



*Leasing Policy for Commercial  
Aeronautical Activities*

*July 2005*

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## **SECTION I - INTRODUCTION**

The Town of Marana (TOWN) owns and operates the Marana Regional Airport (Airport) a general aviation reliever airport. As set forth by the Federal Aviation Administration (FAA) by way of its Airport Sponsor Assurances, any airport developed with Federal grant assistance is required to operate for the use and benefit of the public and is to be made available to all types, kinds, and classes of aeronautical activity on fair and reasonable terms and without unjust discrimination. As the Airports' sponsor, the TOWN receives Federal airport development funding. This Leasing Policy for Commercial Aeronautical Activities will assist the TOWN in maintaining compliance with the Airport Sponsor Assurances, as not to jeopardize their ability to obtain future Federal airport development funding, as well as to provide for the fair and equitable treatment of all Airport commercial tenants and users. This Policy has further been developed to assist the Airport in competing fairly with other airports and to maintain fiscal responsibility of the airport assets entrusted to the TOWN.

The purpose of this document is to set forth a standardized system for the leasing and rental of Airport properties performing commercial aeronautical activities, which will be utilized for all future commercial tenants of the Airport, and to assist the TOWN in maintaining compliance with the Federal Aviation Administration (FAA) Policies, Regulations, guidance documents and Advisory Circulars.

## SECTION II - PURPOSE

The Marana Regional Airport is an important component of the National, State and Local transportation network, generating economic growth and enhancing livability throughout the area. The Town of Marana has established this *Leasing Policy for Commercial Aeronautical Activities* to foster safe, efficient, and high quality commercial aeronautical services offered to Airport users and tenants.

The Town of Marana's goals include developing aviation as an integral part of the national, state and local transportation network; creating and implementing strategies to protect and improve the areas aviation system; encouraging aviation-related economic development; supporting aviation safety and education; and increasing air service and general aviation services in the area. One of the TOWN's primary goals is to ensure the existing and future airport system will be adequate to meet the needs of the citizens and businesses relative to air mobility.

This *Leasing Policy for Commercial Aeronautical Activities* document is intended to provide potential and current commercial tenants an understanding of the policies and processes used by the TOWN when leasing commercial property or providing access to the Airport. This document sets forth the parameters for leasing Airport land, or accessing Airport property, and has established the following purposes:

- Maintain TOWN's public-use Airport in a safe manner to ensure that the Airport can fulfill its role as required in a emergency response system
- Preserve investments in the Airport and the level of service
- Facilitate orderly management of the Airport
- Ensure provisions of high-quality leasing procedures, TOWN services, and consistent quality of facilities
- Provide equitable and uniform treatment of all tenants and users
- Advance qualified aviation-related services on the Airport
- To assist the TOWN in the well-ordered development the Airport

- To ensure compliance with applicable laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application and acceptance of Federal Funds
- Facilitate and foster good relations with all local airport communities and their residents
- Enable conformity with approved Airport Master Plans
- To make the Airport available for public use on reasonable terms without undue discrimination
- Assist the TOWN in maintaining a fee and rental structure with the goal of financial self-sustainability
- Ensuring economic growth by providing access to State, regional, local and national markets

## SECTION III - DEFINITIONS

### A. Aircraft

**(1) Aircraft** - any device used or designed for navigation or flight in the air including, but not limited to, an airplane, sailplane, glider, helicopter, gyrocopter, ultra-light, balloon, or blimp.

**(2) Air Charter or Taxi** - the commercial operation of providing air transportation of person(s) or property for hire by either on a charter basis or as an air taxi operator.

**(3) Aircraft Fuel** - all flammable liquids composed of a mixture of selected hydrocarbons expressly manufactured and blended for the purpose of effectively and efficiently operating an internal combustion, jet, or turbine engine.

**(4) Aircraft Operation** - an aircraft arrival at, or departure from, the Airport.

**(5) Aircraft Owner** - a person or entity holding legal title to an aircraft, or any person having exclusive possession of an aircraft.

