator, or vehicles, equipment, or aircraft owned, leased, hired, or borrowed by Operator. Any insurance or self-insurance maintained by Heber City, the Heber City Airport, and the Heber City Council, individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers shall be in excess of Operator's and shall not contribute with it."*
- 2.11.4.2. *"Any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to Heber City, the Heber City Airport, and the Heber City Council, individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers. Operator's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the aggregate limits of the insurer's liability."*
- 2.11.4.3. *"Coverage shall not be suspended, voided, or cancelled by either party or reduced in coverage or in limits except after 30 days prior written notice by certified mail, return receipt requested, has been given to Heber City."*
- 2.11.5. Certificates of Insurance for the insurance required by law and set forth by these Minimum Standards for each activity shall be delivered to the Airport Manager upon execution of any agreement or approval. Operator shall furnish additional Certificates of Insurance 30 days prior to any changes in coverage, if the change results in a reduction. Current proof of insurance shall be continually provided to the Airport Manager throughout the term of the agreement or shall be made available at Airport Manager's request.
- 2.11.6. The limits stipulated herein for each activity represent the minimum coverage and policy limits that shall be maintained by the Operator to engage in activities at the Airport. Operators are encouraged to secure higher policy limits.
- 2.11.7. Any self-insured Operator shall furnish evidence of such self-insurance and shall hold Heber City, Heber City Airport, and the Heber City Council harmless in the event of any claims or litigation arising out of its activities at the Airport. Such evidence shall be reviewed and approved in writing by the City.
- 2.11.8. Operator shall, at its sole expense, cause all facilities and improvements on the leased premises to be kept insured to the full insurable value (current replacement cost with no depreciation) thereof against the perils of fire, lightning, wind, hail, earthquake, extended coverage, and/or vandalism. The proceeds of any such insurance paid on account for any of the aforementioned perils, shall be used to defray the cost of repairing, restoring, or reconstructing said facilities or improvements to the condition and location existing prior to the casualty causing the damage or destruction, unless a change in design or location is approved in writing by the Airport Advisory Board.

2.12. Indemnification and Hold Harmless



GENERAL REQUIREMENTS

- 2.12.1. Operator shall defend, indemnify, save, protect, and hold harmless Heber City, Heber City Airport, and the Heber City Council, individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers from any and all claims, demands, damages, fines, obligations, suits, judgments, penalties, causes of action, losses, liabilities, administrative proceedings, arbitration, or costs at any time received, incurred, or accrued by Heber City, Heber City Airport, and the Heber City Council, individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers as a result of, or arising out of Operator's actions or inaction. In the event a party indemnified hereunder is in part responsible for the loss, the indemnitor shall not be relieved of the obligation to indemnify; however, in such a case, liability shall be shared in accordance with Utah principles of comparative fault.
 - 2.12.2. The Operator shall indemnify and hold harmless the Heber City, Heber City Airport, and the Heber City Council, individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers in the event of an environmental contaminating accident or incident caused by Operator, its employees, its vendors or any other personnel used by the Operator to maintain Operator's facilities, vehicles, equipment, or aircraft.
 - 2.12.3. Nothing herein shall constitute a waiver of any protection available to the City, its representatives, officers, officials, employees, agents, and volunteers under the Utah governmental immunity act or similar statutory provision.
- 2.13. Taxes**
- 2.13.1. Operator shall, at its sole cost and expense, pay all taxes, fees, and other charges that may be levied, assessed, or charged by any duly authorized agency.
- 2.14. Multiple Activities**
- 2.14.1. When more than one (1) activity is conducted, the minimum requirements shall vary depending upon the nature of each activity and/or combination of activities, but shall not necessarily be cumulative.



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 tiedowns 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



ATTACHMENT A (MINIMUM INSURANCE REQUIREMENTS)

Commercial General Liability to include bodily injury, personal injury, and property damage for all premises, products and completed operations, unlicensed vehicles, and contractual liability.

Vehicular Liability or Business Automobile Liability to include bodily injury and property damage for all vehicles (owned, non-owned, or hired).

Hangar Keeper's Liability to include property damage for all non-owned aircraft under the care, custody, and control of the Operator.

Aircraft and Passenger Liability to include bodily injury, property damage, and passenger injury for all owned, leased, or operated aircraft.

Student and Renter Liability to include bodily injury, personal injury, and property damage (excluding aircraft hull) for students and renters of aircraft.

Environmental Liability to include bodily injury, property damage, and environmental cleanup costs.

SE = Single engine aircraft

ME = Multi engine aircraft



Worldwide War Birds



0 25 50 100 Feet





U.S. Department
of Transportation

**Federal Aviation
Administration**

October 29, 2013

Mr. Mark Anderson
Heber City
75 North Main St
Heber, UT 84032

Five-Year Airport Capital Improvement Plan

Dear Mr. Anderson:

The FAA and Division of Aeronautics continually evaluate the needs of Utah's airports and rely on capital improvement plans (CIP). The CIP is derived from different sources including Master Plans, Statewide Pavement Management Plans and Joint Planning Conferences. Enclosed are 5-year capital improvement plans for your airport. The FAA and Division are asking each airport sponsor to review and update their CIP.

The capital improvement plans shows federally funded and state funded projects for your airport. In most cases, the projects are not identical to the ones you forwarded to the FAA. It is important to remember that we fund a system of airports where the highest priority work in the State of Utah is funded first.

Please review the needs of your facility and update the CIP for your airport. We would ask that **all** Airport Sponsors submit an updated CIP to reflect a five-year period of projects, FY 2014-2019. At this point there should be no changes to 2014 and 2015. All CIP's should be submitted via email to john.sweeney@faa.gov and mswapp@utah.gov . CIP updates need to be received by November 22, 2013. Make sure that you include projects through FY 2019.

Keep in mind that CIP updates occur every year, but necessary changes can occur throughout the year. Due to constant change in airport needs and funding for proposed projects, you should keep your CIP up-to-date. Your CIP should be updated in conjunction with your City Counsel/County Commission, Airport Board and airport consultant.

We strongly recommend you discuss the CIP with your local officials and inform them of the level of available Federal and State funds expected over the 5-year planning period. It is important that alternative funding sources be researched for desired airport improvements, if necessary.

Thank you for your continued support and patience during the planning and funding process.

