



City of Palo Alto

City Council Staff Report

(ID # 6278)

Report Type: Action Items

Meeting Date: 11/16/2015

Council Priority: Land Use and Transportation Planning

Summary Title: PAO Airport Fees and Minimum Standards

Title: Adopt a Resolution Establishing Interim Minimum Standards and Leasing Policies for the Palo Alto Airport and Adopt a Resolution Revising the Airport Schedule of Fees and Charges

From: City Manager

Lead Department: Public Works

Recommendation

Staff recommends that Council adopt:

1. A resolution approving and adopting the Interim Minimum Standards and Leasing Policies for the Palo Alto Airport (Attachment B); and
2. A resolution amending the Airport fee schedule (Attachment C) to update the fees to reflect the transfer of Palo Alto Airport operations to the City of Palo Alto.

Background

On August 11, 2014, the City Council approved the transfer of the Palo Alto Airport (PAO) from the County of Santa Clara (County) to the City of Palo Alto (City). Two matters could not be resolved by the transfer date and were therefore deferred, (1) the adoption of airport minimum standards and (2) the revision of the fee schedule to reflect the transfer of operations.

Kaplan Kirsch & Rockwell, the City's special counsel on airport matters, has prepared a memorandum explaining the function of minimum standards and procedures regarding their development. (Attachment A) As explained in the Kaplan memorandum, airport owners and operators commonly impose

requirements that must be met by businesses that perform commercial aeronautical services at the airport. These services and activities include aircraft fueling, aircraft line services, aircraft maintenance and repair, aircraft storage, aircraft rental and flight training/instruction, aircraft sales, and aircraft charter and management.

The Federal Aviation Administration (FAA) recommends the development of minimum standards “to promote safety in all airport activities, protect airport users from unlicensed and unauthorized products and services, maintain and enhance the availability of adequate services for all airport users, promote the orderly development of airport land, and ensure efficiency of operations.” FAA Advisory Circular 150/5190-7, *Minimum Standards for Commercial Aeronautical Activities* (2006) at 1.2(a).

Santa Clara County did not adopt minimum standards for the Palo Alto Airport. Kaplan recommends that the City adopt an interim set of regulations establishing key provisions now, subject to development of a comprehensive set of standards through a community-involved process that will begin in 2016. Kaplan also recommends updating the Airport fee schedule to reflect the airport transfer to City control.

Discussion

Staff recommends adoption of interim Minimum Standards to establish a set of initial requirements that airport service providers must meet, consistent with best practices as set forth by FAA Advisory Circular¹ and Transportation Research Board².

The attached Interim Minimum Standards, based on those of similar size general aviation airports and current best practices, will provide a stop gap until long-term minimum standards can be adopted. Staff recommends that Council adopt the Interim Minimum Standards to address the types of activities in which existing or potential users of PAO may wish to engage in the time it takes staff to prepare and Council to adopt long-term Standards.

¹ FAA Advisory Circular 150/5190-7, *Minimum Standards for Commercial Aeronautical Activities* (2006).

² Transportation Research Board, *Survey of Minimum Standards: Commercial Aeronautical Activities at Airports* (ACRP Legal Research Digest #11) (2011).

Staff also recommends that the Council adopt the attached Resolution (Attachment B) updating airport fees and charges to reflect transfer of Airport administration to the City. The changes remove fees that were related to Countywide functions and are no longer applicable at PAO. A redline showing the changes is attached as Attachment D.

Resource Impact

Adoption of interim Minimum Standards and updates to Airport fees and charges do not require additional resources. Staff anticipates returning to Council in early 2016 for approval of a contract to support staff efforts to develop an airport business plan, update key leases and develop long-term comprehensive minimum standards.

Consistent with the practice of the County, which previously managed the Airport, the fees identified in Attachment 3 were increased by the Consumer Price Index on July 1, 2015. These increases are assumed in the Fiscal Year 2016 Adopted Budget for the Airport Enterprise Fund as approved by the City Council. Therefore, there is no increase in the fees at this time. For future fiscal years, the fees are increased by Consumer Price Index (CPI) annually effective July 1st.

Policy Implications

These recommendations are consistent with current City policies.

Environmental Review

Approval of minimum standards is not a project subject to review under the California Environmental Quality Act (CEQA)

The adoption of revised rates and charges is exempt from the California Environmental Quality Act; under California Code of Regulations Title 14, Chapter 3, Section 15273(a), because CEQA does not apply to the modification, restructuring or approval of rates and charges for the purpose of meeting operating expenses and obtaining funds for capital projects necessary to maintain service.

Attachments:

- Attachment A: Kaplan Memo Re Minimum Standards (PDF)
- Attachment B: Resolution Adopting Interim Minimum Standards and Leading Policies for the Palo Alto Airport (PDF)
- Attachment C: Resolution Amending the Airport Fee Schedule (PDF)

- Attachment D: Redline PAO Schedule of Fees and Charges (PDF)



MEMORANDUM

TO: Molly Stump, Esq., CITY ATTORNEY

COPY: Mike Sartor, PUBLIC WORKS DIRECTOR
Andrew Swanson, AIRPORT DIRECTOR

FROM: KAPLAN KIRSCH & ROCKWELL

DATE: October 18, 2015

SUBJECT: Adoption of Airport Minimum Standards and Airport Fee Schedule

Last year, when control of the Palo Alto Airport was transferred from Santa Clara County to the City, there was some unfinished business that the City determined could not be completed in time for the transfer deadline. The two most important issues that were deferred at that time were the adoption of airport minimum standards and the revision of the fee schedule previously in use when the Airport was operated by the County.

Minimum Standards

Under Federal law, the owner or operator of any airport that has been developed or improved with Federal grant assistance is required to operate the airport for the use and benefit of the public and to make the airport available for all types, kinds, and classes of aeronautical activity, on reasonable conditions and without any unjust discrimination. FAA strongly recommends that airport sponsors establish minimum standards:

“The FAA objective in recommending the development of minimum standards serves to promote safety in all airport activities, protect airport users from unlicensed and unauthorized products and services, maintain and enhance the availability of adequate services for all airport users, promote the orderly development of airport land, and ensure efficiency of operations. Therefore, airport sponsors should strive to develop minimum standards that are fair and reasonable to all on-airport aeronautical service providers and relevant to the aeronautical activity to which it is applied. Any use of minimum standards to protect the interests of an exclusive business operation may be interpreted as the grant of an exclusive right and a potential violation of the airport sponsor’s grant assurances and the FAA’s policy on exclusive rights.”¹

¹ FAA Advisory Circular 150/5190-7, *Minimum Standards for Commercial Aeronautical Activities* (2006) at 1.2(a).

Attorneys at Law	Kaplan Kirsch & Rockwell LLP	tel: (303) 825-7000
Denver • Washington, DC	1675 Broadway, Suite 2300	fax: (303) 825-7005
	Denver, CO 80202	www.kaplankirsch.com

As a result, airport owners and operators commonly impose requirements that must be met by businesses that perform commercial aeronautical services at the airport. These services and activities include aircraft fueling, aircraft line services, aircraft maintenance and repair, aircraft storage, aircraft rental and flight training/instruction, aircraft sales, and aircraft charter and management.

Airport minimum standards vary considerably from airport to airport, depending on the specific circumstances of each facility. In fact, the Federal Aviation Administration recommends against using a template or “fill-in-the-blank” forms for Airport Minimum Standards.² There are, however, several publications which set forth best practices for the drafting and tailoring of minimum standards.³

Since the transfer of the Airport, the City has received several inquiries about new or expanded aeronautical activities at the Airport and the absence of Minimum Standards places the City in the legally awkward position of not being able to answer inquiries about the City’s requirements with definitive information. It is critically important that the City be able to provide not only authoritative answers to such inquiries but also that its responses be consistent, so that the City meets its federal obligation to operate the Airport in a fair and reasonable manner, not unjustly discriminate among providers of aeronautical services and not improperly prohibit access to the Airport for such activities.⁴ The existence of Minimum Standards will alleviate this problem.

Best practice in the industry is that an airport proprietor engage users and potential users in the preparation of Minimum Standards and draft such requirements in an open and transparent manner. We have found that this process, even for small airports like Palo Alto Airport, can take many months. We therefore recommend that the City develop long-term standards in a deliberate manner.

In the meantime, however, the City is placed at a legal and practical disadvantage by not having any Minimum Standards to use for responding to immediate inquiries from potential service providers. We recommend, therefore, that the City adopt interim or temporary Minimum Standards, just as it did when it adopted Santa Clara County’s Rules and Regulations in 2014 (City Council Resolution 9457, Sept. 8, 2014).

Santa Clara County does not have Minimum Standards for its other airports that would be appropriate for the City to adopt on an interim basis for the Palo Alto Airport. Therefore, we looked to other airports, including those where we have assisted in drafting or revising Minimum

² See FAA Order 5190.6B, *Airport Compliance Manual* § 10.5(a) (2009) (“The FAA will not endorse “fill-in-the-blank” minimum standards because of the high probability that many airport sponsors would adopt the document without modifying it to the needs of their particular airports. This could result in the imposition of irrelevant and unreasonable standards.”).

³ FAA Advisory Circular 150/5190-7, *Minimum Standards for Commercial Aeronautical Activities* (2006); Transportation Research Board, *Survey of Minimum Standards: Commercial Aeronautical Activities at Airports* (ACRP Legal Research Digest #11) (2011).

⁴ See FAA Order 5190.6B §§ 10.2 – 10.4.

October 14, 2015

Page 3

Standards in recent years to accord with current best practices. We recommend that the City Council adopt the attached Interim Minimum Standards to be effective until such time as the City and the Airport staff can conduct the process necessary and appropriate for enactment of permanent Minimum Standards.

The attached Interim Minimum Standards are not intended to be comprehensive but instead to address the types of activities in which existing or potential users of the Palo Alto Airport are most likely to want to engage in the next several months or year while tailored Minimum Standards are prepared and adopted.

Fee Schedule

At the time of the transfer of the Airport, the City adopted the County's fee schedule for users of the Airport. Like the Interim Minimum Standards we propose above, this document was approved for expediency and staff recognized that it would be prudent to revise the schedule soon after the transfer.

We are attaching a proposed revised fee schedule for Airport users. This document is prepared in redline so you can see clearly what changes are being proposed.

NOT YET APPROVED

Resolution No. _____

Resolution of the Council of the City of Palo Alto Approving and
Adopting the Interim Minimum Standards and Leasing Policies for the
Palo Alto Airport

The Council of the City of Palo Alto RESOLVES as follows:

SECTION 1. The Council hereby approves and adopts the Interim Minimum Standards and Leasing Policies for the Palo Alto Airport as recommended by Staff and outside counsel for the City of Palo Alto. A copy of the revised Minimum Standards, marked Attachment "A" is attached hereto, and made a part hereof.

SECTION 2. The Council finds that the adoption of this resolution does not meet the definition of a project under Public Resources Code Section 21065, thus, no environmental assessment under the California Environmental Quality Act is required.