**(6) Aircraft Parking and Storage Areas** - those hangar and apron locations of the Airport designated by the Airport Director for the parking and storage of aircraft.

**(7) Aircraft Rental** - the commercial operation of renting or leasing aircraft to the public for compensation.

**(8) Aircraft Sales** - the sale of new or used aircraft through brokerage, ownership, franchise, distributorship, or licensed dealership.

**(9) Based Aircraft** - an aircraft which the owner physically locates at the airport for an undetermined period, and whenever absent from the Airport, its owner intends to return the aircraft to the airport for long-term storage.

## **B. General**

**(1) *Aeronautical Activity*** - any activity or service conducted at the Airport that involves, makes possible, or is required for the operation of aircraft, or which contributes to or is required for the safety of such operations. These activities include, but are not limited to, air taxi and charter operations, aircraft fueling, aircraft storage, flight training, aircraft rental, aircraft sales, aircraft repair and maintenance, and any other activities, which because of their relationship to the operation of aircraft can appropriately be regarded as an “aeronautical activity.”

**(2) *Airframe and Power Plant Maintenance*** - the commercial operation of providing airframe and power plant services, which includes the repair, maintenance, inspection, constructing, and making of modifications and alterations to aircraft, aircraft engines, propellers and appliances including the removal of engines for major overhaul. This category of service also includes the sale of aircraft parts and accessories.

**(3) *Airport*** - The Marana Regional Airport, and all of the Airport-owned or leased real or personal property, buildings, facilities and improvements within the boundaries of said Airport, as it presently exists or as it may exist when it is hereafter modified, expanded, or developed. “Airport” includes all of its facilities as shown on the most current Airport Layout Plan.

**(4) *ALP*** - the currently approved Airport Layout Plan depicting the physical layout of the airport and identifying the location and configuration of current runways, taxiways, buildings, roadways, utilities, nav aids, etc.

**(5) *Commercial Aeronautical Activity*** - the conduct of any aspect of a business, concession, operation, or agency providing goods or services to any person for compensation or hire, including exchange of services, whether or not such objectives are accomplished. An activity is considered a commercial activity regardless of whether the business is nonprofit, charitable, or tax-exempt. A commercial business activity involves, makes possible, or is required for the operation aircraft, or which contributes to, or is required for the safety of aeronautical operations.



**(6) Commercial Operator (Operator)** - a person, firm, corporation, or other entity, which makes possible, or is required for the operation of aircraft, or which contributes to, or is required for the safe conduct and utility of aircraft operations, the purpose of such activity being to generate and/or secure earnings, income, compensation, and/or profit, whether or not such objectives are accomplished.

**(7) Exclusive Right** - a power, privilege, or other right excluding or debarring another from enjoying or exercising a like power, privilege, or right. An exclusive right can be conferred either by express agreement, contract, license, lease, and permit or by the imposition of unreasonable standards or requirements, or by any other means.

**(8) General Aviation** - all phases of aviation other than aircraft manufacturing, military aviation, and scheduled or non-scheduled commercial air carrier operations.

**(9) Minimum Standards** - the qualifications or criteria, which may be established by the Airport owner as the minimum requirements that shall be met by businesses engaged in commercial aeronautical activities for the right to conduct those activities.

### **C. Governmental**

**(1) Director** - The designated individual or duly authorized individual appointed by the Town to administer and manage all operations of the Airport and Airport facilities, and to supervise all Airport projects.

**(2) FAA** - the Federal Aviation Administration as established in 1967 within the Department of Transportation of the United States government that has the responsibility of promoting safety in the air, by both regulation and education.

**(3) FAR** - the Federal Aviation Regulations as published by the FAA that governs the operation of aircraft, airways, and airmen, Compliance with the FARs is mandatory. In 1996, all references to the FARs were changed to "14 CFR" (Title 14 of the Code of Federal Regulations).

## D. Fueling

**(1) Fueling or Fuel Handling** - the transportation, sale, delivery, dispensing, or draining of fuel or fuel waste products to or from aircraft.