Sincerely,



John Sweeney
Utah Airports Planner
Federal Aviation Administration
Denver Airports District Office
26805 East 68th Ave., Suite 224
Denver, CO 80249-6361
Phone: (303) 342-1263
Fax: (303) 342-1260
Email: john.sweeney@faa.gov



A. Matthew Swapp, P.E.
UDOT Aeronautical Programs Engineer
Utah Department of Transportation
Division of Aeronautics
135 North 2400 West
Salt Lake City, UT 84116
Phone: (801) 870-4023
Fax: (801) 715-2276
Email: mswapp@utah.gov

Enclosures: Airport Capital Improvement Plan (State)

Utah Division of Aeronautics
Airport Development Plan Project List

36U

Project Description & Cost Estimate								
Scheduled/Requested Federal Fiscal Year	Project Description	Project Identification in ALP/MP	Comments	Sponsor Priority Number	Estimated Total Cost of Project	Cost Allocation \$		
						Federal Participation	State Participation	Sponsor Participation
Federally Funded Projects						90.94%	4.53%	4.53%
2014	Rehabilitate Runway				\$ 5,278,205	4,800,000	\$ 239,103	\$ 239,103
2015	Update Airport Master Plan Study				\$ 164,944	150,000	\$ 7,472	\$ 7,472
2016	Construct Heliport/Helipad				\$ 164,944	150,000	\$ 7,472	\$ 7,472
2018	Acquire Land For Approaches				\$ 329,888	300,000	\$ 14,944	\$ 14,944
2019	Rehabilitate Runway		Maintenance		\$ 164,944	150,000	\$ 7,472	\$ 7,472
					\$ -		\$ -	\$ -
					\$ -		\$ -	\$ -
					\$ -		\$ -	\$ -
					\$ -		\$ -	\$ -
Participation Totals					\$ 6,102,925	\$ 5,550,000	\$ 276,463	\$ 276,463
State Funded Projects								
						90.00%	10.00%	
							\$ -	\$ -
							\$ -	\$ -
							\$ -	\$ -
Participation Totals					\$ -		\$ -	\$ -
Note: Attach additional sheets as necessary to fully describe projects or to add information needed for a full understanding of project scope, location and costs.								

For Planning Purposes Only

Utah Division of Aeronautics
Airport Development Plan Project List

Airport:	Heber City Muni/Russ McDonald Field	Airport Sponsor:	Heber City	Present ARC:	B II	Future ARC:	B II	
Sponsor Contact:	Mark Anderson	Tele. Ph #	435-654-0757	E-mail:	manderson@ci.heber.ut.us	Date Submitted:	11/20/2012	
Consultant Contact:	Armstrong Consultants Inc.	Tele. Ph #	970-242-0101	E-mail:	ryan@armstrongconsultants.com	Based Aircraft	94	
Project Description & Cost Estimate								
Proposed Calendar Year to Begin Project	Project Description	Project Identification in ALP/MP	Project Location on ALP	Sponsor Priority Number	Estimated Total Cost of Project	Cost Allocation \$		
						Federal Participation	State Participation	Sponsor Participation
Federally Funded Projects						90.94%	0.00%	9.06%
2013	Rehab RW 4/22-Design Only	MP	ALP	1	\$ 329,887	\$ 300,000		\$ 29,887
2014	Rehab RW 4/22 & Apron Rehab	MP	ALP	3	\$ 4,948,318	\$ 4,500,000	\$ 224,158	\$ 224,158
2015	Master Plan Update	MP	ALP	2	\$ 164,944	\$ 150,000		\$ 14,944
2016	Construct Helicopter Parking	MP	ALP	4	\$ 164,943	\$ 150,000		\$ 14,943
2017	Bank							
2018	Acquire Land for Approaches	MP	ALP/EXT	5	\$ 329,887	\$ 300,000		\$ 29,887
2019	EA for C-11 Upgrade			6	\$ 164,943	\$ 150,000		\$ 14,944
2020	Bank							
2021	C-II Runway Upgrade			8	\$ 9,896,635	\$ 9,000,000	\$ 448,317	\$ 448,317
Participation Totals					\$ 15,999,557	\$ 14,550,000	\$ 672,475	\$ 777,080
State Funded Projects							90.00%	10.00%
							\$ -	\$ -
Participation Totals					\$ -		\$ -	\$ -
Note: Attach additional sheets as necessary to fully describe projects or to add information needed for a full understanding of project scope, location and costs.								

Reflects the Combining of the 2014 Apron Rehab State Maintenance Project with 2014 FAA AIP Project. Heber City is hopeful of a higher grant match from the State of Utah because of savings created from the elimination of the 2014 State Maintenance Project. This also allows the apron and runway to be closed concurrently to minimize airport disruption.

From: <Marc.C.Miller@faa.gov>

Date: October 18, 2013 7:46:39 AM MDT

To: Kirk Nielsen <Kirk.Nielsen@aviation.com>

Subject: Re: Heber City Leasing Policy

Good morning Kirk,

Well, better late than never I guess... sorry about the delay.... Here are a couple of comments I can offer on my review of the Heber City Lease/Rates and Charges Policy guidance you provided. Overall, I think the document is pretty well put together.

2.1.3. Is this transfer fee with the application only for new leases or is it also applied if somebody wants to take over an existing lease from another tenant?

2.2.1.4. Would the airport consider a proposal that shows a new hangar location not currently identified on the ALP/Master Plan and then update the documents after it is built, or does it have to be shown on the approved plans before hand period?

2.2.1.5. We would strongly suggest the airport goes straight to a competitive RFP process instead of negotiating. While it can be done with negotiation, the chance of the appearance of un-fair treatment is much greater.

3.2.3. We would suggest adding the term length in this section for the non-aeronautical use. Per FAA Order 5190.6b, Chapter 22.6 discusses that the FAA may only consent to Interim Use of Aeronautical Property for Other Uses (Non-Aero) for not more than 5-years.

3.3.1.1. Can a Non-Aeronautical use lease be subleased?

3.3.3.1. In the event the sublessee is not current on payments or insurance requirements, who is the airport holding responsible the sublessee or the original lease holder?

4.4.2.1. It mentions three types of adjustments, is which type at the discretion of the airport yearly or is it agreed to up front when signing the lease? It might be easier and more straight forward if only one method is used for all leases.

General: I saw throughout the guidance the mention of Reversionary and Non-Reversionary Leases. I am sure the airport has a little of both existing, but I could not tell if the airport was offering the choice going forward to new lease agreements or not?

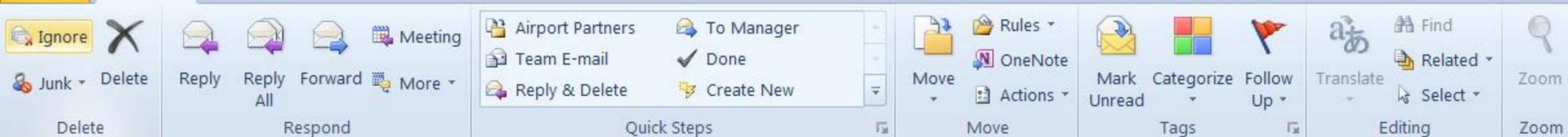
Thanks for letting me take a look at it Kirk, give me a call if you have any questions!

Sincerely,

Marc Miller
Colorado Engineer / Compliance Specialist
Federal Aviation Administration
Denver Airports District Office
303.342.1282
303.342.1260 (fax)

File

Message



You replied to this message on 11/6/2013 2:59 PM.