INTRODUCED AND PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED:

City Attorney

City Manager

Director of Public Works

Director of Administrative Services

**PALO ALTO AIRPORT
MINIMUM STANDARDS AND
LEASING POLICIES**

Palo Alto Airport
Interim Minimum Standards and Leasing Policies
November 2015

TABLE OF CONTENTS

Section A. – INTRODUCTION	3
I. Authority	3
II. Purposes	3
III. Applicability	4
IV. Prohibited Activities	5
V. Waivers and Variances	5
VI. Additive Standards and Conflicts	6
VII. Administration	7
VIII. Reservation of Rights	7
Section B. – APPLICATION	7
I. Application	8
II. Action on Written Application	9
Section C. – GENERAL REQUIREMENTS FOR ALL FBOs and SASOs	11
I. Collateral Requirement	11
II. Capability / Experience	11
III. Compliance	11
IV. Equipment and Vehicles	12
V. Facilities, Maintenance, and Construction	12
VI. Insurance	14
VII. Lease or License Requirement	15
VIII. Notice and Reporting of Initiation or Termination of Services	16
IX. Personnel	16
X. Subcontracting, Subleasing, and Assignment	17
Section D. – FIXED BASE OPERATORS (FBOS)	18
I. Land and Facility Requirements	18
II. FBO Staffing and Personnel	18
III. Required FBO Services	19
IV. Commercial Self-Service Fueling	20
V. Insurance	20
Section E. – SPECIALIZED AERONAUTICAL SERVICE OPERATORS (SASOS)	20
I. General Facility Requirements for SASOs	20
II. Air Taxi/Charter Service Operators	21
III. Aircraft Rental Operators	23
IV. Aviation Repair Service Operators	24
V. Flight Training Operators	25
VI. Hangar Keepers	26
VII. Specialized Commercial Flying Services	27
VIII. Other	28
Section F. – DEFINITIONS	29
Attachment 1. – Reserved [Required Lease Clauses]	32

Palo Alto Airport
***Interim* Minimum Standards and Leasing Policies**
November 2015

SECTION A. – INTRODUCTION

I. Authority

- a. These Palo Alto Airport Minimum Standards (“the Minimum Standards”) are promulgated under the authority of Section 2.08.190 of the Palo Alto Municipal Code, which grants the City of Palo Alto, California (“City”), through the Department of Public Works, the power to regulate the use of the Palo Alto Airport (“Airport”). The Minimum Standards also are adopted pursuant to the City’s authority as the owner, operator, and proprietor of the Airport. All leases, licenses, permits and other Agreements authorizing the use of Airport property and facilities shall require compliance with the Minimum Standards.
- b. In addition to the Minimum Standards, all persons on the Airport are subject to all applicable provisions of federal law, laws of the State of California, the Airport Rules and Regulations, and the City of Palo Alto Municipal Code.
- c. The privilege of using the Airport and any and all of its facilities shall be conditioned on the assumption of full responsibility and risk by the user thereof. The City reserves the right to claim immunity from liability in connection with its operation of the Airport and to assert any other defense available, including without limitation immunity or defenses pursuant to the California Government Claims Act, CAL. GOV’T CODE § 815 *et seq*, as the same may be amended from time to time.
- d. References and citations in the Minimum Standards to ordinances, laws, regulations, policies, standards and guidelines promulgated by the City, the State of California, the United States, and public and private bodies include any amendments as may be adopted after the City’s adoption of the Minimum Standards.
- e. The Minimum Standards cancel and supersede all previous minimum standards governing use of the Airport.
- f. The invalidation of any specific minimum standards shall not affect the validity of the remainder of the Minimum Standards.
- g. Except as prescribed herein or pursuant to an Agreement, the standards and requirements of the Minimum Standards are minimums and may be exceeded.

II. Purposes

- a. In establishing the Minimum Standards, the City’s goals are:
 1. To preserve the Airport as a community facility that serves the City and neighboring communities by accommodating small general aviation aircraft while also minimizing impacts on the surrounding residents.
 2. To ensure a minimum level of aeronautical services and facilities for Airport users.
 3. To promote safety in all Airport activities.
 4. To maintain a higher quality of service for Airport users.
 5. To protect Airport users from unlicensed and unauthorized products and services.

Palo Alto Airport
***Interim* Minimum Standards and Leasing Policies**

November 2015

6. To provide a clear and objective distinction between service providers that will provide a satisfactory level of service and those that will not.
- b. The City recognizes the jurisdiction of the federal government, delegated to the Federal Aviation Administration, concerning the licensing and regulation of pilots and aircraft; and concerning the navigable airspace. Nothing herein is intended to assert jurisdiction by the City over matters under the exclusive jurisdiction of the federal government, and the provisions hereof shall be interpreted consistent with this purpose.

III. Applicability

a. General.

1. All Commercial Aeronautical Activities conducted on the Airport must be authorized in a Lease or other written Agreement approved by the City, as appropriate, and shall be performed in accordance with the Minimum Standards and the Airport Rules and Regulations.

b. Covered Entities and Activities. The Minimum Standards shall apply to the following:

1. Any Entity proposing to conduct a Commercial Aeronautical Activity at the Airport, including Fixed Base Operators (FBOs) and Specialized Aviation Service Operators (SASOs).
2. The City, in any instance in which the City is conducting a Commercial Aeronautical Activity at the Airport.

c. Non-Covered Entities and Activities.

1. The Minimum Standards shall not apply to the following Entities:

- i. A flight instructor accessing the Airport for the limited purpose of picking up or dropping off a student pilot or conducting flight training in an aircraft that is not based at the Airport.
- ii. An aircraft manufacturer providing parts and services at the specific request of an aircraft owner or operator pursuant to a “rapid response” or similar program.
- iii. A mechanic providing services to aircraft storage space licensees at the licensee’s assigned storage space.
- iv. The Civil Air Patrol California Wing currently located on the Airport.
- v. Flying Clubs, to the extent that they are exempt from the Minimum Standards as outlined in the Airport Rules and Regulations.
- vi. Any nonprofit or charitable Entity accessing the Airport for the purpose of providing medical air transport.

2. Notwithstanding the foregoing, to the extent that any Entity otherwise exempted from the Minimum Standards provides ground handling services, the General Standards outlined at Section C of these Minimum Standards shall apply to those services.

3. The Minimum Standards shall not apply to the following activities:

Palo Alto Airport
***Interim* Minimum Standards and Leasing Policies**
November 2015

- i. Itinerant commercial aircraft operations shall not be subject to these Minimum Standards. However, passengers of any commercial aircraft operation by a Part 135 operator without a Lease or License to conduct a Commercial Aeronautical Activity at the Airport shall be considered “visitors” under the Airport Rules and Regulations.
 - ii. Non-commercial Aeronautical Activities, including, without limitation, private hangar storage and co-ops shall not be subject to these Minimum Standards.
 - iii. Self-servicing and Self-fueling by a Tenant to the extent permitted by the Airport Rules and Regulations, shall not be subject to these Minimum Standards; however, per Federal Aviation Administration (“FAA”) policy, co-ops shall not have the right to self-fuel.
- d. Grandfathered Leases and Licenses.
- 1. The provisions of these Minimum Standards shall only apply to any new Lease, License, or Agreement executed after the adoption of these Minimum Standards and to any material amendment to an Agreement authorizing a Commercial Aeronautical Activity at the Airport executed after the adoption of these Minimum Standards.
 - 2. Notwithstanding the foregoing, the provisions of these Minimum Standards shall apply to any new sublease, sublicense or assignment executed after the adoption of these Minimum Standards, even where the underlying Lease or License may be grandfathered.

IV. Prohibited Activities

- a. Through-the-Fence Operations. These Minimum Standards expressly forbid all Through-the-Fence (“TTF”) operations. The City’s obligation to make the Airport available for the use and benefit of the public does not extend to providing access from adjacent property. Such TTF operations can adversely affect the ability of the Airport to sustain itself financially, result in unfair competitive situations, and contribute to loss of control with respect to Airport access.
- b. Cross-Ownership. Consistent with the City’s obligation to avoid granting exclusive rights, no person or entity may hold or control, directly or indirectly, any ownership, voting, management or debt interests (actual or contingent) in more than one on-Airport commercial service provider, absent written authorization by the City.

V. Waivers and Variances

- a. Waivers.
 - 1. The City may approve a permanent Waiver for all or any portion of the Minimum Standards for the benefit of any government or government agency providing public or emergency services, including, for example, and without limitation: law enforcement, disaster relief, search and rescue, fire prevention and firefighting.
 - 2. The City may approve a temporary Waiver of the Minimum Standards upon finding that each of the following conditions is satisfied:
 - i. The Commercial Aeronautical Operator seeking the Waiver will be the only operator on the Airport to provide a specific product, service, or facility as of the effective date of the Lease or License.

Palo Alto Airport
***Interim* Minimum Standards and Leasing Policies**

November 2015

- ii. The Commercial Aeronautical Operator has agreed to come into full compliance with the Minimum Standards within a prescribed schedule.
 - iii. The schedule is enforceable by the City.
 - iv. The temporary Waiver is needed to alleviate the financial burden of initiating a new Commercial Aeronautical Activity at the Airport.
 - v. The City finds that the temporary Waiver will not materially interfere with the Commercial Aeronautical Operator's ability to provide high quality products, services and facilities to Airport users.
3. In extraordinary circumstances, in order to further the Purposes outlined in Section A.II, the City may also grant a permanent Waiver for any portion of the Minimum Standards.
- b. Variations. The City may approve a temporary Variance of the Minimum Standards upon finding that each of the following conditions is satisfied:
1. A special condition or unique circumstance exists that makes the application of the Minimum Standards unduly burdensome.
 2. The temporary Variance is narrowly tailored to address the special condition or unique circumstance.
 3. The Commercial Aeronautical Operator has agreed to come into full compliance with the Minimum Standards within a prescribed schedule.
 4. The schedule is enforceable by the City.
 5. The temporary Variance will not create an unfair competitive relationship among commercial aeronautical operators at the Airport.
 6. The City finds that the temporary Variance will not materially interfere with the Commercial Aeronautical Operator's ability to provide high quality products, services and facilities to Airport users.
- c. Any temporary Waiver or temporary Variance approved by the City hereunder shall apply only to the specific Commercial Aeronautical Operator and the specific circumstance and shall not serve to amend, modify, or alter the Minimum Standards.

VI. Additive Standards and Conflicts

- a. Unless authorized in writing by the City or otherwise provided herein, Commercial Aeronautical Operators must meet every minimum standard for every authorized Commercial Aeronautical Activity.
- b. In the event of conflicting Minimum Standards, the Commercial Aeronautical Operator will be required to satisfy the higher or more demanding standard. In the event of a conflict between the Lease, License or Agreement and the Minimum Standards, the terms of the Lease, License or Agreement shall apply.

Palo Alto Airport
***Interim* Minimum Standards and Leasing Policies**
November 2015

- c. The City may permit a SASO conducting multiple Commercial Aeronautical Activities to satisfy a Minimum Standard that is less than the sum of the standards for each Commercial Aeronautical Activity, if the City finds that each of the following conditions is satisfied:
 - 1. The off-set will not affect the Commercial Aeronautical Operator's ability to provide high quality products, services and facilities to Airport users in keeping with the policies hereof.
 - 2. The off-set will not create an unfair competitive relationship among Commercial Aeronautical Operators at the Airport. An off-set granted pursuant to this provision shall not constitute a temporary Waiver or temporary Variance as provided in Section A (IV).