**(2) Fuel Storage Area** - any portion of the Airport designated temporarily or permanently by the Town as an area in which aviation or motor vehicle gasoline or any other type of fuel or fuel additive may be stored or loaded.

**(3) Commercial Self-Fueling** - the commercial operation of an unmanned stationary fuel tank and dispensing equipment for general use via a card reader. This includes the operations of anyone utilizing this type of equipment to provide fuel for sale or reuse.

**(4) Self-Service Fueling** - Individuals with approved fuel storage for use in their owned aircraft only or individuals dispensing fuel into aircraft they own from approved portable containers.

## E. Lease and Agreements

**(1) Lease** - the written contract between the TOWN and an Operator (Lessee) specifying the terms and conditions under which an Operator may occupy and operate from certain Airport facilities and/or property.

**(2) Sublease** - a written agreement, approved by the Town, stating the terms and conditions under which a third party Operator leases space from a Lessee for the purpose of providing aeronautical services at the Airport.

**(3) Agreement** - the written agreement between the Town and an Operator specifying the terms and conditions under which the Operator may conduct commercial aviation activities. Such Agreement will recite the terms and conditions under which the activity will be conducted at the Airport including, but not limited to, term of the Agreement; rents, fees, and charges to be paid; and the right and obligations of the respective parties.

**(4) Permit** - administrative approval issued by the Town to a person or company to conduct a commercial aeronautical activity, and provide such services, to based and transient aircraft, only from facilities and locations where such services are authorized.

**(5) Person** - an individual, corporation, firm, partnership, association, organization, and any other group acting as an entity, to conduct business on the Airport. Person includes a trustee, receiver, assignee or similar representative.

## **F. Commercial Aeronautical Activities**

**(1) Avionics Sales and Maintenance** - the commercial operation of providing for the repair and service, or installation of aircraft radios, instruments and accessories. Such operation may include the sale of new or used aircraft radios, instruments and accessories.

**(2) Fixed Base Operator (FBO)** - a full service commercial operator who is authorized to engage in the primary activity of aircraft refueling and a minimum of three (3) of the following secondary activities: airframe and power plant maintenance, flight training, aircraft rental, aircraft charter or air taxi, avionics sales and service, and aircraft storage/hangars rentals.

**(3) Flight Training** - the commercial operation of instructing pilots in dual and solo flight, in fixed or rotary wing aircraft, and related ground school instruction as necessary to complete a FAA written pilot's examination and flight check ride for various categories of pilots licenses and ratings. Flight Training shall also include any portion of a flight between two or more airports or other destinations where the primary purpose is to increase or maintain pilot or crew member proficiency.

**(4) Flying Club** – a non-commercial and nonprofit entity organized for the purpose of providing its members with any number of aircraft for their personal use and enjoyment. Aircraft must be vested in the name of the flying club owners on a pro-rata share, and the club may not derive greater revenue from the use of the aircraft than the cost to operate, maintain, and replace the aircraft.

**(5) Preventive Aircraft Maintenance** - maintenance that is not considered a major aircraft alteration or repair and does not involve complex assembly operations as listed in 14 CFR Part 43, except for Item 22 in the Regulation. Item 22 involves the replacement of prefabricated fuel lines, and shall, for purposes of these regulations, be considered a major aircraft repair.

**(6) Specialized Aviation Service Operation (SASO)** - a commercial aeronautical business that is authorized to offer a single or limited service according to established Minimum Standards. Examples of a SASO include, but are not limited to the following commercial aeronautical activities: flight training, aircraft maintenance, air charter or taxi, aircraft sales, avionics maintenance, aircraft rental, skydiving, and sales, and aircraft storage.

## **G. Infrastructure**

**(1) Airport Operations Area or AOA** - the area of the Airport used for aircraft landing, takeoff, or surface maneuvering including the areas around hangars, navigation equipment, and communication facilities.

**(2) Airpark** – a development or area not located on, but lying adjacent to, and with access to the AOA. Said area may include permanent residences, structures, and taxilanes.