From: Beth Ann Schneider <clipper73h@gmail.com>
 To: Karen Tozier
 Cc: Mark Anderson
 Subject: feedback to Airport Board

Sent: Thu 10/17/2013 9:59 AM

To: Airport Advisory Board
 From: Beth Ann and Paul Schneider (Old Hangar Row #11)
 RE: Feedback regarding hangar owner policy
 Date: October 16, 2013
 Cc: Mark Anderson

We are concerned about the fact that the fate of Hangar Row seems decided – that the runway/airport will be changed and Hangar Row will be torn down. In almost every Board meeting Board member(s) talk about this as if it is a forgone conclusion. We believe that this thinking has led to Hangar Row owners being treated differently than all other hangar owners – that is, *proposed* runway/airport changes alone are determining our fate when our lease expires. We've been told many times that when our lease is up, the City will take ownership of our hangar with *no* consideration of lease renewal or extension, due to the *potential* of runway/airport changes.

The fact of the matter is the only thing that can be *definitely stated* about Hangar Row is that it will be in the safety free zone when, *and if*, the runway/airport is changed and therefore *at that time* it will need to be removed. While a tentative date has been set for runway/airport changes (affecting Hangar Row) much needs to be in place for such changes to occur – not the least of which is funding. No one really knows at this point whether or not such changes will even occur – and based on past history of attempted runway/airport changes it may never happen. For that matter *anything* could happen at our airport *anywhere* on the field which might require hangars to be removed *including hangars on the south end*. The gentleman in the last meeting made this point well – what if the City decides to build a park on the south end of the field? If our fate on Hangar Row is to be determined by the *potential* of runway/airport changes, then the fate of the rest of the hangar should be equally decided on the same premise – or not at all.

Further, the City has eminent domain of our hangar. Our contract/lease with the City states that the City can take our hangar any time it deems necessary. We are OK with this because we trust that the City will do so only if absolutely necessary. We also understand that we will be paid fair market value for our hangar in the event that this should occur. Recently we have been told that some hangar owners are subject to eminent domain by the City but others are not. If this is true, it is, of course, completely unfair. We ask that if our hangar is subject to eminent domain by the City, then all other hangars also be subject to eminent domain – or not at all.

In sum, we ask that Hangar Row owners be put on equal footing with the rest of the hangar owners in future Board discussions -- specifically regarding lease extensions and renewals, non-revisionary status, lease fees, eminent domain by the City, or anything else that may affect our future existence on Hangar Row.

Thank you for your consideration.

Heber City Airport/Russ McDonald Field

Lease/Rates and Charges Policy

October 28, 2013

Prepared by Jviation Inc.

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1. INTRODUCTION

1.1. Statement of Policy

- 1.1.1.** This Leasing Policy (Policy) for Heber City Municipal – Russ McDonald Field is intended to provide guidance and parameters for leasing Airport property and be a guide for City staff on Airport leasing issues. Leasing issues may include establishing and adjusting rents, fees, and other charges associated with occupancy and use. In addition, this policy is intended to provide potential and current tenants and businesses an understanding of the policies and processes used for airport leases.
- 1.1.2.** Entities wishing to occupy or use Airport land and/or improvements at the Airport shall be given a reasonable opportunity to compete, without unjust discrimination, for the occupancy or use of available land or improvements subject to the stipulations specified within this Policy.
- 1.1.3.** No entity shall occupy or use Airport land and/or improvements at the Airport, or conduct a Commercial Aeronautical Activity, unless the entity has been authorized by the City for such occupancy, use, or activity.

1.2. Definitions

- 1.2.1.** The following words, terms and phrases, when used in this policy, shall have the meanings ascribed to them in this section, except when the context clearly indicates a different meaning:

Aeronautical - anything which involves, makes possible, or is required for the flight of aircraft, or the storage or presence of aircraft on the airport, or which contributes to, or is required for the safety of aircraft in flight.

Aeronautical Activity – any activity that involves, makes possible, or is required for the operation of aircraft or that contributes to or is required for the safety of such operations. Activities within this definition, commonly conducted on airports, include, but are not limited to, the following: general and corporate aviation, air taxi and charter operations, pilot training, aircraft rental and sightseeing, aerial photography, crop dusting, aerial advertising and surveying, aircraft sales and service, aircraft storage, sale of aviation petroleum products, repair and maintenance of aircraft, sale of aircraft parts, parachute or ultralight activities, and any other activities that, because of their direct relationship to the operation of aircraft, can appropriately be regarded as aeronautical activities.

Agreement – An arrangement between two or more parties

Aircraft - a device that is used, or intended to be used, for flight in the air and subject to regulation by the Federal Aviation Administration.

Airport - Heber City Municipal - Russ McDonald Field and all of the property, buildings, facilities and improvements within boundaries of the Airport as depicted in Exhibit A in the Airport Layout Plan.

Airport Layout Plan (ALP) - The FAA and City-approved layout of the airport property, indicating current and proposed usage for each identifiable segment, as may be amended from time to time.

Board – The Heber City Airport Advisory Board (HCAAB)

City – Heber City, Utah

Commercial aeronautical activity - the conduct of any aspect of a business, concession, operation, or agency in order to provide goods and services to any person for compensation, consideration or hire. An activity is considered a commercial activity regardless of whether the business is non-profit, charitable, or tax-exempt.

Commercial tenant - a person, fixed base operator, firm, corporation or other entity, meeting the airports “Minimum Standards”, having been approved by the City to conduct commercial aeronautical services or activities at the Airport for compensation or hire.

Exclusive right – a right reserved exclusively by a particular person or group.

Fair market value – The amount in the competitive market a well-informed and willing lessor, who desires but is not required to lease, would accept and which a well-informed lessee, who desires but is not required to lease, would pay for the use of airport property, after due consideration of all the elements reasonably affecting value.

Independent Operator – A person or entity that conducts Aeronautical Activities, retaining total and free control over the means or methods used in conducting activities on the Airport but is based on land either adjacent to and/or located other than on the Airport, and whereby such land is not part of the Airport. *This type of operator is not authorized to provide services at the Airport.*

Lessee - any person or entity with a lease to occupy space at the Airport.

Minimum Standards - the qualifications or criteria, which have been established by the Airport owner as the minimum requirements that shall be met by all businesses offering commercial aeronautical activities and for the right to conduct those activities.

Non-reversionary Lease - a lease wherein the ownership of improvements made by the tenant are retained by the tenant at the end of the lease period.

Operator - any individual, firm, partnership, corporation (including registered non-profit corporations), company, association, joint-stock association, or governmental entity which is engaged in the sale of products and/or services on the airport.

Person - any individual, firm, partnership, corporation (including registered non-profit corporations), company, association, joint-stock association, or governmental entity. It includes a trustee, receiver, assignee, employee, agent, or similar representative of any of them.