VII. Administration

- a. The City has primary responsibility for the interpretation and application of the Minimum Standards and is authorized to issue citations, directives, adequacy determinations, and interpretive guidance in conformity with the Minimum Standards.
- b. An Entity may request an advisory opinion from the City as to the application of these Minimum Standards to such Entity. Any person may seek reconsideration of the City's advisory opinion through the procedures outlined in Section 1.04.071 of the Palo Alto Municipal Code.
- c. The Minimum Standards shall be made available upon request in electronic or hard copy format.
- d. The City is authorized to assist in the application and implementation of the Minimum Standards, principally through communications with Commercial Aeronautical Operators on the content and proper interpretation of the Minimum Standards.

VIII. Reservation of Rights

- a. The grant of permission by the City to conduct Commercial Aeronautical Activities at the Airport shall not be construed as granting any exclusive right of use of the premises and facilities at the Airport, other than those premises which may be leased exclusively to a Commercial Aeronautical Operator, and then only to the extent provided in the relevant Lease or License.
- b. The City reserves and retains the right to conduct Commercial Aeronautical Activities at the Airport either in competition with other Entities or by exercising a proprietary exclusive right as authorized by FAA in the *FAA Airport Compliance Manual* (FAA Order 5190.6B, as amended if amended).
- c. The City reserves and retains the right for use of the Airport by others who may desire to use the same, pursuant to applicable federal, state and local laws, ordinances, codes, minimum standards and other regulatory measures pertaining to such use.
- d. The City further reserves the right to designate the specific Airport areas in which specific Aeronautical Activities may be conducted. Such designation shall give consideration to the nature and extent of the operation and the land and improvements available for such purpose, consistent with the orderly and safe operation of the Airport.

SECTION B. – APPLICATION

This section shall not apply to the City.

Palo Alto Airport
***Interim* Minimum Standards and Leasing Policies**
November 2015

I. Application

- a. Statement of Interest. An Entity seeking to conduct a Commercial Aeronautical Activity at the Airport must first submit a Statement of Interest to the City. There is no required form for a Statement of Interest. However, the Statement should address the following:
1. General overview and scope of the proposed Commercial Aeronautical Activity(ies), including the general area in which the proposed Activity(ies) shall occur.
 2. Contact information, including the name, mailing address, email address and telephone number of the applicant.
- b. Procurement. Upon receipt of a Statement of Interest the City shall issue a request for qualifications or proposals or otherwise select a Commercial Aeronautical Operator through a competitive solicitation. The City may also issue a request for qualifications or proposals on its own initiative. In either event:
1. The City shall issue a Request for Qualifications or a Request for Proposals in a manner consistent with then-applicable City and Federal procurement requirements to determine whether any other entity is interested and qualified to perform the same or similar Commercial Aeronautical Service.
 2. The City shall accept responses for a reasonable time period so as not to unreasonably delay consideration of the first application.
- c. Written Application. If the City elects to conduct a procurement process, it will request a written application from interested parties. If the City does not conduct a procurement process, it will request a written application from the Entity that filed the Statement of Interest. The written application shall be in the form prescribed by the City, or, in the absence of a form, shall include the following information and any such additional information as may be requested by the City.
1. Scope of Services.
 - i. The name, mailing address, email address and telephone number of the applicant. If the applicant is a corporation, provide the name, address, and telephone number of the corporation's officers and directors and of owners of any corporate stock with the number of total shares and the number of shares owned. If the applicant is a partnership, provide the name, address, and telephone number of the partners.
 - ii. If any person or entity holding or controlling, directly or indirectly, any ownership, voting, management or debt interests (actual or contingent) ("cross-ownership") in any on-Airport commercial service provider (aeronautical or non-aeronautical) is involved in the ownership or management of the potential operator, provide complete information about the extent and nature of such cross-ownership.
 - iii. The requested or proposed date for commencement of the service and the term of conducting the same and the proposed structure and amounts of rent and/or revenue to the City.
 - iv. A comprehensive listing of all services proposed to be offered on or from the Airport and the proposed schedule of fees and charges therefor.

Palo Alto Airport
***Interim* Minimum Standards and Leasing Policies**
November 2015

- v. A map, to scale, of the amount, configuration, and location of the land requested or desired to be constructed or leased.
 - vi. The size and position of the building(s) to be constructed or leased and the proposed design and terms for the construction of any additional space and the ownership, leasing or sub-leasing thereof. An identification of any necessary or desirable capital improvements to be constructed in conjunction with the operation and applicant's proposal for financing the same.
 - vii. The number, type(s) and basing of aircraft to be provided/maintained (as applicable) and/or a detailed description of all equipment and facilities.
 - viii. The number of persons to be employed (including the qualifications and certifications of each person); whether employees will be Airport-based (full-time, part-time and seasonal) or transient; and the certifications required, if any, for each Person to provide a proposed Commercial Aeronautical Activity.
 - ix. The hours of the proposed operation.
 - x. The types and limits of insurance coverage to be maintained.
 - xi. Identification of any and all bankruptcies relating to the applicant and the applicant's principals.
 - xii. Disclosure of any and all documented violations by the applicant and/or the applicant's principals of FAA regulations.
 - xiii. A preliminary safety and emergency response plan for the proposed Commercial Aeronautical Activities.
2. Financial and Managerial Responsibility and Capability.
- i. Prior Performance. Relevant information regarding the applicant's past experience and its key employees in providing the proposed aviation services, together with a statement that the applicant or its principals have the financial and managerial ability to perform the selected services. Where relevant, applicants shall provide audited financial statements for the past three (3) years. If unaudited, the statements must be signed by a corporate officer attesting to the financial statements' accuracy. The most recent unaudited quarterly statement must also be included.
 - ii. Projected Performance. The applicant must demonstrate financial capability to initiate operations, to construct proposed improvements, and to provide working capital to carry on the contemplated operations. The demonstration of financial and managerial capability shall include a cash flow and a profit and loss projection for the first five years of the proposed operation. (In order to avoid the potential anti-competitive effects of financial control of potential competitors, prospective operators shall also disclose their sources and terms of financing.)

II. Action on Written Application

- a. Grounds for Denial. In its sole discretion, the City reserves the right to deny an application upon finding any of the following:

Palo Alto Airport
***Interim* Minimum Standards and Leasing Policies**
November 2015

1. The Commercial Aeronautical Activity proposed by the applicant would not meet the Minimum Standards prescribed herein.
 2. The City has determined, upon examination of the applicant's business plan, financial plan, and credit report that the applicant is unlikely to be able to continue to meet the Minimum Standards prescribed herein throughout the term of a Lease or License, including the payment of rates and charges.
 3. The Entity applying or interested in the business cannot provide a performance bond or applicable insurance in the amounts and types required by the Airport for that Commercial Aeronautical Activity; or
 4. The applicant has, either intentionally or unintentionally, supplied the City, or any other Person, with false or misleading information or has failed to make full disclosure in their application or supporting documents.
 5. There is no suitable space on the Airport to accommodate the proposed Commercial Aeronautical Activity without requiring the reduction in space leased to another Commercial Aeronautical Operator; or the development or use of the area requested by the applicant will result in a congestion of aircraft or buildings or will result in unduly interfering with the operations of any present Commercial Aeronautical Operator on the Airport.
 6. The proposed Commercial Aeronautical Activity is inconsistent with the current FAA-approved Airport Layout Plan or the current City-approved Master Plan.
 7. The FAA has determined that any proposed development would constitute an obstruction or hazard to air navigation.
 8. The proposed Commercial Aeronautical Activity would require the City to spend funds or to supply resources and such funds are not available or budgeted, or the operation will result in a financial loss to the Airport;
 9. The applicant, an immediate family member of the applicant, a principal of the applicant, or an entity of which a principal of the applicant was a principal, meets one or more of the following descriptions:
 - i. Was party to a Lease or License with the City that was terminated for cause.
 - ii. Has been party to vexatious or frivolous litigation, including, without limitation, any administrative litigation, against the City.
 - iii. Has been debarred or evicted from the Airport or any other another public-use airport at which the applicant conducted a Commercial Aeronautical Activity; provided, however, that the City nevertheless may approve the application upon examination of the facts and circumstances surrounding the debarment or eviction.
 10. Denial of the application is otherwise in the best interest of the City.
- b. Appeals Process. The denial of an application hereunder may be appealed through the procedures outlined in Section 1.04.071 of the Palo Alto Municipal Code.

Palo Alto Airport
***Interim* Minimum Standards and Leasing Policies**

November 2015

- c. Notification of Changes. Applicants must provide the Airport with any information reflecting a material change in the information submitted in an application. This information includes, for example, and without limitation: (i) a change in ownership of the Entity, (ii) the filing of a petition in bankruptcy, (iii) addition or subtraction of principals, (iv) any felony or misdemeanor convictions that would result in loss of airport identification media, and (v) any federal fines imposed on the Commercial Aeronautical Operator.

SECTION C. – GENERAL REQUIREMENTS FOR ALL FBOs AND SASOS

The following performance standards apply to all Commercial Aeronautical Operators and Commercial Aeronautical Activities. Additional standards specific to FBOs and SASOs can be found in Sections D (FBOs) and E (SASOs) of these Minimum Standards.

I. Collateral Requirement

- a. Commercial Aeronautical Operators shall post any required collateral in a form and amount acceptable to the City Attorney.

II. Capability / Experience

- a. All Entities providing Commercial Aeronautical Services at the Airport shall demonstrate the financial and technical capability to the satisfaction of the City.
- b. All Commercial Aeronautical Operators shall demonstrate, to the satisfaction of the City, before and throughout the term of the relevant Lease, License or Agreement with the City, the capability of consistently providing the required products, services and facilities and engaging in the required Commercial Aeronautical Activities in a safe, secure manner in service to and to the benefit of the general public.

III. Compliance

- a. Federal, state and local requirements. Commercial Aeronautical Operators must comply with all federal, state and local requirements applicable to their operations, including, but not limited to, the Airport Rules and Regulations and grant assurances applicable to the Airport. Without limiting the foregoing, Commercial Aeronautical Operators must comply with the following specific requirements:
1. Airport Access and Security. Commercial Aeronautical Operators are to comply with the Airport Security Plan; laws, regulations, orders and directives of Transportation Security Administration (“TSA”), as each may be amended; instructions of law enforcement personnel; and the policies, orders and directives of the City in furtherance of the Airport Security Program. Commercial Aeronautical Operators are responsible for their employees’, vendors’, and agents’ compliance with the Airport Security Plan.
 2. Safety. Commercial Aeronautical Operators are to comply with federal, state and local law applicable to workplace and aviation safety; and the orders and directives of the City in furtherance of any Safety Management System or similar or related program at the Airport designed and intended to enhance safety.
 3. Environmental. Commercial Aeronautical Operators are to comply with all applicable federal, state and local environmental laws; orders and directives of a federal or state agency with requisite jurisdiction over environmental conditions at the Airport; the Airport environmental

Palo Alto Airport
***Interim* Minimum Standards and Leasing Policies**
November 2015

policies and procedures, including, for example, and without limitation, SPCC Plan, SWMP and spill response plan; and generally accepted industry environmental policies and standards.