**(3) Roadway** - any street or road whether improved or unimproved, within the boundaries of the Airport and designated for use by ground vehicles.

**(4) Taxilane** - the portion of the Airport apron area, or any other area, used for access between taxiways and aircraft parking or storage areas.

**(5) Taxiway** - a defined path established for the taxiing of aircraft from one part of the Airport to another.

**(6) UNICOM** - a two-way communication system operated by a non-governmental that provides airport advisory information.

**(7) Vehicle Parking Area** - any portion of the Airport designated and made available temporarily or permanently by the TOWN for the parking of vehicles.

## SECTION IV - APPLICATION

### 4.1 Application Overview

Any person who desires to conduct any commercial activities at the airport shall, prior to conducting such activities, submit the application in "Appendix A" to, and receive approval from the Airport Director. In addition to the following requirements, the Airport Director may require the applicant to provide additional information which is necessary to ensure compliance with the Airport Minimum Standard Requirements for Airport Aeronautical Services, Airport Rules and Regulations, Airport Architecture & Landscape Design Standards, Airport Master Plan and any other established Town of Marana Policies or Codes. At a minimum the applicants shall furnish the following supporting documents as evidence of organizational and financial capability to provide the proposed activities:

1. The legal name of the entity filing the Application and its business name (if different).
2. The name, address, and telephone number of the entity and primary contact person.
3. The names, addresses, and phone numbers of all owners of equity interest, management control, or debt in the entity.
4. The names, addresses, and phone numbers of those who will be managing the business.
5. A comprehensive listing and description of all activities proposed to be offered by the business.
6. Provide a list and description of products to be sold or distributed (if any).
7. Definition and description of target markets and intended market share.
8. Provide a description of your promotional marketing techniques.
9. Provide a description of the amenities you will provide to attract customers.
10. Percent of intended sales related to aircraft based on the Airport (existing and future).
11. List of suppliers, subcontractors, and associates.
12. List of any proposed subtenants.
13. Description of existing competitors
14. The proposed date for the start of the intended activities and proposed term for conducting the activities.

15. Total number of acres of land desired to be leased. Number of acres needed for immediate needs. Number of acres needed for future needs. For final application approval a legal description and Alta Survey of the parcel from the applicant will be need to be provided to the airport.
16. Square feet of building space that will be constructed or leased immediately broken down between office space and open hangar space. Total square feet of building space needed for future broken down between office space and open hangar space.
17. For proposed agreements to lease (or requests for assignment) existing structures or improvements, a description of the size, location, and proposed utilization of office, hangar, tiedowns, and vehicle parking areas to be utilized.
18. The number of aircraft to be utilized in connection with the proposed activities and the make, model, passenger seating capacity, cargo capacity, aircraft registration number, and copies of applicable operating certificates for each aircraft.
19. Detail types of equipment and special tooling that will be provided by this business.
20. A listing of assets owned, or being purchased, or leased which will be used in the business on the Airport.
21. The number of persons to be employed immediately, including the names and qualifications of each management/supervisory person, and specifications as to whether the employees will be full-time, part-time, or seasonal. Number of persons to be employed in the future and whether they will be full-time, part-time, or seasonal.
22. Days and hours of proposed operation (i.e., 7 days a week from 6AM – 6PM).
23. In Appendix 1 of the application provide a scaled draft site plan, floor plan, building elevations, signage plan, security plan, and perspective rendering of your facility for (this is just a draft for the application a more comprehensive submittal will be required if application is approved per the Architecture & Landscape Design Standards).
24. In Appendix 2 of the application attach copies of all applicable Federal, State, or local operating certificates and licenses held.
25. In Appendix 3 of the application attach a list of manufacturer's or distributor's requirements for obtaining dealership (if applicable).
26. In Appendix 4 of the application the prospective operator shall furnish the TOWN with proof of its past experience in providing the specified commercial aeronautical service for which the application is being made, including resumes of management individuals who will be directly responsible for the proposed operation, together with, business, financial and managerial references. In this section of the application attach evidence of support from potential customers, such as surveys, testimonials, and/or related documents.
27. In Appendix 5 of the application attach the current financial statement of the business prepared or certified by a Certified Public Accountant. As evidence of the Applicant's financial capability, the prospective operator shall also provide a statement from a bank or similar financial institution, or from such other source as may be acceptable to the TOWN