Reversionary Lease – a lease which contains a provision which states all structures and improvements made by the tenant on the leased property shall pass title and ownership to the lessor at the end of the lease period.

Rules and Regulations – the stipulations specified in this Policy and other airport guiding documents that relate to the occupancy or use of the operations, land and/or improvements at the Airport.

Specialized Aviation Service Operation (SASO) – a single-service provider or special Fixed Based Operator (FBO) performing less than full services. Typically only one service is offered such as aircraft sales, flight training, aircraft maintenance, or avionics services.

Sub lessee - any person with a sublease to occupy space at the Airport.

Tenant – a person or entity occupying Airport leased land or property.

Through-The-Fence Operation (TTF) – through-the-fence operations are those activities permitted by an airport sponsor through an agreement that gives access to the public landing area by independent entities or operators offering an aeronautical activity or to owners of aircraft based on land adjacent to, but not a part of, airport property. The obligation to make an airport available for the use and benefit of the public does not impose any requirement for the airport sponsor to permit ground access by aircraft from adjacent property. *TTF operations are not authorized at the Airport.*

1.3. Existing Agreements

- 1.3.1. If there are any inconsistencies between the Heber City Municipal - Russ McDonald Field's Leasing Policy and existing property leases, the existing lease shall prevail. New leases issued or extensions granted to existing leases should be treated uniformly and follow the guidance outlined in this policy.

1.4. Rights Reserved

- 1.4.1. The Airport Board reserves the right to revise, adjust, or otherwise modified this policy to reflect changes in the legal, economic, and operational environment of the airport's or city's operational requirements.

2. APPLICATION REQUIREMENTS

2.1. Application

- 2.1.1.** Entities desiring to occupy or use land and/or improvements at the Airport through an Agreement with Heber City Corporation shall submit a written application to the Airport Manager.
- 2.1.2.** The Applicant shall submit a completed application to include all information requested on the application form and, if requested by the City, shall submit any additional related information to properly evaluate the application.
- 2.1.3.** A transfer fee shall be submitted with an application on a reassignment of a lease or a majority change of ownership of a hangar. A 1% transfer fee based upon the taxable value of the hangar or \$100.00, whichever is greater, shall be paid to the City.
 - 2.1.3.1.** The sale of a new hanger is not subject to the transfer fee.

2.2. Approval Process

- 2.2.1.** A complete application and all accompanying and requested information shall be submitted to the Airport Manager for review. If the applicant is changing the use of a hangar or desires to conduct a commercial venture the application will go before the Airport Board for review. The Airport Board will determine if the Commercial operator meets the airport's Minimum Standards. After the Airport Board approves the Commercial operator, the Board will submit the application to the City Council for approval.
 - 2.2.1.1.** The Airport Manager has the authority to approve non-commercial applications which involve the sale and/or transfer of hangar ownership.
 - 2.2.1.2.** Incomplete applications that do not provide adequate information to make a knowledgeable assessment shall be rejected.
 - 2.2.1.3.** Applications that do not comply with this Policy and other City guiding documents shall be rejected.
 - 2.2.1.4.** Applications that are inconsistent with the Master Plan, the Airport Layout Plan, other plans associated with the Airport, and/or are deemed not in the best interest of the Airport shall be rejected.
 - 2.2.1.5.** If two qualified applicants submit an application for the same land and/or improvement, the Airport Board shall determine whether to negotiate with both entities or issue an RFP. The competitive RFP process is described in this Policy under Section 2.3 and shall be followed.
- 2.2.2.** Within 60 days of receiving the application, the Airport Manager shall notify the applicant of the status of the application. If the application was approved, the Airport Manager shall provide the terms and conditions for occupancy or use of the land and/or improvements at the Airport. If the application was denied, the Airport Board shall provide reasons for the denial.

- 2.2.3. Within 30 days of receiving notification of the application status, the application shall indicate if the terms and conditions provided by the Airport Board are acceptable to the applicant.
- 2.2.4. If the applicant finds the terms and conditions unacceptable, the applicant shall present terms and conditions acceptable to the applicant to the Airport Board.
 - 2.2.4.1. If the Airport Board and the applicant are unable to reach an agreement by negotiation, the City shall not be obligated to lease airport land and/or improvements to the applicant.
- 2.2.5. Once an agreement has been made between the Airport Board and the Applicant regarding the terms and conditions of the Agreement, the Applicant shall pay an earnest money deposit in the amount of ten percent (10%) of the total annual rents, fees, and other charges proposed to the City and submit a letter of acceptance of the terms and conditions of the Agreement. The letter shall be submitted to the City within 30 days of reaching an agreement.
 - 2.2.5.1. The terms and conditions should address, but not be limited to, the identification of the land and/or improvements to be leased or developed, the proposed investment, the length of the term, and the rents, fees, and other charges that shall be paid.
 - 2.2.5.2. Once the earnest money deposit and written letter of acceptance have been accepted by the City, the same land and/or improvements may not be negotiated with any other party, nor can a Request for Proposal (RFP) be issued.
- 2.2.6. Upon receiving the letter of acceptance from the applicant, the City shall prepare the leasing documents and send them to the Applicant for review.
- 2.2.7. If the Lease Agreement is not signed and returned to the City within 45 days of being issued, the earnest money shall be returned to the Applicant and the application and written agreement shall be null and void.

2.3. Competitive Proposal Process

- 2.3.1. The Airport Board may issue a Request for Proposal (RFP) seeking competitive proposals for entities who wish to occupy or use available land or improvements.
- 2.3.2. If an RFP is issued, the Airport Board shall advertise the opportunity in local and industry publications in accordance with established practices and legal requirements. The advertisement shall:
 - 2.3.2.1. Provide a description of the land and/or improvements that are available for use and the products, services, and/or facilities that are required, permitted, and/or desired.
 - 2.3.2.2. Indicate if the proposals will be evaluated on qualifications.
 - 2.3.2.3. Provide instructions for obtaining the RFP document.
 - 2.3.2.4. Identify the date, time, and place for submitting sealed proposals.