- b. Licenses, Permits, Certifications and Regulations. Commercial Aeronautical Operators shall, at their own cost, obtain, maintain, and comply with all necessary licenses, permits, certifications, or ratings required for the conduct of their activities at the Airport. Upon request, entity shall provide copies of such licenses, permits, certifications, or ratings to the City.

IV. Equipment and Vehicles

- a. Commercial Aeronautical Operators must own, lease, or otherwise have access to the equipment to provide the applicable aeronautical services promptly on demand without causing any flight delays or other operational impacts on aircraft at the Airport.
- b. Commercial Aeronautical Operators shall make all reasonable efforts to keep equipment operable, maintained in a safe operating condition, and capable of providing all required products and services at the hours and in a manner consistent with their intended use.
- c. All vehicles operating at the Airport shall comply with recurrent federal training requirements, applicable FAA and TSA transportation requirements, and applicable Airport Rules and Regulations governing vehicles and traffic.
- d. Each building, vehicle, and piece of mobile or vehicular equipment used on the Airport in conjunction with the Commercial Aeronautical Activity, shall bear the Commercial Aeronautical Operator's identification in the form of a company logo, sign, emblem, or other means to designate to whom the building, vehicle, or equipment belongs or is assigned.

V. Facilities, Maintenance, and Construction

a. Leased Premises

- 1. Commercial Aeronautical Operators shall lease an area of adequate and appropriate size, shape, and location to provide for its activities/services and operations.
- 2. The leased premises shall be sufficient to accommodate the following minimum set-backs around each structure or facility:
 - i. A minimum of 20 feet on the entrance (front) side of the structure and 10 feet on all three other sides.
 - ii. A minimum of 15 feet from any adjacent structure.
 - iii. T-hangars and patio shelters are exempted from the provisions of this section except that they shall have minimum 25 foot front setbacks.

b. Parking

- i. Commercial Aeronautical Operators shall provide sufficient dedicated parking for employees and anticipated clients within their leased premises.
- ii. At a minimum, this includes all of the following:

Palo Alto Airport
***Interim* Minimum Standards and Leasing Policies**
November 2015

- (a) One spot for each employee.
- (b) An additional five (5) spots for any Commercial Aeronautical Operator that provides aircraft repair services.
- (c) Additional parking sufficient to accommodate the maximum reasonably expected number of clients to be on airport at any given time.

c. Maintenance

1. All Commercial Aeronautical Operators shall comply with the Architectural Control Provisions for Fixed-Base Operator Lease Plots at Palo Alto Airport (1968) as amended if amended.
2. All building maintenance on non-City-owned facilities shall be the Commercial Aeronautical Operator's responsibility.
3. For City-owned facilities, structural and external repairs (except for windows and hangar doors) shall be the City's responsibility; all other maintenance, including repair of windows and hangar doors, shall be the Commercial Aeronautical Operator's responsibility.
4. Commercial Aeronautical Operators shall be responsible for trash removal, sewage, grass mowing, landscape maintenance (including weed removal), utility line maintenance, and pavement maintenance within its Leased Premises, including the set-back areas around structures.
5. Commercial Aeronautical Operators shall maintain all premises in a clean, sanitary condition and at the expiration of the lease term shall return said premises to the City in this condition, reasonable wear and tear excepted.
6. Landscaping of facilities shall comport with the Architectural Control Provisions for Fixed-Base Operator Lease Plots at Palo Alto Airport (1968) as amended if amended. Each FBO or SASO will be required to provide a plan for landscaping its area to be approved by the City and maintained by the FBO or SASO in a neat, clean and aesthetically pleasing manner.
7. Each FBO and SASO shall provide for sanitary handling and disposal, away from the Airport, of all trash, waste and other materials, including but not limited to used oil, solvents, lavatory cart contents and other waste.
8. The piling and storage of crates, boxes, barrels, containers, refuse, and surplus property shall not be permitted.
9. If painting operations are contemplated, the FBO or SASO shall provide a separate paint shop that meets all applicable safety requirements.

d. Construction

1. All paving and building shall comply with any Airport Development and Construction Standards, as may be adopted and amended from time to time.
2. All construction shall comply with all applicable building codes.

Palo Alto Airport
***Interim* Minimum Standards and Leasing Policies**
November 2015

VI. Insurance

a. General Requirements

1. All Entities conducting Aeronautical Activities at the Airport pursuant to a Lease, License or Agreement must maintain insurance policies and coverage limits that are relevant and appropriate to the activities conducted at the Airport. Entities required to maintain insurance include, without limitation, Commercial Aeronautical Operators, including FBOs and SASOs; Flying Clubs; and Entities conducting Self-Fueling in accordance with a Lease, License or Agreement.
 - i. Each Entity shall maintain the required insurance throughout the term of a Lease, License or other Agreement.
 - ii. The applicable insurance coverage shall be in force during the period of any construction of the Commercial Aeronautical Operator's facilities and/or prior to its entry upon the Airport for the conduct of its business.
 - iii. Lapses in insurance coverage may result in denial of access to the Airport.
 - iv. Any Commercial Aeronautical Operator, who by nature of its size, has become self-insured, shall furnish evidence of such self-insurance and shall hold the City and all its personnel, and the officers and agents and assigns harmless in the event of any claims or litigation arising out of its operation on the Airport.
 - v. The City must be named as an additional insured.
2. Minimum insurance types and coverage limits for Entities conducting Commercial Aeronautical Activities at the Airport are addressed in Section D for FBOs and Section E for SASOs. The precise insurance types and limits required by the City will be prescribed in a Lease, License or other Agreement and may differ from or exceed the requirements of the minimum insurance requirements identified below based upon the circumstances and the risks presented by the proposed Commercial Aeronautical Activity.
3. In prescribing insurance coverage types and limits, the City is not representing or guaranteeing that the types and limits are adequate to protect the Entity's interests and liabilities. It is understood that the specified amounts of insurance stated herein or in a Lease, License or other Agreement shall in no way limit the liability of an Entity.
4. The City reserves the right to review insurance requirements during the term of a Lease, License or other Agreement and to make reasonable adjustments to required types of insurance coverage, limits and exclusions when deemed necessary and prudent by the City based upon changes in statutory law, court decisions, the claims history of the industry or financial considerations of the insurance company and/or the Entity.
5. Each Entity required to maintain insurance by operation of these Minimum Standards or any Agreement will provide a Certificate of Insurance listing the City as an additional insured. This obligation shall not apply to any workers' compensation policy.
6. Each insurance policy, except workers' compensation, shall cover both bodily injury and property damage.

Palo Alto Airport
***Interim* Minimum Standards and Leasing Policies**
November 2015

7. Each policy shall be primary and non-contributory.
8. Each policy, except a workers' compensation policy, shall insure the defense and indemnity obligations assumed by the Entity under a Lease, License or other Agreement.
9. It shall be the Entity's responsibility to pay any retention or deductible for the coverages required herein and in a Lease, License or other Agreement.
10. Insurance shall be secured by a company authorized to conduct business in the State of California.
11. Insurance policies must include a requirement that a 30-day notice of cancellation, material change or non-renewal will be sent to the City.
12. In requiring Entities to maintain insurance hereunder, the City in no way assumes liability for injury and damage occurring on or in connection with the Airport, and the City reserves the right to claim any defense or immunity available under law.
13. The precise coverage types and limits shall be prescribed in a Lease, License or other Agreement. In the event of a conflict between the Lease, License or Agreement and the Minimum Standards, the terms of the Lease, License or Agreement shall apply.
 - i. Where more than one aeronautical service is proposed, the minimum limits will vary (depending upon the nature of individual services in such combination) but will not necessarily be cumulative in all instances.
 - ii. Coverage may be provided through primary or excess policies.

VII. Lease or License Requirement

- a. A Lease or License is a prerequisite to providing any Commercial Aeronautical Activity on the Airport.
- b. The failure to remain current in the payment of any and all rents, fees, charges, and other sums due and owing to the City shall be grounds for revocation of an Entity's Lease, License or Agreement with the City for Commercial Aeronautical Activities at the Airport.
- c. General Lease or License Terms.
 1. The Lease or License with the City must recite the terms and conditions under which the Commercial Aeronautical Operator will do business on the Airport, including but not limited to, the term of Agreement, the rentals, fees, and charges, the rights, privileges and obligations of the respective parties, and other relevant covenants.
 2. Clauses that shall be included in all Leases and Licenses and in any contracts between the Commercial Aeronautical Operator and any subtenants or subcontractors providing Aeronautical Activities on the Airport are set forth in Attachment 1. The provisions contained in Attachment 1 can be amended from time to time by the City without amending these Minimum Standards.
 3. Leases and Licenses shall contain all provisions required by the FAA as a condition of any Federal Grant to the City for the Airport.

Palo Alto Airport
***Interim* Minimum Standards and Leasing Policies**

November 2015

- d. Term lengths will be determined by the City depending upon such factors as the degree of investment made by the prospective tenant and the remaining value of such improvements at the end of the proposed lease term.
- e. Limited Exception Available for Non-Tenant Operators.
 - 1. The City intends for all Commercial Aeronautical Operators to lease space at the Airport in the minimum area prescribed by the Minimum Standards. The purpose of this policy is to ensure that Commercial Aeronautical Operators do not attempt to gain an unfair competitive advantage by operating without the same level of financial investment in the Airport and in their business operation as their competitors.
 - 2. Nevertheless, the City recognizes that there may be limited instances in which a one-time only Commercial Aeronautical Activity may be performed by an Entity that does not lease space at the Airport. Specifically, an Entity may be permitted to provide products and services at the Airport upon demonstrating, to the satisfaction of the City, that no Commercial Aeronautical Operator leasing space at the Airport has the requisite certificate, certified personnel, or access to equipment and parts to provide the product or perform the service. The City may approve a request from an Entity meeting these conditions provided that:
 - i. The Entity enters into an Agreement with the City identifying the Commercial Aeronautical Activity that may be performed and the rates and charges assessed for the privilege of conducting the Commercial Aeronautical Activity;
 - ii. The Agreement specifies that the authorization is for limited duration; and
 - iii. The Entity reasonably satisfies applicable Minimum Standards prescribed herein for the Commercial Aeronautical Activity.

VIII. Notice and Reporting of Initiation or Termination of Services

- a. A Commercial Aeronautical Operator shall provide the City with 30 days advance notice of its intention to start up or discontinue a Commercial Aeronautical Activity authorized under its Lease, License or Agreement.
- b. If said start-up or discontinuation is not permitted or authorized under the Lease, License or Agreement, or if said Commercial Aeronautical Activity shall be conducted by a third party through a sublease or assignment, an amendment to the Lease, License or Agreement may be required prior to the initiation or discontinuance of said use.

