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Suggested by: Airport Commission/Administration

CITY OF KENAI

RESOLUTION NO. 2009-46

A RESOLUTION OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, ADOPTING MINIMUM STANDARD REQUIREMENTS FOR AERONAUTICAL SERVICES FOR THE KENAI MUNICIPAL AIRPORT.

WHEREAS, the City of Kenai is the owner and operator of the Kenai Municipal Airport; and,

WHEREAS, development of minimum standards for aeronautical services provides written standards for persons or entities interested in conducting business at the Kenai Municipal Airport; and,

WHEREAS, development of minimum standards for aeronautical services discourages the offering of substandard services at the Kenai Municipal Airport; and,

WHEREAS, it is important for the development of the Kenai Municipal Airport that aeronautical services provided at the airport not be substandard; and,

WHEREAS, modern airport management includes the development of minimum standards; and,

WHEREAS, the Kenai Airport Commission has held several public hearings and work sessions in working with the Airport Manager to develop minimum standards for the Kenai Municipal Airport; and,

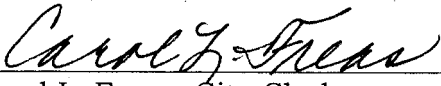
WHEREAS, on July 9, 2009, the Kenai Airport Commission voted unanimously to approve the airport minimum standards as shown on Attachment "A"; and,

WHEREAS, it is in the best interest of the citizens of the City of Kenai for the Kenai City Council to approve and adopt the attached airport minimum standards.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, that Kenai Municipal Airport Minimum Standards as shown on Attachment "A" are approved and adopted.

PASSED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this fifth day of August, 2009.


PAT PORTER, MAYOR

ATTEST:

Carol L. Freas, City Clerk

City of Kenai

**Kenai Municipal Airport
305 N. Willow, Suite 200
Kenai, Alaska 99611**

**MINIMUM STANDARD REQUIREMENTS
FOR
AERONAUTICAL SERVICES
AT
KENAI MUNICIPAL AIRPORT**

Effective August 5, 2009

**SECTION I
STATEMENT OF POLICY**

The City of Kenai, as the Owner and operator of the Kenai Municipal Airport, hereby gives notice of the following as a statement of the Minimum Standards for Aeronautical Services at the Airport.

These Minimum Standards are based on the City of Kenai Airport Regulations and Title 21 of the Kenai Municipal Code. These standards are intended to be the threshold entry requirements for those wishing to provide aeronautical services to the public at the Airport and to insure that those who have undertaken to provide aeronautical services are not exposed to unfair or irresponsible competition. These Minimum Standards were developed taking into consideration the aviation role of the Airport, the facilities that currently exist at the Airport, the services being offered at the Airport, the future development of the Airport, and the City's obligations as an Airport Improvement Program Sponsor under 14 C.F.R. part 152. The uniform application of these Minimum Standards relates primarily to the public interest and discourages the offering of substandard services to users of the Airport.

SECTION II NON-APPLICABILITY

These Minimum Standards *do not* apply to air carriers operating scheduled or non-scheduled passenger service to or from the Airport who have signed an Airline Operating Agreement and Terminal Area Lease.

SECTION III DEFINITIONS

Aeronautical Service means any service that involves, makes possible or is required for the operation of aircraft, or that contributes to or is required for the safe operation of aircraft on the Airport, and is operated by a person under a land lease or business activity permit with the City. These services include, but are not limited to, air taxi and charter operations, pilot training, aircraft renting, sightseeing, aerial photography, aerial advertising, aerial surveying, air carrier operations, aircraft sales and services, sale of aviation petroleum products, repair and maintenance of aircraft, or sale of aircraft parts and rental of aircraft storage.

Airport means the Kenai Municipal Airport, and all of the City-owned property, buildings, facilities and improvements within the exterior boundaries of the Airport Reserve defined under KMC 21.05.010 and KMC 21.05.030, as it now exists or as it may hereinafter be extended, enlarged or modified.

Airport Manager means the official to whom the City Manager has delegated the authority and responsibility of managing and directing the activities of the Airport. "Airport Manager" includes the Manager's authorized representative.

City means the City of Kenai, a home rule municipal corporation of Alaska.

FAA means the Federal Aviation Administration.

FBO means "Fixed Base Operator," an aviation business operating an aeronautical service at the Airport from a fixed location on land leased from the City.

CMGTW means the certificated maximum gross takeoff weight of an aircraft as established by the manufacturer.

Fuel means gasoline, propane, turbine fuel, or any other liquid combustible used to power aircraft, motors vehicles or ground support equipment.

KMC means the Kenai Municipal Code.

Minimum Standards means the standards established by an airport owner as the minimum requirements to be met as a condition for the right to conduct an aeronautical service on the airport.

Person means an individual, corporation, government or governmental subdivision, partnership, association, or other entity legally capable of entering into a contract.