- 2.3.2.5.** State the Airport Boards right to reject any and all proposals.
- 2.3.3.** The Airport Board may also, but is not obligated to, mail the RFP directly to parties that have expressed interest, may be interested, or that the Airport Board may wish to attract.
- 2.3.4.** The RFP documents shall (as appropriate):
 - 2.3.4.1.** Provide a summary of the Airport, the market, and the opportunity (products, services, and/or facilities required and/or desired);
 - 2.3.4.2.** Identify the location of the land and/or improvements;
 - 2.3.4.3.** Define the time frame for occupancy or use of the land and/or improvements;
 - 2.3.4.4.** Outline the submission and selection process, proposer's responsibilities, and schedule for the process;
 - 2.3.4.5.** Provide instructions regarding the content and format of the proposal;
 - 2.3.4.6.** Provide all required forms, statements, and affidavits;
 - 2.3.4.7.** Provide a draft of the Agreement;
 - 2.3.4.8.** Indicate the evaluation and/or selection criteria that will be utilized by the Airport Board;
 - 2.3.4.9.** Indicate if proposals will be evaluated based upon the qualifications and experience of the proposer and the proposed products, services, and/or facilities;
 - 2.3.4.10.** Indicate that the proposer's financial plan including all proposed rents, fees, or other charges shall be provided to the Airport Board under separate cover;
 - 2.3.4.11.** Identify the base rent for the land and/or improvements;
 - 2.3.4.12.** Identify the fees and charges for engaging in Aeronautical Activities at the Airport;
 - 2.3.4.13.** Identify the grounds for denial or disqualification and withdrawal;
 - 2.3.4.14.** Indicate the place, date, and time for submission of proposals;
 - 2.3.4.15.** Indicate the place, date, and time the pre-proposal conference will be held;
 - 2.3.4.16.** Require that a proposal bond or guarantee in the amount equal to ten percent (10%) of the total rents, fees, or other charges proposed to be paid to the City in the first year of the proposed Agreement be submitted with the proposal.
 - 2.3.4.17.** Require the prospective Party complete all proposal forms, statements, and affidavits.
- 2.3.5.** The RFP process, procedures, and requirements shall be discussed at the pre-proposal conference and potential Parties shall be given the opportunity to ask questions and express concerns to the Airport Board.
 - 2.3.5.1.** The RFP document shall be available to potential Parties at least two weeks prior to the date of the pre-proposal conference.

- 2.4.1.5. The proposed activity and/or improvements do not comply with the most recent Airport Master Plan or Airport Layout Plan in effect at that time or be in effect within the time frame proposed by the Applicant.
- 2.4.1.6. The development or use of the land will result in congestion of aircraft, interfere with activities of an existing Operator on the Airport (as found by the Board) and/or prevent adequate access to the leased premises of an existing lessee.
- 2.4.1.7. The entity has intentionally or unintentionally withheld information in the application, proposal, and/or in supporting documentation.
- 2.4.1.8. The entity did not make full disclosure in the application, proposal, and/or in supporting documentation.
- 2.4.1.9. The entity or an officer, director, agent, representative, shareholder, or employee of the entity has a record of violating the regulations of Heber City, the Airport, or any other airport, the FAA, or any other regulation related to the Airport and/or the entity's proposed activity.
- 2.4.1.10. The entity or an officer, director, agent, representative, shareholder, or employee of the entity has defaulted on any agreement or sublease at the Airport or at any other airport.
- 2.4.1.11. The entity has failed to demonstrate adequate financial responsibility or the ability to undertake the proposed activity.
- 2.4.1.12. The entity cannot provide adequate applicable insurance or performance bond for the amounts required by the Heber City for the proposed activity.
- 2.4.1.13. The entity, officer, or director of Applicant has been convicted of a felony.
- 2.4.1.14. The entity's proposed activity is or could be detrimental to the Airport.
- 2.4.1.15. The entity desires terms and conditions that are inconsistent with the Airport's policies or Request for Proposal issued by the Airport Board.
- 2.4.1.16. The entity's proposed activity or use of the land and/or improvements is inconsistent with the Airport's purpose, vision, values, goals, or objectives.

2.5. Demonstrating Immediate Need

- 2.5.1. Entities seeking to occupy or use land and/or improvements at the Airport must demonstrate that the entire land and/or improvements will be utilized immediately.

2.6. Public Disclosure

- 2.6.1. Applicants should be aware that Heber City, as a government entity, is subject to Utah Code, Title 63G, Chapter 2 (Government Record Access and Management Act), which allows the public to examine documents and observe public meetings of a government agency.

3. AGREEMENTS

3.1. General

- 3.1.1.** A Party, prior to occupying or using land and/or improvements, is required to enter into an Agreement with the Airport Board reciting the terms and conditions under which the Party shall occupy or use the land and/or improvements at the Airport.
- 3.1.2.** This Policy does not include every provision included in the Agreement nor are the provisions included in the Agreement meant to modify this Policy.
- 3.1.3.** This Agreement shall convey one or more of the following activities: (1) use of the Airport in common with others in agreement to do so; (2) occupancy and/or exclusive use of designated land and/or improvements at the Airport; and/or (3) opportunity to provide products, services, and/or facilities at the Airport.

3.2. Use of Leased Premises

3.2.1. Aeronautical Use (Commercial)

- 3.2.1.1.** The Agreement will specify the aviation products, services, and facilities that shall be provided by the Operator (with and without Airport Board permission). The products, services, and facilities to be provided by the Operator shall meet the requirements defined in the Minimum Standards. Failure to meet the Minimum Standards and obtain a permit from Heber City before providing additional products, services, and/or facilities shall be considered a breach to the Agreement.

3.2.2. Aeronautical Use (Non-Commercial)

- 3.2.2.1.** The Agreement shall state premises leased by non-commercial operators shall not use Airport land and/or improvements for commercial activities. Non-Commercial leaseholders who engage in Commercial Aeronautical Activities shall be considered in breach of the Agreement.

3.2.3. Non-Aeronautical Use

- 3.2.3.1.** Although not generally favored, non-aeronautical use of land and/or improvements that does not interfere with the primary aviation use of such land and/or improvements is permitted if the Airport Board finds the use to be beneficial to the development of the Airport.
 - 3.2.3.1.1.** If non-aeronautical use of the land and/or improvements is proposed, the Airport Board must determine that the land and/or improvements will not be needed for aeronautical activities and/or development, during the term of the proposed Agreement.
 - 3.2.3.1.2.** The use of Airport land and/or improvements for non-aeronautical activities shall be subject to the prior written approval of the FAA.
 - 3.2.3.1.3.**

3.2.4. Restrictions

3.2.5. Airport land and/or improvements shall not be occupied or used for any purpose contrary to: (1) the best interest of the Airport; (2) the safe, effective operation of the Airport, to include the health, safety and general welfare of the public, aircraft, and other personal property at the Airport; (3) the financial self-sufficiency of the Airport; (4) future Airport development; and (5) Federal Aviation Administration's Grant Assurances.

3.3. Subleasing

3.3.1. Subleasing Privileges Permitted in the Commercial Lease Agreement

- 3.3.1.1.** An Operator may enter into an Agreement with the Airport Board allowing subleasing of space for Airport parking (tie-down and/or hangar space) and/or subleasing of office, shop, or other designated areas subject to prior written approval of the Airport Board.
- 3.3.1.2.** If the Airport Board permits subleasing in the Agreement with the Operator, an approved sublease form consistent with the Agreement between the Operator and the Airport Board may be used by the Operator to assist in the consent process.
 - 3.3.1.2.1.** The sublease shall be submitted to the Airport Board for review and approval.
 - 3.3.1.2.2.** The Operator shall not be required to pay Heber City any portion of revenue or profit related to subleasing activities.
 - 3.3.1.2.3.** The sublease agreement must be submitted to the Airport Board for review and approval within 10 business days of execution of Sublessee. Sublease business terms shall be submitted with the sublease agreement to the Airport Board.
 - 3.3.1.2.4.** Sublessee may not occupy the premises without Airport Board approval of sublease agreement.