IX. Personnel

- a. Commercial Aeronautical Operators must provide high quality customer service by meeting or exceeding Airport customer needs through consistent, responsive, and professional service.
- b. A list of contacts shall be supplied to the City including after-hours phone numbers. This list shall be updated when any change occurs.
- c. Commercial Aeronautical Operators must control the conduct and demeanor of their personnel, agents, subcontractors, and subtenants, as well as conduct their business operations in a safe, orderly, efficient, and proper manner so as not to unreasonably disturb or endanger any Airport customers, Tenants or other operators. Commercial Aeronautical Operators are also responsible

Palo Alto Airport
***Interim* Minimum Standards and Leasing Policies**

November 2015

for the compliance of their personnel, agents, subcontractors and subtenants with the Airport Security Plan.

- d. All personnel employed by a Commercial Aeronautical Operator to perform duties on the Airport have a City-issued airport identification badge and must have any additional identification as may be required by regulation or directive of TSA.

X. Subcontracting, Subleasing, and Assignment

- a. The City must provide written approval for any sublease, assignment or subcontracting for the provisions of commercial services, products and services at the Airport.

- b. Subcontracting.

1. Consistent with the terms of the controlling Lease or Agreement and with the requirement for City approval outlined in subparagraph (X)(a) above, FBOs may subcontract to another Entity to conduct a Commercial Aeronautical Activity. In such event, the subcontractor shall be responsible for complying with all applicable Minimum Standards; provided, however, that the FBO shall remain liable to the City for compliance with the Minimum Standards and the terms of an Agreement.
2. SASOs are prohibited from subcontracting absent extraordinary circumstances and written approval from the City. However, this prohibition does not apply with respect to a SASO's contractual relationship with individual independent contractors or temporary employees.

- c. Subleasing.

1. FBOs and SASOs are permitted to sublease space to another Entity to perform one or more Commercial Aeronautical Activities, provided that the following conditions are met:
 - i. The subleasing party must obtain a License to operate at the Airport. For purposes of this requirement, the City's written approval of a sublease, per section X.a above, shall constitute the necessary License.
 - ii. The FBO or SASO must pay the City fees applicable to the class of services provided by the sublessee at the levels set forth in the Airport Rules and Regulations or applicable Lease.
 - iii. The FBO or SASO must carry public liability insurance for its sublessee or provide a certificate of insurance which shows the lessee and the City as additional insured, in amounts commensurate with the services provided by the sublessee.
2. No Entity shall conduct a Commercial Aeronautical Activity as a lessee or sublessee of Airport property that is leased or designated for a non-commercial use, including, for example, and without limitation, a hangar leased for private, non-commercial use.
3. FBOs must provide at least two of the required FBO services identified in Section D.III and may not sublease all of their operations.

- d. Assignment.

Palo Alto Airport
***Interim* Minimum Standards and Leasing Policies**
November 2015

1. Prior to granting consent for any assignment, the City may require the prospective assignee to complete an application or submit the information prescribed in Section B.I (Application) hereof. The City may reject the request to assign the Agreement based on the factors enumerated in Section B.1 hereof.

SECTION D. – FIXED BASE OPERATORS (FBOS)

I. Land and Facility Requirements

- a. Land Requirements. [*Reserved*]
- b. Facility Requirements. FBOs shall provide:
 1. Adequate facilities for its operations including, but not limited to, crew and passenger lounge facilities, and hangar space.
 2. Adequate equipment, including ropes, chains and other types of restraining devices, and wheel chocks for the typical number and type of aircraft simultaneously using the FBO facilities during a peak period.
- c. Parking and Access.
 1. FBOs shall provide asphalt or concrete paved surfaced, on-site automobile parking space in compliance with parking standards and requirements of the City and the *Architectural Control Provisions for Fixed Base Operator Lease Plots at Palo Alto Airport* (1968) as amended if amended.
 2. No parking shall be permitted in any setback area.
 3. FBOs shall provide and maintain a paved walkway within the leased area to facilitate pedestrian access to the Commercial Aeronautical Operator's office

II. FBO Staffing and Personnel

- a. FBO Manager. There shall be a full-time, on-site general manager. The individual managing the operations of an FBO shall have at least five (5) years' experience in the business in the period of eight (8) years immediately preceding such application, having been engaged in the business of an FBO on an airport of comparable size, facilities and activity as the Airport.
- b. Staffing. In addition to the on-site general manager, there shall be a minimum of two individuals staffing the FBO during hours of operation. Additional requirements for staffing shall be dictated in the Lease
- c. All aircraft fuel handing personnel shall be fully trained in the safe and proper handling, dispensing, and storage of aircraft fuel. Acceptable training shall be NATA Safety 1st Professional Line Service Training or an equivalent training program. The City shall enforce spill training in accordance with the applicable SPCC Plan. Records identifying completed training programs shall be kept on file and submitted to the City upon demand.
- d. [*Reserved*]

Palo Alto Airport
***Interim* Minimum Standards and Leasing Policies**
November 2015

III. Required FBO Services

- a. **Fueling and Lubricating.** This includes Jet Fuel, AVGAS, aircraft propellants and aircraft lubricants.
1. Hours of Operation. [*Reserved*]
 2. Facilities, Equipment and Services. [*Reserved*]
 3. Contracts for delivery of fuel. [*Reserved*]
 4. Calculation of fuel flowage. [*Reserved*]
 5. Safety of fueling operations. [*Reserved*]
- b. **Line Services**
1. Hours of Operation. [*Reserved*]
 2. Facilities, Equipment and Services: The following facilities, services and equipment are required.
 - i. **Ramp Parking, Tie-Down, Aircraft Storage and FBO Ramp Assistance within the FBO's Leased Premises** [*Reserved*]
 - ii. **Aircraft Servicing, Maintenance and Repair**
 - (a) Servicing of aircraft shall include generally expected services, such as cleaning of the interior and exterior of aircraft and catering.
 - (b) FBOs shall provide proper equipment for repairing and inflating aircraft tires, servicing struts, changing engine oil, servicing oxygen systems, washing aircraft and aircraft windows, and recharging or energizing discharged aircraft batteries and starter.
 - (c) FBOs must provide work space for any aircraft upon which airframe or engine repairs are being performed.
 - (d) FBOs must provide storage space for aircraft before and after repair and maintenance have been accomplished.
 - (e) FBOs must provide shop space to house the equipment and adequate equipment and machine tools, jacks, lifts and testing equipment as required for its operation.
 - iii. **Aircraft storage** [*Reserved*]
 - iv. **Other required services and equipment** [*Reserved*]
 3. Customer service
 - i. FBOs shall provide pilot and passenger lounge facilities.

Palo Alto Airport
***Interim* Minimum Standards and Leasing Policies**
November 2015

- ii. FBOs shall provide adequate public restroom facilities that comply with Americans With Disabilities Act Accessibility Guidelines and Chapter 16.10 of the Palo Alto Municipal Code.
- iii. FBOs shall provide telephone or wifi services.

IV. Commercial Self-Service Fueling.

- a. Commercial Self-Service Fueling is an optional service for FBOs, and is not mandatory. However, if an FBO decides to provide this facility and service, the FBO must comply with the following.
 - 1. Hours of Operation. [Reserved]
 - 2. Facilities, Equipment and Services.
 - i. All Commercial Self-Service Fueling must comply with the Airport Rules and Regulations.
 - ii. The FBO shall provide at least one above-ground, double-walled fuel tank.
 - iii. The FBO must post signage communicating the location and procedures for the emergency shut-off valve and any emergency service contact phone numbers.
- IV. The FBO shall pay the City a fuel flowage fee for each gallon of fuel stored in the self-fueling tank(s).

V. Insurance.

- a. Insurance minimums for FBOs.
 - 1. Commercial general liability - no less than \$\$1,000,000 per occurrence and \$5,000,000 aggregate.
 - 2. Automobile - no less than \$500,000 per occurrence and \$1,000,000 aggregate (shall include coverage for all owned, hired and non-owned vehicles).
 - 3. Compliance with relevant California law with respect to Workmen's Compensation and Unemployment Insurance (where applicable).
- b. FBOs conducting fueling or deicing operations at the Airport shall maintain pollution liability coverage in an amount commensurate with the level of environmental risk presented by the operation and specified in a Lease, License or Agreement.
- c. FBOs providing commercial aircraft storage shall maintain hangar-keeper's liability coverage of no less than \$500,000 per aircraft and \$1,000,000 per occurrence unless otherwise agreed to by the City to reflect the value of the aircraft.

SECTION E. – SPECIALIZED AERONAUTICAL SERVICE OPERATORS (SASOS)

I. General Facility Requirements for SASOs

- a. Land and Facility Requirements.

Palo Alto Airport
***Interim* Minimum Standards and Leasing Policies**

November 2015

1. Unless otherwise indicated in this Section E, SASOs shall construct, lease, or sublease an area that is adequate to erect a building providing a minimum of 1,000 square feet of floor space to accommodate its operations. This floor space shall be used to house all equipment and provide for aircraft storage, offices, restrooms, customer lounges, telephone facilities, or other uses necessary to the SASO's operations.
 2. SASOs shall construct, lease, or sublease sufficient: (1) paved onsite automobile parking space with suitable accommodations for automobiles; and, where appropriate, (2) ramp space to accommodate the SASO's services and operations.
- b. Hours of Operation. Each SASO shall have its premises open and services available on an as needed basis sufficient to meet the needs of its users. Unless otherwise specified herein, specific terms shall be identified in each Lease Agreement.
- c. Personnel.
1. Each SASO shall have employ and have on duty sufficient staff to meet the Minimum Standards for each Commercial Aeronautical Activity provided. A staffing plan shall be submitted to the City for reference. Unless otherwise specified herein, specific terms shall be identified in each Lease Agreement.
 2. Each SASO shall provide the City with a point-of-contact, including telephone numbers, for personnel empowered to make decisions in emergency situations.
- d. SASOs shall hold all licenses and certifications required to perform each Commercial Aeronautical Activity provided.
- e. The SASO shall provide, by means of an office or a telephone, a point of contact for the public desiring to utilize the SASO's services.
- f. Prohibited Activities.
1. The sale of fuel by SASOs is prohibited.

II. Air Taxi/Charter Service Operators

- a. Statement of Concept. An Air Taxi/Charter operator is a type of SASO Entity that is engaged in the business of providing air transportation (persons or property) to the public for hire, either on a charter basis or as an air taxi Operator, as defined in the Federal Aviation Act of 1958, or as said Act may be amended from time to time.
- b. Personnel.
1. The Air Taxi/Charter shall have available qualified operating crews and personnel for checking in and ticketing passengers, handling of luggage, and for furnishing or arranging for suitable ground transportation.
 2. The Air Taxi/Charter shall provide reasonable assurance of continued availability of qualified operating crews and approved aircraft within a reasonable or maximum notice period.
- c. Facilities, Equipment, and Services.