and readily verified through normal banking channels. The prospective operator must also demonstrate the financial capability to initiate the activities, construct proposed improvements, and provide working capital to perform proposed activities. The demonstration of financial capabilities shall also include cash flow and profit and loss calculations for the first five-years of the proposed operation, a three-year historical profit and loss statement (if applicable), and a current (within 90-days) balance sheet.

28. In Appendix 6 of the application provide a statement and evidence that the applicant can supply a performance bond in an amount equal to 100 percent of one year's rent and/or fees established and agreed to for conducting the activities and entering into the agreement sought (cash may be used in-lieu of a performance bond). Also provide a statement and evidence that a performance bond in the amount equal to the cost for constructing the proposed improvements
29. In Appendix 7 of the application attach edivendience proof of liability coverage for the business operation, flight operations, itinerant aircraft and operators and premises insurance. Such proof may be in the form of a copy of insurance company letter of intent.
30. In Appendix 8 of the application provide the original signatures of all parties whose names are being submitted as owning an interest in the business or will appear on leases or other documents as being a partner, director or corporate officer.

#### **4.2 Cost to Prepare Application**

The cost to prepare any and all parts of this application will be an expense of the applicant. Neither the application nor any supporting documents will be returned.



## SECTION V – ACTION ON APPLICATION

### 5.1 Reasons for Application Denial

The Airport Director shall be responsible for processing an application for a lease, license, permit or agreement to conduct activities at the airport. All applications will be reviewed and acted upon by the Airport Director within ninety (90) days from the receipt of the application. The Airport Director may deny any application for the following reasons:

1. The application is incomplete or missing items required.
2. The applicant's proposed activities, operation, and/or construction will create a safety hazard or incompatible land use on the Airport and/or surrounding community.
3. The applicant does not meet qualifications, standards and requirements of the TOWN. The Applicant, for any reason, does not fully meet the qualifications, standards, and requirements of the TOWN. The burden-of-proof shall be on the prospective operator and the standard-of-proof shall be by clear convincing evidence.
4. The granting of the application will require the TOWN to expend funds, or supply labor or materials, in connection with the proposed activity and/or construction that the TOWN is unwilling to spend, or the proposed activity and/or construction will result in a financial loss (or hardship) to the Airport.
5. No appropriate, adequate, or available space or buildings exist at the Airport, which would accommodate the operation of the Applicant at the time of the application, nor is such contemplated within a reasonable time frame.
6. If any of the individuals within the application cannot pass the standard FAA background check.
7. The proposed operation, Airport development or construction does not comply with the Master Plan of the Airport or the approved Airport Layout Plan, in effect at that time, or anticipated to be in effect within the time frame proposed by the Applicant.
8. The development or use of the area requested may result in a congestion of aircraft or buildings, or will result in unduly interfering with the operations or activities of any present tenant or operator on the Airport and/or prevent adequate access to the assigned lease area of any present lessee and/or operator.
9. The development or use of the area requested may result in problems in connection with aircraft traffic or service, or preventing free access and egress to an existing tenant or fixed base operator area, or SASO, or will result in depriving, without the proper economic study, an existing tenant or fixed base operator of portions of its leased area in which it is operating.