3.3.2. Subleasing Privileges Not Permitted in the Commercial Lease Agreement

- 3.3.2.1.** If subleasing is not permitted in the Agreement between the Operator and the Airport Board, the Operator must obtain written approval of the Airport Board prior to subleasing and land and/or improvements. Any activity inconsistent with the Airport Master Plan, Airport Layout Plan, and other plans associated with the Airport, and/or is considered to not be in the best interest of the Airport will not be approved by the Airport Board.
- 3.3.2.2.** The sublease agreement shall be submitted to the Airport Board for review and approval. The sublease may be rejected for any of the reasons identified in Section 2.4 (Grounds for Denial).
- 3.3.2.3.** If an Operator subleases without advance written approval of the Airport Board, the Operator shall pay Heber City fifty percent (50%) of the sublease revenue in addition to all rents and fees paid to the City for the same subleased land and/or improvements.

3.3.2.3.1. The Airport Board may audit the Operators financial records to determine the amount that shall be paid to the City.

3.3.2.4. The Operator shall reimburse the Airport Board for reasonable attorney's fees and expenses incurred by the Airport Board related to subleasing that is not permitted by the Agreement.

3.3.2.5. A sublessee may not occupy the premises without prior written approval by the Airport Board.

3.3.3.Sublessee Obligations

3.3.3.1. Sublessee shall comply with all regulations defined in this Policy and all other directives issued by Heber City; maintain all required insurances and coverage's as defined in the Minimum Standards; and pay all required fees.

3.3.3.2. A sublessee desiring to engage in Commercial Aeronautical Activities at the Airport must obtain a Commercial Activity Permit, as out lined in the Airport's Minimum Standards, prior to any Commercial Activities.

3.3.4.Sublessee Stipulations

3.3.4.1. Unless stated otherwise, all sublease agreements shall be subject to all terms and conditions of the Agreement between the Operator and the Airport Board.

3.3.4.2. Subleasing land and/or improvements without written approval by the Airport Board shall be considered a breach in the Agreement between the Operator and the Airport Board.

3.3.4.3. Any sublease agreement made contrary to this Policy and without written approval by the Airport Board is considered null and void.

3.3.4.4. Sublease of land and/or an improvement for non-aeronautical activities is subject to prior written approval of the FAA.

3.4. Transfer of Interest

3.4.1.Assignment

3.4.1.1. A Party shall not assign an Agreement, any part or interest of an Agreement, or any rights or obligations the Party has under an Agreement without prior written approval by the Airport Manager.

3.4.1.1.1. If a Party desires such an assignment, the Party shall make application as identified in Section 2 and request written approval from the Airport Manager.

3.4.1.1.2. The City may deny such request for any reason identified in Section 2.4 (Grounds for Denial).

3.4.1.1.3. If written approval of the assignment is granted by the City the Party shall reimburse all attorney fees and expenses incurred by the City related to the assignment.

3.4.1.1.4. The Assignee shall comply with all regulations defined in this Policy and all other directives issued by Heber City; maintain all required insurances and coverage's as defined in the Minimum Standards; and pay all required fees.

3.4.1.2. Any assignment made without prior written approval by the City shall be considered null and void and a breach to the Agreement.

3.4.2. Change in Majority Ownership

3.4.2.1. The City shall provide prior written approval to any change in the majority ownership of a Party or operating entity.

3.4.2.1.1. If any Party desires to change the majority ownership of the operating entity, an application and transfer fee must be submitted to the City.

3.4.2.1.2. The City may deny such request for any reason identified in Section 2.4 (Grounds for Denial).

3.4.2.1.3. If written approval of the change in majority ownership is granted by the City, the Party shall reimburse all attorney fees and expenses incurred by the City related to the change in majority ownership.

3.4.2.2. Any change in majority ownership made without prior written approval by the City shall be considered null and void and a breach to the Agreement.

3.5. Term

3.5.1. The initial term of all Agreements shall be for no less than twenty (20) years unless otherwise recommended by the Airport Board and approved by the City Council.

3.5.2. The City is not obligated to automatically grant a term of any duration once the initial term has expired.

3.5.3. Lease Extensions

3.5.3.1. The term of the Agreements may be extended twice for five (5) years if the land is not needed for airport development and if the premises are structurally sound and capable of safe and legal occupancy for the remaining term.

3.5.3.2. Any renewal options related to a lease shall be subject to the same conditions set forth in the original base term. The city maintains the right to adjust any and all rates and charges in effect at the commencement of each lease extension.

3.5.4. Investment Term Adjustment

3.5.4.1. Heber City encourages tenant construction as a component of facility development. When a tenant makes approved capital improvements to the facility which increases structural integrity or the facilities market value, the tenant's investment in those improvements will be considered toward an increased lease term.

3.5.5.2. Lessees may petition the City to leave the improvements in place at the airport and the ownership of the improvements will transfer to the City. The City maintains the right to reject the transfer of ownership at which time the lessee will be required to demolish and/or remove the permanent improvements and return the leased premises to their original condition.

3.6. Improvements

3.6.1. All improvements made by a Tenant must comply with all applicable regulatory measures including all those stipulated by the City.

3.6.2. Unless otherwise specified in the Agreement, the ownership of all permanent improvements shall revert to Heber City upon the end of the term of the Agreement.

3.7. Responsibilities

3.7.1. Heber City

3.7.1.1. Unless otherwise stated in the Agreement, Heber City is responsible for maintenance of all public Airport infrastructure and common areas to include runways, taxiways, public apron areas, roadways, nav aids, and associated land areas.

3.7.2. Lessee

3.7.2.1. Unless otherwise stated in the Agreement, the Lessee shall be responsible for all maintenance of land and/or improvements on the leased premises. The responsibilities of the Lessee include all structural components, all exterior and interior maintenance, landscaping, janitorial, trash removal, snow removal, and sweeping.

3.7.2.2. The Lessee shall be responsible for all utilities (separately metered) shall maintain all insurance coverage's as defined in the Minimum Standards, and shall remain current on all taxes and/or assessment charged by any applicable government entity or agency including personal property, income and other business tax.

3.7.2.3. The failure of a Lessee to maintain the land and/or improvements and/or pay all utilities, insurance, and taxes shall be considered a breach in the Agreement.

3.8. Condemnation

3.8.1. The Airport Board shall engage an appraiser, in the event of a full condemnation action, to determine the fair market value of the leasehold interest held by the Lessee.