Palo Alto Airport
***Interim* Minimum Standards and Leasing Policies**

November 2015

1. The Air Taxi/Charter shall have available for hire, either owned or under written lease to the Air Taxi/Charter, at least one (1) four-place aircraft equipped for and capable of use in instrument conditions, or a sufficient number of aircraft properly certificated to handle the proposed scope of its operation.
 2. All loading and loading of passengers shall be conducted within the leasehold or within public space immediately adjacent to the leasehold.
 3. If employees or passengers must transit through the Airport Operations Area, the Air Taxi/Charter shall erect ropes or a reasonable equivalent to ensure safety and to avoid interference with any other Airport tenants or users.
 4. Where appropriate, the Air Taxi/Charter shall provide aircraft-to-lounge ground transportation for passengers and pilots and shall have passenger transportation (*e.g.*, golf carts, vans, etc.) in adequate numbers to provide service to their customers. All equipment shall be maintained and operated in accordance with OSHA and local and state industrial codes.
 5. The Air Taxi/Charter shall secure sufficient aircraft storage spaces (*i.e.*, hangars, shelters or tie-downs) at Airport to accommodate its anticipated operations and shall provide appropriate documentation to the Airport Manager.
 6. The Air Taxi/Charter shall provide the following customer service facilities
 - i. Pilot and passenger lounge facilities
 - ii. Sanitary and free public restrooms that comply with Americans with Disabilities Act Accessibility Guidelines and Chapter 16.10 of the Palo Alto Municipal Code.
 - iii. Telephone or wifi services.
- d. Insurance Minimums
1. Commercial general liability - no less than \$1,000,000 per occurrence and \$5,000,000 aggregate.
 2. Automobile - no less than \$1,500,000 per occurrence and \$5,000,000 aggregate (shall include coverage for all owned, hired and non-owned vehicles).
 3. Compliance with the California Statutes with respect to Workmen's Compensation and Unemployment Insurance (where applicable).
 4. Entities conducting self-fueling or deicing operations at the Airport shall maintain pollution liability coverage in an amount commensurate with the level of environmental risk presented by the operation and specified in a Lease, License or Agreement.
 5. Entities providing commercial aircraft storage shall maintain hangar-keeper's liability coverage in an amount commensurate with the value of aircraft to be stored and specified in a Lease, License or Agreement.
 6. Aircraft passenger liability insurance of no less than \$10,000,000 per occurrence and \$2,000,000 for each passenger seat.

Palo Alto Airport
***Interim* Minimum Standards and Leasing Policies**
November 2015

III. Aircraft Rental Operators

- a. Statement of Concept. An aircraft rental operator is a person or persons, firm or corporation engaged in the rental of aircraft to the public.
- b. Personnel. The SASO shall employ and have on-duty or on-call and available to provide service at the Airport within one hour of being called, a properly FAA-certified pilot capable of performing any rental check rides that may be necessary for all aircraft available for rental.
- c. Facilities, Equipment, and Services.
 1. The SASO shall have available for rental, either owned or under written lease to Operator, a sufficient number of aircraft properly certificated to handle the proposed scope of its operation.
 2. Aircraft shall be available for rental under commercially reasonable terms and conditions and at commercially reasonable rates and charges.
 3. All loading and unloading of passengers shall be conducted within the leasehold or within public space immediately adjacent to the leasehold.
 4. If employees or passengers must transit through the Airport Operations Area, the SASO shall erect ropes or a reasonable equivalent to ensure safety and to avoid interference with any other Airport tenants or users.
 5. Where appropriate, the SASO shall provide aircraft-to-lounge ground transportation for passengers and pilots and shall have passenger transportation (e.g., golf carts, vans, etc.) in adequate numbers to provide service to their customers. All equipment shall be maintained and operated in accordance with OSHA and local and state industrial codes.
 6. The SASO shall secure sufficient aircraft storage spaces (i.e., hangars, shelters or tie-downs) at Airport to accommodate its anticipated operations and shall provide appropriate documentation to the Airport Manager.
 7. The SASO shall provide the following customer service facilities
 - i. Pilot and passenger lounge facilities
 - ii. Sanitary and free public restrooms that comply with Americans With Disabilities Act Accessibility Guidelines and Chapter 16.10 of the Palo Alto Municipal Code.
- d. Insurance Minimums
 1. Commercial general liability - no less than \$1,000,000 per occurrence and \$5,000,000 aggregate.
 2. Automobile - no less than \$500,000 per occurrence and \$1,000,000 aggregate (shall include coverage for all owned, hired and non-owned vehicles).
 3. Compliance with the California Statutes with respect to Workmen's Compensation and Unemployment Insurance (where applicable).

Palo Alto Airport
***Interim* Minimum Standards and Leasing Policies**

November 2015

4. Entities conducting self-fueling or deicing operations at the Airport shall maintain pollution liability coverage in an amount commensurate with the level of environmental risk presented by the operation and specified in a Lease, License or Agreement.
5. Entities providing commercial aircraft storage shall maintain hangar-keeper's liability coverage in an amount commensurate with the value of aircraft to be stored and specified in a Lease, License or Agreement.
6. Aircraft passenger liability insurance of no less than \$10,000,000 per occurrence and \$2,000,000 for each passenger seat.

IV. Aviation Repair Service Operators

- a. Statement of Concept. A specialized aviation repair services operator is a person engaged in a business capable of providing an FAA certified shop, or a combination of shops for the repair and installation of power plant, airframe, propellers, instruments, and accessories for general aviation aircraft. The operator may furnish one, or if desired, any combination of these services. This category includes sale of new and/or used parts for associated repairs.
- b. Personnel. The SASO shall have in its employ, and on duty during the required operating hours, trained personnel currently certified as FAA radio, instrument or propeller repairmen in such numbers as are required to provide services in an efficient manner.
- c. Facilities and Equipment.
 1. The SASO shall have work space for any aircraft upon which airframe or engine repairs are being performed.
 2. The SASO shall have storage space for aircraft before and after repair and maintenance have been accomplished.
 3. The SASO shall have shop space to house the equipment and adequate equipment and machine tools, jacks, lifts and testing equipment as required for maintenance to be performed on general aircraft.
- d. Nothing herein is intended to preclude the owner of any aircraft or his or her employees from maintaining or repairing such aircraft or subject an owner performing maintenance or repairs to comply with this section.
- e. Insurance Minimums
 1. Commercial general liability - no less than \$1,000,000 per occurrence and \$5,000,000 aggregate.
 2. Automobile - no less than \$500,000 per occurrence and \$1,000,000 aggregate (shall include coverage for all owned, hired and non-owned vehicles).
 3. Compliance with the California Statutes with respect to Workmen's Compensation and Unemployment Insurance (where applicable).

Palo Alto Airport
***Interim* Minimum Standards and Leasing Policies**

November 2015

4. Entities providing commercial aircraft storage shall maintain hangar-keeper's liability coverage in an amount commensurate with the value of aircraft to be stored and specified in a Lease, License or Agreement.
5. Aircraft passenger liability insurance of no less than \$1,000,000 per occurrence.

V. Flight Training Operators

- a. Statement of Concept. A flight training operator is a person or persons, firm or corporation engaged in instructing pilots in dual and solo flight operations, in fixed and/or rotary wing aircraft, and in providing such related ground school instruction as is necessary to prepare persons for taking a written examination and flight check for the category or categories of pilots' licenses and rating involved.
- b. Personnel.
 1. The SASO shall have available, on a full-time basis, at least one (1) flight instructor who has been currently certificated by the FAA to provide the type of flight training offered.
 2. The SASO shall have on call on a part-time basis, at least one (1) ground instructor who has been currently certificated by the FAA to provide the type of ground training offered. This person may be the same person as the flight instructor specified above.
- c. Facilities, Equipment, and Services.
 1. If the SASO prefers to hangar its aircraft in leased space, the SASO may provide ground school and briefing/ debriefing of students off-Airport. Ground school and briefing/debriefing may not be provided in public areas of the Airport, but may be provided in leased/owned hangars.
 2. If the SASO prefers to build a hangar for aircraft storage, the SASO shall provide a minimum of 1,600 square feet of interior floor area in hangar space.
 3. SASO shall have available for use in flight training, either owned or under written lease to the Operator, a sufficient number of aircraft properly certificated to handle the proposed scope of its student operation, but not less than one (1) properly certificated aircraft. Nothing in this section shall prohibit a SASO from providing flight instruction in an aircraft owned by a third-party.
 4. All loading and unloading of aircraft shall be conducted within the leasehold or within public space immediately adjacent to the leasehold.
 5. If employees, students or passengers must transit through the Airport Operations Area, the SASO shall erect ropes or a reasonable equivalent to ensure safety and to avoid interference with any other Airport tenants or users.
 6. Where appropriate, the SASO shall provide aircraft-to-lounge ground transportation for passengers and pilots and shall have passenger transportation (e.g., golf carts, vans, etc.) in adequate numbers to provide service to their customers. All equipment shall be maintained and operated in accordance with OSHA and local and state industrial codes.
 7. The SASO shall provide the following customer service facilities

Palo Alto Airport
***Interim* Minimum Standards and Leasing Policies**
November 2015

- i. Pilot and passenger lounge facilities
 - ii. Sanitary and free public restrooms that comply with Americans With Disabilities Act Accessibility Guidelines and Chapter 16.10 of the Palo Alto Municipal Code.
- d. Insurance Minimums
- 1. Commercial general liability - no less than \$1,000,000 per occurrence and \$5,000,000 aggregate.
 - 2. Automobile - no less than \$500,000 per occurrence and \$1,000,000 aggregate (shall include coverage for all owned, hired and non-owned vehicles).
 - 3. Compliance with the California Statutes with respect to Workmen's Compensation and Unemployment Insurance (where applicable).
 - 4. Entities providing commercial aircraft storage shall maintain hangar-keeper's liability coverage in an amount commensurate with the value of aircraft to be stored and specified in a Lease, License or Agreement.
 - 5. Aircraft passenger liability insurance of no less than \$10,000,000 per occurrence and \$2,000,000 for each passenger seat.

VI. Hangar Keepers

- a. Statement of Concept. A hangar keeper is a person or persons, firm or corporation engaged in the lease and/or management of hangar space on the Airport for the storage of aircraft.
- b. Facilities, Equipment and Services.
 - 1. The SASO shall provide a minimum of 1,600 square feet of interior floor area in hangar space. The SASO shall also have floor space to accommodate administrative and storage space.
 - 2. SASOs engaging in the business of renting and leasing hangar storage space to aircraft owners or operators solely for aircraft storage purposes shall:
 - i. Require all tenants who sublease space to have an executed Agreement with the SASO prior to occupancy, the form of which provides adequate indemnification protection for the City. A copy of the standard sublease form must be approved by the City in writing prior to commencement of leasing activities. The SASO must provide a listing and copies of all executed leases or subleases of all aircraft stored within the SASO or sub lessee's hangar facilities to the City semi-annually.
 - ii. Ensure that hangar tenants perform no maintenance within the hangar other than:
 - (a) Hangar tenants performing preventive maintenance on their own aircraft, utilizing their own employees, to the extent permitted in 14 C.F.R. § 43.7 (federal regulations regarding the specific persons authorized to approve aircraft or component parts for return to service after maintenance, preventive maintenance, rebuilding, or alteration); or

Palo Alto Airport
***Interim* Minimum Standards and Leasing Policies**
November 2015

- (b) Maintenance performed by non-tenants as permitted by Section C (VII)(e)(2) of these Minimum Standards.
 - iii. Ensure that hangar cooperatives shall not provide fuel services to the members of the cooperative or to the public.
 - iv. Ensure that hangar space is used for aeronautical purposes and that, to the extent that non-aeronautical items are stored in a hangar, those items are either incidental to aeronautical use consistent with then-current FAA policy, or the non-aeronautical use has been approved by FAA.
- c. Insurance
- 1. As indicated in Section C of these Minimum Standards, the precise insurance coverage types and limits shall be prescribed in a Lease, License or other Agreement. In the event of a conflict between the Lease, License or Agreement and the Minimum Standards, the terms of the Lease, License or Agreement shall apply.
 - 2. In the absence of specific insurance standards in the Lease, License or Agreement, the provisions in this subsection apply.
 - i. Commercial general liability - no less than \$1,000,000 per occurrence and \$5,000,000 aggregate.
 - ii. Automobile - no less than \$500,000 per occurrence and \$1,000,000 aggregate (shall include coverage for all owned, hired and non-owned vehicles).
 - iii. Compliance with the California Statutes with respect to Workmen's Compensation and Unemployment Insurance (where applicable).
 - iv. Hangar-keeper's liability coverage in an amount commensurate with the value of aircraft to be stored and specified in a Lease, License or Agreement.