SECTION IV MINIMUM STANDARDS FOR FBO'S

The following shall apply to all prospective aeronautical service providers wishing to become FBO's at the Airport:

1. Leases shall be for a term determined by the City under KMC 21.10.090 on the basis of the applicant's proposed financial investment in permanent improvements on the premises to be leased.
2. An applicant must demonstrate, to the satisfaction of the City, that the applicant has sufficient experience, knowledge, certifications, and licensing to be reasonably capable of lawfully and successfully operating the aeronautical services proposed by the applicant.
3. An applicant must demonstrate, to the satisfaction of the City, that the applicant has adequate financial resources to complete the construction of the proposed improvements on the proposed premises and to successfully operate the proposed FBO business.
4. The applicant shall lease from the City at least 30,000 square feet of land on the Airport as the location for the applicant's proposed FBO business. Regardless of this minimum, the applicant must lease enough land to provide adequate space, as determined by the City, to accommodate the applicant's building, aircraft parking, customer vehicle parking, and employee vehicle parking needs.
5. As a condition of the lease, the applicant must

- a. invest at least \$100,000 in buildings and other permanent improvements on the premises in support of the applicant's proposed FBO business.
 - b. operate the proposed FBO business on a continuous basis throughout the term of the lease, uninterrupted by any period of closure over 15 consecutive days or 30 aggregate days within any 12-month period without permission of the Airport Manager, unless the business is by nature is seasonal.
 - c. have personnel in attendance on the premises during all operating hours who are qualified to perform the service offered by the proposed FBO business.
 - d. indemnify the City and maintain insurance coverage, as required under the lease.
6. The applicant must pay all fees and rents applicable to the applicant's FBO business as imposed by the City under the City's Airport Regulations and KMC Title 21.

SECTION V THROUGH THE FENCE OPERATIONS:

A person or business located off the airport that has direct access to airport operational areas and supports aircraft or air cargo operations, or performs any of the activities covered in this minimum standards document within the airport. A through-the-fence operator does not operate from a fixed location within the airport.

Minimum Standards

1. Such person or business shall have a written agreement with the Airport Manager for the access from their property, and will meet all requirements of on field FBO's as regards insurance, personnel and equipment as well as all other minimum standards.
2. Such written agreement shall include provision for payment of an access fee, as applicable, as established for such type activity by the Airport.

An access fee ensures that those commercial activities that are using the airport to conduct their business to earn a profit are participating in the cost of maintaining the airport. The written agreement also ensures they are maintaining safe operations and minimum standards while using the airport.

SECTION VI APPLICATION INFORMATION

Persons interested in operating a FBO or providing a mobile aeronautical service on the airport should contact the Airport Manager at:

Kenai Municipal Airport Terminal
305 N. Willow, Suite 200
Kenai, Alaska 99611
Airport Administration Telephone: 907 283-7951

APPENDIX INSURANCE REQUIREMENTS

The following is the City's indemnification and insurance requirements:

Indemnification and insurance.

(a) All land leases shall include a provision requiring the lessee to indemnify the City from claims related to the lease and the lessee.

(b) Except as provided in (c) of this section, all land leases shall require the lessee to provide insurance coverage of the following types and minimum coverage limits. If a lessee's policy contains higher limits, the City will be entitled to coverage to the extent of the higher limits.

(1) **Commercial General Liability**, including premises, all operations, property damage, personal injury and death, broad-form contractual, with a per-occurrence limit of not less than \$1,000,000 combined single limit. If the lease authorizes the lessee to engage in the sale or the commercial dispensing or storage of aviation fuel, the policy must include an endorsement under which the insurer extends coverage to the lessee's fuel handling activities. The policy must name the City as an additional insured.

(2) **Commercial Automobile Coverage** with not less than \$1,000,000 combined single limit per occurrence. This insurance must cover all owned, hired, and non-owned motor vehicles the lessee uses on the Airport.

(3) **Workers Compensation Insurance**, for all the lessee's employees, coverage as required under AS 23.30.045, and, where applicable, any other statutory obligations. The policy must waive subrogation against the City.

(4) **Products and Completed Operations Liability Insurance**. If the lease authorizes the lessee to engage in the sale or the commercial dispensing or

storage of aviation fuel, the lessee shall provide Products and Completed Operations Liability Insurance in at least the following coverage limits:

- A. \$100,000 bodily injury combined single limit per occurrence;
- B. \$300,000 bodily injury aggregate; and
- C. \$100,000 property damage combined single limit per occurrence.

(c) The City Manager may, with the counsel of the City Attorney, waive or reduce the insurance requirements under (b) of this section for a lease granted for strictly non-commercial, individual use purposes.

(d) The lessee will provide the City with proof of insurance coverage in the form of an insurance policy or a certificate of insurance, together with proof that the premiums have been paid, showing the types and monetary limits of coverage secured. All insurance required by this section must provide that the City be notified at least 30 days prior to any termination, cancellation, or material change in the insurance coverage.

(e) A lease shall include a provision allowing the City, at intervals of not less than five (5) years from the beginning date of the term of the lease and upon written notice to lessee, revise the insurance requirements required under the Lease. The determination to revise the insurance requirements will be made by the City Manager with the counsel of the City Attorney and shall be based on the risks relative to the lessee's operations, any insurance guidelines adopted by the City, and any change in applicable law.

(f) If a Lessee subleases all or a portion of the premises under the provisions of this lease, the lessee will require the sublessor to provide the above insurance coverage required under these standards.

(g) All policies will be by a company/corporation currently rated "A-" or better by A.M. Best.