3.8.2. The Agreement shall terminate on the date of the physical taking (as if the date of the taking were the date originally fixed in the Agreement for the expiration term). Upon termination of the Agreement, the Airport Board shall pay the Lessee the appraised fair market value minus any fees due to the City.

- 3.8.3.** In the event of a partial condemnation, the Agreement shall not terminate. The rents due to the City during the unexpired portion of the Agreement shall be reduced proportionally based upon the square footage of the leased premises.
- 3.8.4.** In the event of a full or partial condemnation by an Agency other than Heber City, the City and the Lessee shall each be entitled to receive or retain separate awards or a portion of lump sum awards as may be allocated to each party based upon the respective interest held by each party in any condemnation proceeding.
- 3.8.5.** Condemnation shall follow all applicable regulatory measures (including those imposed by the FAA) for condemnation proceedings and any appraisal report shall meet the requirements of such regulatory measures. If there is any inconsistency between this Policy and such regulatory measures, the regulatory measures shall prevail.

3.9. Relocation

- 3.9.1.** In the event relocation is found to be necessary (e.g. to correct Part 77 variations, ensure use consistent with the Airport Layout Plan, to facilitate future development of the Airport), the City shall provide the Lessee with land and/or improvements that are comparable to the land and/or improvements currently being occupied and/or used by the Lessee.
 - 3.9.1.1.** Such land and/or improvements shall be leased to the Lessee at the same rent and under the same terms and conditions as stipulated in the existing Agreement.
- 3.9.2.** If comparable improvements are not available, the City shall buyout the Lessee's interest in any improvements that have been made by the Lessee. The amount to be paid shall be determined by an appraiser.
- 3.9.3.** The City shall pay all reasonable relocation costs and expenses associated with moving the Tenant.
- 3.9.4.** Relocation shall follow all applicable federal and state measures for relocation proceedings and any appraisal report shall meet the requirements of such regulatory measures. If there is any inconsistency between this Policy and such regulatory measures, then the regulatory measures shall prevail.

4. RATES AND CHARGES

4.1. General

- 4.1.1.** It is the intent of this section to give guidance on setting rates and charges for airport leases which are in line with the current market. In addition, the city is required to maintain a rent and fee structure which makes the airport as self-sustaining as possible while preserving and improving the airport.

- 4.1.2. Without unjustly discriminating, it is the policy of the Airport Board to pursue terms and conditions that provide an equitable return for the Airport and to encourage private investment. All Agreements adequately compensate the Airport for the use of leased premises to a Tenant.
- 4.1.3. All Parties at the Airport shall be subject to the same rates, fees, and other charges as applicable to other Tenants utilizing the same or similar land and/or improvements for the same use or purpose.
 - 4.1.3.1. Parties may not lease land and/or improvements that have the same attributes, uses and/or values; therefore, the Airport Board may charge different rates to similar users of the Airports as long as the rates are not unjustly discriminatory.
 - 4.1.3.2. It is recognized that Agreements reached through negotiation or a competitive process may produce rents, fees, or other charges that may be higher than those be paid by similar Parties and/or uses.

4.2. Mechanisms to Set Rates

- 4.2.1. The Airport Board will not engage in unjust economic discrimination among tenants, nor will it impose discriminatory terms. The base land and/or improvement lease rate for each leasehold will be determined based on fair market values. Building base lease rates will be determined by market comparison, supply and demand or current appraisal of the facility by a firm chosen by the Airport Board.
- 4.2.2. As new ground and building leases are entered into, or leases are amended, the Airport Board reserves the right to update lease rates to current values.

4.2.3. Competitive Proposal Process

- 4.2.3.1. Rents can be adjusted and/or established through a competitive proposal process.

4.3. Variation in Rates

- 4.3.1. The Airport Board may set different rates for different tenants based on rational factors that shall include but not be limited to: the value of property to be leased, the amount of use projected of common facilities, the type of use being made and the degree of competition for the facility to be leased.

4.4. Adjustment of Rents

- 4.4.1. All rents shall be adjusted on an annual basis throughout the term of the Agreement.

4.4.2. Escalation Clauses

- 4.4.2.1. Rates will be adjusted during the life of a lease. Adjustments may be based on one of three types; annual adjustment linked to the CPI, an adjustment based on re-evaluation of property or some other measure as specified in the agreement or as negotiated.

4.5. Establishment and Adjustment of Fees

- 4.5.1. Fees for the occupancy and use of land and/or improvements shall be established by Heber City to assist in covering the costs associated with the development, operation, and maintenance of the Airport.
- 4.5.2. Fees may include, but are not limited to, fuel flowage fees, transient aircraft fees, and/or permit fees.
- 4.5.3. Fees may be adjusted by the Airport Board on an annual basis based upon the Airport's fiscal year budget for the Airport.
- 4.5.4. The Airport Board reserves the right use other means and/or establish and/or charge additional rents, fees, or other charges for the use and/or occupancy of the Airport land and/or improvements.

4.6. Payment of Rents, Fees, or Other Charges

- 4.6.1. Tenants must be current to the City in all payments of rents, fees, and other charges under any and all Agreements in order to occupy or use the land and/or improvements.
- 4.6.2. Failure to remain current in the payment of all rents, fees, and other charges to the City will be grounds for termination of the Agreement between the Lessee and the City.
- 4.6.3. The City may enforce the payment of rent, fees, and other charges under the Agreement by any legal means available to the City as provided by Utah law.
- 4.6.4. All rents, fees, and other charges assessed by the City not paid within 10 days of being due shall incur a ten percent (10%) late fee.

4.7. Bookkeeping and Records

- 4.7.1. The Lessees shall keep records of amounts due to the City for rents, fees, or other charges related to the occupancy and/or use of the Airport land and/or improvements and/or engaging in activities at the Airport. The City shall be entitled to access such records upon 30 days notice. The City/Airport Board reserves the right to audit such records.