VII. Specialized Commercial Flying Services

- a. Statement of Concept. A specialized commercial flying services operator is an Entity engaged in air transportation for hire for the purpose of providing any of the services listed below:
 - 1. Nonstop sightseeing flights that begin and end at the Airport;
 - 2. Banner towing and aerial advertising;
 - 3. Aerial photography or survey;
 - 4. Power line, underground cable or pipeline patrol;
 - 5. Parachute or sky-diving operations;
 - 6. Any other operations specifically excluded from Part 135 of the Federal Aviation Regulations.
- b. Facilities, Equipment and Services.

Palo Alto Airport
***Interim* Minimum Standards and Leasing Policies**
November 2015

1. In case of any operation involving the aerial application of chemicals, SASO shall provide a centrally drained, paved area adequate for all aircraft loading, unloading, washing and servicing. Material Safety Data Sheets are required to be onsite and three copies shall be provided to the City. This area must be built and operated in full compliance with all applicable federal, state and local laws and regulations. SASO shall also provide for the safe storage and containment of all chemical material. Such facilities will be in a location designated by the City on the Airport, which will provide the greatest safeguard to the public.
2. The SASO shall provide and have based on its leasehold, either owned or under written lease to the Operator, not less than one (1) airworthy aircraft, suitably equipped for, and meeting all the requirements of the FAA with respect to the type of operation to be performed.

c. Insurance Minimums

1. Commercial general liability - no less than \$1,000,000 per occurrence and \$5,000,000 aggregate.
2. Automobile - no less than \$500,000 per occurrence and \$1,000,000 aggregate (shall include coverage for all owned, hired and non-owned vehicles).
3. Compliance with the California Statutes with respect to Workmen's Compensation and Unemployment Insurance (where applicable).
4. Entities conducting self-fueling or deicing operations at the Airport shall maintain pollution liability coverage in an amount commensurate with the level of environmental risk presented by the operation and specified in a Lease, License or Agreement.
5. Entities providing commercial aircraft storage shall maintain hangar-keeper's liability coverage in an amount commensurate with the value of aircraft to be stored and specified in a Lease, License or Agreement.
6. Aircraft passenger liability insurance of no less than \$1,000,000 per occurrence and \$1,000,000 per individual.

VIII. Other

- a. If a specific commercial service is not contemplated or covered herein, a Person desiring to provide such commercial service should approach the City to negotiate the terms of airport access.
- b. In reviewing any proposal, the City will consider the nature of the Commercial Aeronautical Activity, the proposed business terms, and the compatibility of the Commercial Aeronautical Activity with then-existing Airport operations and activities. The Airport further may request review by the Federal Aviation Administration to consider, for example, and without limitation, whether the aeronautical activity may be conducted safely at the Airport. The Airport may decide, in its sole discretion, to amend the Minimum Standards prior to executing any Agreement authorizing the commercial aeronautical activity to, for example and without limitation, create a new category of FBO or SASO with attendant requirements and standards.

Palo Alto Airport
***Interim* Minimum Standards and Leasing Policies**
November 2015

SECTION F. – DEFINITIONS

1. 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 (e.g., air taxi and charter operations; scheduled or nonscheduled air carrier operations; pilot training; aircraft rental; sightseeing; aerial photography; aerial advertising and surveying; aircraft sales and service; aircraft storage; sale of aviation petroleum products; repair and maintenance of aircraft; sale of aircraft parts; and activities involving parachute operations, ultralight operations, glider operations, motorless aircraft operations, helicopter operations, kites, balloons, unmanned aerial systems, or any lighter-than-air aircraft operations).
2. Agreement – A written, legally enforceable contract between the Airport and any party concerning access to and use of the Airport.
3. Air Taxi/Charter – An operator licensed by the FAA to provide air transportation of persons or property for hire on a charter basis or as an air taxi operator on a scheduled, nonscheduled, or on-demand basis as defined and regulated by the Federal Aviation Administration.
4. Airport – The Airport and all of the area, buildings, facilities and improvements within the interior boundaries of such Airport as it now exists or as it may be hereafter or extended or enlarged and as depicted on a current Airport Layout Plan approved by the Federal Aviation Administration.
5. Airport Layout Plan or ALP – The current, FAA-approved drawing depicting the physical layout of the Airport and identifying the location and configuration of current and proposed runways, taxiways, buildings, roadways, utilities, navigational aids, etc.
6. Airport Operations Area or AOA – The area of the Airport identified in the Appendix I of the Rules and Regulations that includes the aircraft movement areas, aircraft parking areas, loading ramps, safety areas, and any adjacent areas that are not separated by adequate security systems, measures or procedures.
7. Airport Security Plan or ASP – The written plan concerning security at the Airport, containing the elements required by 49 C.F.R. Part 1542 and approved by the Transportation Security Administration. If no ASP exists, any written and approved City plan for security at the Airport shall substitute for the ASP for purposes of these Minimum Standards.
8. AVGAS – Aviation gasoline, 100LL or equivalent, intended for use in a piston aircraft.
9. City – The City of Palo Alto, California.
10. C.F.R. – The Code of Federal Regulations.
11. Commercial Aeronautical Activity – Any commercial business operation that is related to the operation of Aircraft at the Airport as prescribed in these Minimum Standards for Commercial Aeronautical Activities. This does not include any commercial operation not directly related to the operation of Aircraft, e.g. restaurant, rental car, or other concessions. Commercial Aeronautical Activity does not include itinerant operations by a business enterprise that is neither based nor regularly operates out of the Airport. A business enterprise will be deemed to not operate regularly at the Airport if it has no personnel (employees or contractors) whose place of employment is within the City or within a five mile radius of the Airport.
12. Commercial Aeronautical Operator – An Entity or Person conducting a Commercial Aeronautical Activity at the Airport pursuant to a Lease or other Agreement.

Palo Alto Airport
***Interim* Minimum Standards and Leasing Policies**
November 2015

13. Commercial Self-Service Fueling – Fueling of an aircraft by the pilot using commercial aircraft fuel pumps installed for that purpose.
14. Co-op – A mechanism for shared ownership of hangars and similar facilities.
15. Entity – Each natural person, partnership, organization or business that has a legal and separately identifiable existence.
16. FAA – The Federal Aviation Administration.
17. Fixed Base Operator or FBO – An Entity that maintains and operates facilities at the Airport for the purpose of providing commercial aeronautical services including but not limited to the retail sale of aviation fuels, aircraft line services, and aircraft airframe and engine repair and maintenance at the Airport.
18. Flying Club – A nonprofit or not-for-profit entity organized for the express purpose of providing its members with the noncommercial use of aircraft for their personal use and enjoyment.
19. Lease – A contractual agreement between the City and another Entity that establishes a tenancy on the Airport. A Lease is written and enforceable by law.
20. Leased Premises – Those premises, including, as appropriate, any area leased, subleased or otherwise controlled by an FBO or SASO on the Airport.
21. License – A contractual agreement between the City and another Entity that grants or otherwise authorizes the use of land or building space to conduct specified activities. A License is written and enforceable by law.
22. Maintenance – Aircraft inspection, overhaul, repair, preservation and replacement of parts, including preventative maintenance, as described in Part 43 of the Federal Aviation Regulations.
23. Minimum Standards – The qualifications set forth herein, which set forth the minimum requirements to be met as a condition for the right to conduct or provide a Commercial Aeronautical Activity or Service on the Airport.
24. NATA – National Air Transportation Association
25. Operator – An Entity that has entered into a Lease, License or Agreement with the City to occupy, use and/or develop land and/or improvements in order to engage in Commercial Aeronautical Activities at the Airport.
26. OSHA – The Occupational Safety and Health Act of 1970, as amended.
27. Part 77 – The federal regulations governing the safe, efficient use, and preservation of the navigable airspace, which are codified at Title 14, Part 77 of the Code of Federal Regulations.
28. Rules and Regulations – The most recent, approved version of the Airport Rules and Regulations.
29. SOP – Standard Operating Procedure.
30. SPCC Plan – Spill Prevention Countermeasures and Control Plan, prepared to comply with the federal regulations at 40 C.F.R. Part 112.

Palo Alto Airport
***Interim* Minimum Standards and Leasing Policies**
November 2015

31. Specialized Aeronautical Service Operator or SASO – An Entity that is authorized to provide one or a combination of Commercial Aeronautical Activities that does not include Commercial Fueling, as described more fully in Section E.
32. Tenant – Any Entity that has an Agreement with the City for occupying space at the Airport.
33. Terminal – The terminal located at the Airport.
34. Through the Fence or TTF Operations – The movement of aircraft between the Airport Operations Area at the Airport and land adjacent to, but not part of, the Airport property. This includes access from residential properties.
35. TSA – The Transportation Security Administration.
36. Variance – The grant of a modification to the Minimum Standard requirements, often for only a temporary period to address unique facts or hardships.
37. Waiver – The grant of an exemption from a requirement of the Minimum Standards.
38. World Aeronautical Charts or WACs – Aeronautical charts that cover land areas at a standard size and scale (1:1,000,000) for navigation by moderate speed aircraft and aircraft operating at high altitudes.

Palo Alto Airport
***Interim* Minimum Standards and Leasing Policies**
November 2015

ATTACHMENT 1. – *Reserved [Required Lease Clauses]*

NOT YET APPROVED

Resolution No. _____
Resolution of the Council of the City of Palo Alto Revising the Palo
Alto Airport Fees and Charges Applicable to Tenants, Licensees,
Permit Holders and Other Users of the Palo Alto Airport and its
Facilities During FY 2016

The Council of the City of Palo Alto RESOLVES as follows:

SECTION 1. Pursuant to Section 12.20.010 of the Palo Alto Municipal Code, the attached schedule of Airport Fees and Charges is adopted (Attachment "A"). The Airport Fees and Charges shall become effective November 17, 2015.