10. The Applicant applying has supplied false information, or has misrepresented any material fact in the application or in supporting documents, or has failed to make full disclosure on the application or in supporting documents.
11. The Applicant or an officer, director, agent, representative, shareholder, or employee of the Applicant, has a record of violating the rules, regulations, statues, ordinances, laws, or orders of any other Airport, civil air regulation, FAA regulations, or any other rules, regulations, statues, ordinances, laws, or orders applicable to the Airport or Airports.
12. The Applicant or an officer, director, agent, representative, shareholder, or employee of the Applicant has committed any crime, or violated any local ordinance rule or regulation, which adversely reflects on its ability to conduct the FBO or SASO operation applied for.
13. The Applicant or an officer, director, agent, representative, shareholder, or employee of applicant has defaulted in the performance of any other agreement.
14. Any party applying, or having an interest in, the business, is not sufficiently credit worthy and responsible in the judgment of the Town to provide and maintain the business to which the application relates and to promptly pay amounts due under the FBO or SASO lease.
15. On the basis of current financial information, the Applicant does not, in the sole discretion of the TOWN, exhibit adequate financial responsibility or capability to undertake the proposed operation and activities.
16. The applicant does not have the finances necessary to conduct the proposed operation for a minimum period of six months.
17. The Applicant cannot or will not provide a performance bond or applicable insurance in the amounts and type required for the proposed activity.
18. The Applicant or an officer, director, agent, representative, shareholder or employee of applicant has been convicted of any felony or of a misdemeanor involving moral turpitude.
19. Applicant's activities or operations could be detrimental to the Airport.
20. The proposed use or business activity is not in the best interest of the Town, in the sole discretion of the TOWN, or the Marana Regional Airport.

## **5.2 Application Appeal Process**

The applicant shall have the ability to appeal the denial of an application by the Airport Director, subject to the following provisions:

1. Providing written notice of appeal to the Airport Director within ten (10) days of said denial.
2. The notice of appeal will be forwarded to the Town Manager or designee for review.

3. Applicant shall be notified in writing of the date of the scheduled appeal review.
4. Applicant shall be present at the appeal review to justify the applicant's application.
5. If applicant is not present, the Airport Director's denial shall remain unchanged.
6. The Town Manager or designee shall take comments from the applicant and the Airport Director.
7. The Town Manager shall render its decision in writing within ten (10) calendar days of the conclusion of the hearing and the decision shall be final as to the denial or approval of the application.

## SECTION VI - GENERAL LEASE PROVISIONS

### 6.1 Property Lease

Once the TOWN has approved the lease application and the Applicant has read the Airport Minimum Standards, Airport Architecture & Landscape Design Standards, Airport Rules and Regulations, and Airport Leasing Policy for Commercial Aeronautical Activities, the Applicant shall be provided a Draft Commercial Lease for review. This Draft Commercial Lease will include, but not be limited to the following details:

1. Legal description of leasehold provided by the applicant.
2. Term of lease
3. All fees and charges associated with occupying and operating on the premises
4. Payment procedures relating to all fees and charges
5. Approved activities
6. Prohibited activities
7. Subleasing requirements
8. Lease assignment provisions
9. Maintenance requirements
10. Restrictions on hazardous substances
11. Default and penalty provisions
12. Remedies on default
13. Vacating the premises procedures
14. Insurance amounts required
15. Names and addresses of responsible parties
16. Reversionary clauses
17. Information on all taxes, liens and utilities
18. Compliance with FAA regulations
19. Aircraft registration requirements/pilot registration
20. Construction or alteration procedures
21. Landscaping
22. Fire Prevention

23. Airport entry onto premises
24. Compliance with laws
25. Termination for Airport development
26. Transfer of Airport ownership
27. Bankruptcy
28. Ingress and Egress to Property
29. Sale of Improvements
30. Lease Renewal Options

## **6.2 Lease Term**

Initial terms for FBO and/or SASO leases will be for twenty-five (25) years (identified as the Base Term). The TOWN, at its discretion, may grant longer terms based upon the proposed capital investment in the property by the tenant. Typically the longer term would allow for two (2) consecutive ten-year (10) options. At the expiration of each lease, the TOWN maintains the option of retaining ownership of all leasehold improvements, or to require tenant to remove any and/or all structures at the tenant's cost.