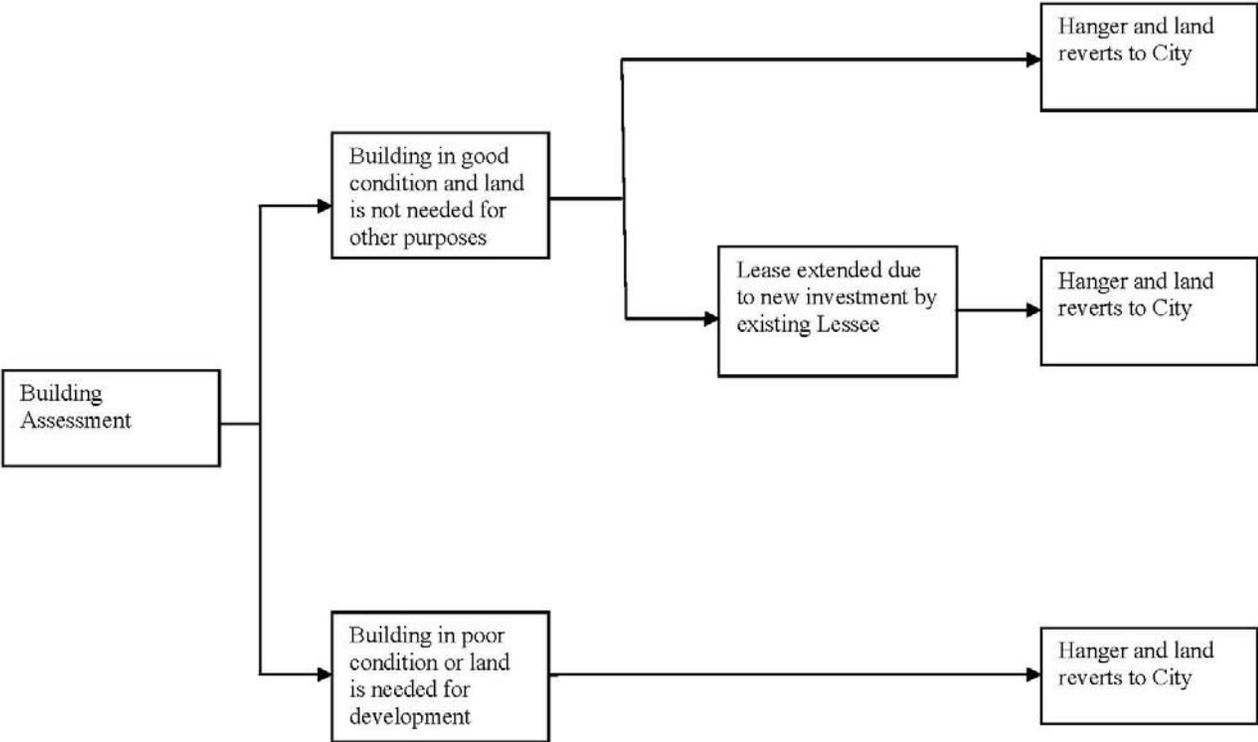
4.8. Exclusive Rights

- 4.8.1. There shall be no granting of the exclusive right to provide or engage in any aeronautical activity at the Airport; and no lease, sublease, operating permit or other agreement that is or shall be in effect at the Airport that creates such a right.

5. APPENDIX

5.1. Appendix A: Commercial Lease Flow Chart

COMMERCIAL LEASE



5.2. Appendix B: Establishment of Fair Market Value

- 5.2.1.** The Airport Board shall engage an appraiser who meets the qualifications defined in Section 5.3 of this Policy to conduct appraisals of airport land and/or improvements to determine fair market value.
 - 5.2.1.1.** The appraiser shall use current appraisal methods that are found to be appropriate by the Airport Board for the appraisal of Airport land and/or improvements.
 - 5.2.1.2.** The appraiser shall use appropriate and justifiable rate of return for airport land and/or improvements.
 - 5.2.1.3.** Airport land and/or improvements shall be appraised assuming the highest and best aviation use of the property. It shall also be assumed that the property will continue to be part of the Airport and will have access to the infrastructure and amenities of the Airport.
 - 5.2.1.4.** The appraisal shall meet the Uniform Standards of Professional Appraiser Practice (USPAP).

5.3. Appendix C: Appraiser Qualifications

- 5.3.1.** Appraisals shall be performed by an appraiser who shall be a member of the Appraisal Institute (MAI) or similarly designated and equally qualified appraiser who shall be certified by a recognized appraisal organization.
- 5.3.2.** The appraiser shall hold a State Certified General Real Estate Appraiser License issued by the state of Utah.
- 5.3.3.** Any appraiser selected to appraise Airport land and/or improvements shall have working knowledge of the aviation industry including airport, air carriers, and general aviation as appropriate. The appraiser shall also demonstrate familiarity with FAA rules, regulations, and policies pertaining to valuing airport properties.
- 5.3.4.** The selected appraiser must have performed a minimum of five (5) aeronautical property appraisals within the last five years and shall provide the Airport Board a list of locations and types of appraisals performed. Appraisals of non-aeronautical properties do not satisfy this requirement.

5.4. Appendix D: Dispute Resolution

- 5.4.1.** A Lessee may engage a second consultant (appraiser) that meets the qualifications set forth in this Policy if the Lessee disagrees with the Fair Market Rent (value) found by consultant (appraiser) hired by the Airport Board.
 - 5.4.1.1.** All fees and expenses associated with the second consultant (appraiser) shall be paid for by the Lessee.

- 5.4.2.** If the two appraisals show a variance of less than ten percent (10%) the average of the two appraisals shall be used.
- 5.4.3.** If the variance between the two appraisals is more than ten percent (10%) and an Agreement cannot be reached between the Airport Board and the Lessee, the first and second appraisers shall mutually agree on a third appraiser (that meets the qualification standards) to make the final determination.

 - 5.4.3.1.** If the first and second appraisers cannot decide on a third appraiser the Airport Board shall appoint a third appraiser (who meets the qualification standards) to make the final determination.
- 5.4.4.** The third appraiser shall review the results of the first and second appraisals and may request additional information, clarification, or justification from the first and second appraisers.

 - 5.4.4.1.** The third appraiser has the right to gather, analyze, and consider additional data as deemed appropriate to make a final determination. The decision of the third appraiser shall be accepted by the Airport Board and the Lessee and shall be legally binding upon both parties.
- 5.4.5.** All fees and expenses associated with the work of the third appraiser shall be paid for equally by the Airport Board and the Lessee.
- 5.4.6.** During any period of disagreement between the Airport Board and the Lessee regarding rent adjustment, the Lessee shall be responsible for the payment of the adjusted rent recommend by the first appraiser. Once the disagreement is resolved, the difference between rent paid and the final rent determination shall be paid to the Airport Board or refunded to the Lessee.

Heber City Airport/Russ McDonald Field
75 North Main Street, Heber City, UT 84032
Phone (435) 654-0757/Fax (435) 657-2543

AIRPORT LEASE/OPERATING PERMIT APPLICATION FORM

Please read the Airport Leasing Policies prior to filling out this application.

Applicant Name: _____

Contact Person: _____

Phone: _____ Email: _____

Mailing Address: _____

Lease Area Location, if known: _____

Type of Lease:

- Ground
- Building
- Operating Permit (for subleasing)
- Commercial
- Non Commercial

If Operating Permit Application, name of Business from whom subleasing: _____

Provide a detailed description (purpose of use) of the intended commercial aeronautical activities:

Describe the means and methods to accomplish the intended activities:

(Attach additional sheets as necessary)

Development of Property:

Beginning Date: _____ Completion Date: _____

Value of Construction: _____

Use Complies With:

- Airport Master Plan
- Building Codes
- Permitted Land Use

Applicant Signature (if sublease, signature of lessee)

Date

Airport Manager Signature

Date