SECTION 2. The Council finds that the adoption of this resolution, revising the fees and charges to be paid by the tenants, licensees, permit holders and users located at and doing business at the Palo Alto Airport, is not subject to California Environmental Quality Act ("CEQA"), pursuant to California Public Resources Code Section 21080(b)(8) and Title 14 of the California Code of Regulations Sec. 15273(a)(1) and (3), because the fees and charges adopted by this resolution are necessary to recover the Palo Alto Airport's operating expenses. The Council finds that the Airport Division has presented sufficient evidence and other information with specificity to support the basis of the claim of exemption.

INTRODUCED AND PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED:

City Attorney

City Manager

Director of Public Works

Director of Administrative Services

Schedule of Fees and Charges for Palo Alto Airport	
	FY 2016 FEE
Fees	
<p>On each July first of every year, all rates in Section A. "Based Aircraft", Section B. "Non-Based Aircraft" and Section C. "Other Charges" for the ensuing twelve (12) months shall be adjusted upward in the same percentage proportion that the Consumer Price Index (CPI) of the San Francisco-Oakland-San Jose area of the United States Department of Labor, Bureau of Labor Statistics, increases over the CPI. In the case of a CPI decrease the rates will remain the same.</p> <p>All fees are rounded to the nearest fifty cents (\$.50).</p>	
AIRCRAFT: All aircraft weights referenced in this document are defined by the aircraft manufacture and/or the Federal Aviation Administration (FAA) as the certified maximum gross take-off weight.	
SECTION A. City-Based Aircraft	
Tail-in Open Tie-Down, improved pavement 0 to 3,500 pounds	149.00
3,501 to 5,200 pounds	173.50
5,201 to 10,200 pounds	195.00
10,201 to 17,000 pounds	218.00
Tail-in Open Tie-Down, unimproved pavement 0 to 3,500 pounds	112.00
3,501 to 5,200 pounds	127.00
5,201 to 10,200 pounds	143.00
10,201 to 17,000 pounds	160.00
Taxi-in Open Tie-Down, improved pavement 0 to 3,500 pounds	186.00
3,501 to 5,200 pounds	232.00
5,201 to 10,200 pounds	322.00
10,201 to 17,000 pounds	341.00
Large aircraft only designated tie-downs	341.00
Helicopter tie-downs	341.00
Taxi-in Open Tie-Down, unimproved pavement 0 to 3,500 pounds	149.00
3,501 to 5,200 pounds	188.00
5,201 to 10,200 pounds	271.00
10,201 to 17,000 pounds	324.50

SECTION B. City Non-Based Aircraft	
Transient Aircraft, open tie-downs 0 to 3,500 pounds	no charge 0 - 4 hours \$4.00 4 - 8 hours \$10.00 8 - 24 hours \$10.00 any portion of each succeeding 24 hr period thereafter
3,501 to 5,200 pounds	no charge 0 - 4 hours \$5.00 4 - 8 hours \$12.00 8 - 24 hours \$12.00 any portion of each succeeding 24 hr period thereafter
10,201 to 17,000 pounds	\$10.00 0 - 4 hours \$10.00 4 - 8 hours \$21.00 8 - 24 hours \$21.00 any portion of each succeeding 24 hr period thereafter
Taxi-through parking	\$10.00 0 - 4 hours \$10.00 4 - 8 hours \$21.00 8 - 24 hours \$21.00 any portion of each succeeding 24 hr period thereafter
Helicopter parking	\$10.00 0 - 4 hours \$10.00 4 - 8 hours \$21.00 8 - 24 hours \$21.00 any portion of each succeeding 24 hr period thereafter
Transient Gliders will be billed for the number of tie-downs they occupy.	
Transient billing convenience fee <i>This fee will be added to each monthly billing when a parking invoice is not paid prior to vehicle departure.</i>	\$12.00 per monthly billing

SECTION C. Other Charges	
Charter & Air Taxi Flight Operations (charges are per aircraft) 0 to 3,500 pounds	\$17.50 per landing
3,501 to 5,200 pounds	\$28.00 per landing
5,201 to 10,200 pounds	\$35.00 per landing
10,201 to 17,000 pounds	\$69.00 per landing
Glider & Aircraft Trailer Parking	\$139.00 per month
Automobile Parking Permit Daily Parking Permit	\$7.00
Monthly Parking Permit - Automobiles only	\$66.00
SECTION C. Other Charges (not subject to annual CPI adjustment)	
Overnight guest permits will be issued free of charge to current tenants when applicable.	
Mobile Catering Truck Operations Permit	\$21.00 per day \$205.00 per month
Fire Extinguisher Replacement	\$157.00 per fire extinguisher
Commercial Operators/FBO Waste Oil Fee	\$1.00 per quart
Late Payments and Penalties Returned Check Fee	\$25.00 per check
Aircraft Storage Late Fee	\$40.00 per month
Fixed Base Operator Late Fee	10% of amount due per month
Fuel Flowage Fee for Palo Alto Airport	\$0.20 per gallon
Self-Fueling Permit Flowage Fee Individual aircraft owner/operator	\$75.00 annual fee per aircraft
Aircraft owned or operated by a Flying Club	\$650.00 annual fee per aircraft
Commercial Operations Fee	\$120.00 per year
Commercial Agreement Transmittal Fee	\$1,000 per agreement
Rental Car Operations	10% gross car rental receipts
Fixed base operators or others who may sublease to, or offer as a part of their services, car rental services, shall pay a monthly fee based on the gross receipts which are received from car rentals.	

Schedule of Fees and Charges for ~~Santa Clara~~ County Airports Palo Alto Airport

FY 2016 FEE

Fees

On each July first of every year, all rates in Section A. "~~County~~-Based Aircraft", Section B. "Non-Based Aircraft" and Section C. "Other Charges" for the ensuing twelve (12) months shall be adjusted upward in the same percentage proportion that the Consumer Price Index (CPI) of the San Francisco-Oakland-San Jose area of the United States Department of Labor, Bureau of Labor Statistics, increases over the ~~CPI of December 2007~~. In the case of a CPI decrease the rates will remain the same.

All fees are rounded to the nearest fifty cents (\$.50).

AIRCRAFT: All aircraft weights referenced in this document are defined by the aircraft manufacture and/or the Federal Aviation Administration (FAA) as the certified maximum gross take-off weight. [All fees are rounded to the nearest fifty cents (\$.50).

SECTION A. City-Based Aircraft

Tail-in Open Tie-Down, improved pavement 0 to 3,500 pounds	149.00
3,501 to 5,200 pounds	173.50
5,201 to 10,200 pounds	195.00
10,201 to 17,000 pounds	218.00
Tail-in Open Tie-Down, unimproved pavement 0 to 3,500 pounds	112.00
3,501 to 5,200 pounds	127.00
5,201 to 10,200 pounds	143.00
10,201 to 17,000 pounds	160.00
Taxi-in Open Tie-Down, improved pavement 0 to 3,500 pounds	186.00
3,501 to 5,200 pounds	232.00
5,201 to 10,200 pounds	322.00
10,201 to 17,000 pounds	341.00
Large aircraft only designated tie-downs	341.00
Helicopter tie-downs	341.00
Taxi-in Open Tie-Down, unimproved pavement 0 to 3,500 pounds	149.00
3,501 to 5,200 pounds	188.00
5,201 to 10,200 pounds	271.00
10,201 to 17,000 pounds	324.50

SECTION B. City Non-Based Aircraft	
Transient Aircraft, open tie-downs 0 to 3,500 pounds	no charge 0 - 4 hours \$4.00 4 - 8 hours \$10.00 8 - 24 hours \$10.00 any portion of each succeeding 24 hr period thereafter
3,501 to 5,200 pounds	no charge 0 - 4 hours \$5.00 4 - 8 hours \$12.00 8 - 24 hours \$12.00 any portion of each succeeding 24 hr period thereafter
10,201 to 17,000 pounds	\$10.00 0 - 4 hours \$10.00 4 - 8 hours \$21.00 8 - 24 hours \$21.00 any portion of each succeeding 24 hr period thereafter
Taxi-through parking	\$10.00 0 - 4 hours \$10.00 4 - 8 hours \$21.00 8 - 24 hours \$21.00 any portion of each succeeding 24 hr period thereafter
Helicopter parking	\$10.00 0 - 4 hours \$10.00 4 - 8 hours \$21.00 8 - 24 hours \$21.00 any portion of each succeeding 24 hr period thereafter
Transient Gliders will be billed for the number of tie-downs they occupy.	
Transient billing convenience fee <i>This fee will be added to each monthly billing when a parking invoice is not paid prior to vehicle departure.</i>	\$12.00 per monthly billing

SECTION C. Other Charges	
Banner Towing & Skywriting Operators & Aerial Applicators	
0 to 3,500 pounds	\$86.00 daily use fee
3,501 to 5,200 pounds	\$117.00 daily use fee
5,201 to 10,200 pounds	\$147.00 daily use fee
10,201 to 17,000 pounds	\$176.00 daily use fee
Charter & Air Taxi Flight Operations (charges are per aircraft)	\$17.50 Per Landing
0 to 3,500 pounds	\$43.00 Daily \$112.50 Monthly
3,501 to 5,200 pounds	\$28.00 Per Landing \$70.00 Daily \$183.00 Monthly
5,201 to 10,200 pounds	\$35.00 Per Landing \$88.00 Daily \$229.50 Monthly
10,201 to 17,000 pounds	\$69.00 Per Landing \$175.00 Daily \$454.00 Monthly
Annual fee for aircraft charter companies based at a County airport. Purchase of an annual permit will cover landing fees for the registered aircraft at all County-operated airports.	Single aircraft \$1,155.00 Multiple aircraft \$2,311.00
Glider & Aircraft Trailer Parking	\$139.00 per month
Automobile Parking Permit	
Daily Parking Permit	\$7.00
Monthly Parking Permit - Automobiles only	\$66.00
Monthly Parking Permit—RV, Trailers and other oversized vehicles	\$208.00
Overnight guest permits will be issued free of charge to current tenants when applicable.	
Mobile Catering Truck Operations Permit	\$21.00 per day \$205.00 per month
Fire Extinguisher Replacement	\$157.00 per fire extinguisher
Commercial Operators/FBO Waste Oil Fee	\$1.00 per quart

Other Charges <i>(not subject to annual CPI adjustment)</i>	
Late Payments and Penalties	
Returned Check Fee	\$25.00 per check
Aircraft Storage Late Fee	\$40.00 per month
Fixed Base Operator Late Fee	10% of amount due per month
Fuel Flowage Fee for Palo Alto Airport	\$0.20 per gallon
Self-Fueling Permit Flowage Fee	
Individual aircraft owner/operator	\$75.00 annual fee per aircraft
Aircraft owned or operated by a Flying Club	\$650.00 annual fee per aircraft
Commercial Operations Fee	\$120.00 per year
Commercial Agreement Transmittal Fee	\$1,000 per agreement
Rental Car Operations	10% gross car rental receipts
Fixed base operators or others who may sublease to, or offer as a part of their services, car rental services, shall pay a monthly fee based on the gross receipts which are received from car rentals.	