## **6.3 Lease Renewal Options**

In accordance with Section 6.2 - Lease Term above, Lessee may have the option to extend the lease beyond the Base Term. Any such option will be subject to the lease terms and the satisfaction of all of the following conditions:

(A) The existing Lease must not be in default.

(B) Any improvements on the Premises must be structurally sound and capable of safe and legal occupancy for the remaining term of the option periods. Lessee may be required to obtain an inspection by a certified structural engineer on building code compliance to verify the condition of the structures. Such individual must be approved by the TOWN in advance.

(C) File a written notice with the TOWN that the Lessee has complied with (A) and (B) above, and that the Lessee intends to exercise the option at least 1 Year prior to the expiration of the preceding lease term.

(D) The TOWN may refuse the options if any of the stated conditions are not met, or in the event the TOWN makes a determination that the Premises are required for other Airport Development. In the event of Airport development, the TOWN may, providing other suitable land is available, submit an alternative site to Lessee for consideration and the parties shall make good faith effort to negotiate a new lease.

Any renewal options related to a lease shall be subject to the same conditions as set forth during the Base Term. However, the TOWN maintains the right to adjust any and all rates fees and charges in effect at the time commencement of the option as spelled out in the lease.

#### **6.4 Rates and Charges**

It is the intent of the established Airport Rates and Charges to benefit the public by the establishment of a standardized system of rates and charges procedures, which is based on the following Airport obligations:

- (A) Ensure compliance with applicable legal requirements regarding Airport rates and charges through local communications, negotiations, and resolution.
- (B) Ensure the rates, charges, and fees imposed on the aeronautical users of the Airport are fair and reasonable.
- (C) Make the Airport available for public use on fair and reasonable terms without unjust discrimination. Ensure that any airport tenant is subject to the same rates, fees and charges as are uniformly applicable to other tenants offering similar services or utilizing the similar facilities at an Airport.
- (D) Maintain a rate and fee schedule that guides the Airport toward financial self-sustainability.
- (E) Expend revenue generated from Airport activities and services only for aeronautical purposes (no revenue diversion).

## **6.5 Insurance Requirements**

Each tenant shall maintain the types and amounts of insurance as specified in the lease or agreement, the Airport Minimum Standards or to adequately cover the respective categories of commercial aeronautical services provided and to meet all TOWN insurance requirements. Each commercial tenant shall at all times maintain the following applicable levels of commercial general liability, personal injury, contractual liability, automotive liability, aircraft liability, hangar keeper's liability, products-completed operations liability, and environmental clean-up liability insurance.

Each tenant shall maintain at all times fire and extended property coverage for all improvements and fixtures on premises in an amount not less than the full replacement cost of same improvements and fixtures. In addition, each tenant, if applicable, shall maintain at all times Worker's Compensation insurance as required by Arizona State law.

Each tenant shall provide the TOWN with a proof of insurance certificate annually. All insurance policies shall contain indemnification and hold harmless language that covers the TOWN and its employees, Council members, and officers (individually or collectively) as additional insured with respect to liability arising from activities performed. Each Certificate of Insurance must state the following word for word:

1. The Town of Marana/Marana Regional Airport is named as an additional insured. The address to be listed is: 11700 W. Avra Valley Road #91, Marana AZ 85653
2. This insurance must be primary to any other collectible coverage.
3. The Town of Marana shall be notified at least 30 days prior to cancellation or alteration of the above insurance coverage.

## **6.6 Minimum Standards and Exclusive Rights**

The Town of Marana owns and operates the Airport, the TOWN receives Federal airport development assistance and assumes contractual grant obligations including compliance with the Federal Aviation Administration (FAA) Advisory Circular 150/5190-5 change 1, Exclusive Rights and Minimum Standards For Commercial Aeronautical Activities effective June 10, 2002.

Minimum Standards are developed to provide the threshold entry requirements for those persons desiring to provide commercial aeronautical services to the public at the Airport. The Minimum Standards are established based upon the conditions at the individual airport or class of airport, the existing and planned facilities at the airport, and the current and future aviation role of the airport. The prospective commercial aeronautical operator shall agree to offer the described minimum level of services in order to obtain an agreement, permit, or lease to operate on the Airport. In summary, the Airport's Minimum Standards establish the minimum requirements to be met by individuals and companies for the privilege of providing commercial aeronautical services at the selected Airport. All operators are encouraged to exceed the "minimum" in terms of quality of facilities and/or services.

The FAA policy on exclusive rights prohibits the creation or continuance of agreements at the Airport granting exclusive rights to a single commercial operator or service provider. The FAA concludes that the existence of an "exclusive right" aeronautical activity or a local monopoly at an airport restricts the public use of the airport through the absence of competitive enterprise. The TOWN is prohibited from granting an exclusive right to a single operator the Airport, with a few exceptions. However, it should be noted that a single commercial operator does not represent the granting of an "exclusive right" or monopoly to that operator by the TOWN.

## **6.7 General Contractual Provisions**

Except as otherwise provided in the Town of Marana Revised Code, all leases, licenses, permits or agreements with the Town which affect the airport are subject to the following provisions:

1. Rights to engage in specific activities at the airport are non-exclusive.
2. Defense and indemnification of the Town and its elected or appointed officials, officers, representatives, directors, commissioners, agents and employees from and against all damages, claims, suits, actions, losses and expenses (including court costs and reasonable attorney's fees) for personal injury or death or for property damage or loss arising out of the use of the airport;



3. A termination clause allowing the Town to terminate the commercial service operator's lease, license, permit or agreement no later than thirty (30) days after notice of default is given to the commercial airport operator if the commercial airport operator fails to cure its default within the thirty (30) day period, and allowing the Town to terminate the lease, license, permit or agreement immediately if the commercial airport operator fails to maintain the required insurance.
4. No improvements or modifications to airport property without the prior written consent of the Town and without posting appropriate payment and performance bonds. Before commencing any improvements or modifications, the commercial airport operator shall submit detailed construction plans and specifications to the Town. Upon completion of the construction, the commercial airport operator shall provide the Town with two (2) complete sets of detailed plans and specifications of the work as completed. All improvements or modifications made to airport property shall become the property of the Town, at no cost to the Town, upon termination of the commercial airport operator's lease, license, permit or agreement.
5. No lease, license, permit, agreement, or any rights hereunder, shall be assigned without the prior written consent of the Town. The Airport Director may require any potential assignee to submit biographical and financial information at least thirty (30) days prior to a proposed assignment.
6. All FAA required provisions.

## **SECTION VII - COMPETITIVE REQUEST FOR PROPOSAL PROCESS**

In order for the TOWN to determine the level of market demand, the TOWN maintains the right to seek competitive proposals at their discretion for commercial property leases. The proposal process may include public notices and information and availability of proposal documents on the TOWN web site. All Requests for Proposals will be consistent with any and all applicable TOWN policies, and a fair and objective evaluation process will be utilized to select the proposals that best meets the interests of the TOWN's criteria as defined within the proposal documents.

### **7.1 No Exclusions of Existing Qualified Operators**

Current tenants will not be excluded from submitting competitive proposal.

### **7.2 Proposal Evaluations**

Each Request for Proposal will contain specific information regarding the Airport property currently being considered, and all proposals will include requirements for detailed information from the respondents regarding:

- Qualifications
- Capital investment proposed
- Experience in services being offered
- Experience of management personnel
- Proposed services and products
- Financial ability

## **SECTION VIII - APPLICABLE DOCUMENTS**

All tenants and prospective tenants are encouraged to become familiar with Airport management documents. These documents can be obtained on the Marana Regional Airport Web site at [www.marana.com](http://www.marana.com). The following lists of documents are recommended; however, please contact the TOWN for information on other pertinent policies regarding your proposed tenancy and operations.

- Airport Leasing Policy for Commercial Aeronautical Activities
- Airport Architecture & Landscape Design Standards
- Airport Minimum Standards
- Airport Rules and Regulations
- Airport Master Plan