AGENDA
AIRPORT ADVISORY COMMISSION
REGULAR MEETING
AUGUST 8, 2019
6:00 PM
CITY HALL COMMISSION CHAMBERS
204 ASH STREET
FERNANDINA BEACH, FL 32034

1. CALL TO ORDER

2. ROLL CALL

3. APPROVAL OF MINUTES

3.1 Review Meeting Minutes from the July 11, 2019 Regular AAC Meeting

4. PUBLIC COMMENT REGARDING ITEMS NOT ON THE AGENDA

5. OLD BUSINESS

5.1 GPS Procedure Development Update

5.2 T-Hangar Exclusivity Discussion Continued - Template RFP/Lease

5.3 Airport Financial Report

5.4 Land Use Compatibility Discussion - Continued

6. NEW BUSINESS

6.1 City Water Plant Solar Farm Lease Concept

6.2 Facility Use Agreement - Jamestown Road Vehicle Parking for Event in Hangar A

7. AIRPORT DIRECTOR AND STAFF REPORTS

7.1 Airport Director Monthly Report

8. COMMISSION MEMBER REPORTS/COMMENTS

9. NEXT MEETING DATE

10. ADJOURNMENT

All members of the public are invited to be present and be heard. Persons with disabilities requiring accommodations in order to participate in this program or activity should contact the City Clerk at (904) 310-3115 or TTY/TDD 711 (for the hearing or speech impaired). All interested parties may appear at said meeting and be heard as to the advisability of any action, which may be considered with respect to such matter. For information regarding this matter, please contact the Airport Manager.

1. **Call to Order:** Chairperson Chuck Colcord called the meeting to order at 6:00 pm.

2. **Members Present:** Chuck Colcord (Chair), Ward Gill, Dave Austin, Prudence Hostetter, David Broughton, Tom Piscitello, and Don Edlin
   Members Absent: Kent McKee

   Others Present: Nathan Coyle (Staff Assistant), Robert Kozakoff, Tracine Anderson, Brian Echard, Kathryn Echard, John Evans, Commissioner Chip Ross, Commissioner Len Kreger, and Andrew Curtin.

3. **Approval of Minutes**

   3.1 June 13, 2019 AAC Meeting – Approval of Minutes: Mr. Coyle presented the minutes for consideration of the AAC. Member Piscitello provided a correction identifying that he was not listed as in present nor absent within the meeting minutes, but was indeed present during the June meeting. Mr. Coyle stated that he would make the correction in the minutes.

   A motion was made by Member Edlin, seconded by Member Gill, to approve the June 13, 2019 AAC Regular Meeting Minutes. A vote upon passage of the motion was taken by ayes and nays and being all ayes, carried.

4. **Public Comment Regarding Items Not On The Agenda:** No public comment was received.

5. **Old Business:**

   5.1 GPS Procedure Development Update

   Airport Manager Coyle provided an update stating that he had, since the last meeting, connected with the flight procedures office which confirmed that the proposed procedure for Runway 4 was forwarded to Oklahoma City for processing. Mr. Coyle stated that the online IFP Production Plan still reflects a December publication date for the procedure.

   5.2 Airport Architectural Standards Process Update

   Airport Manager Coyle stated that the first reading by the City Commission of proposed airport architectural and design standards occurred during the July 2nd meeting with a second meeting scheduled to occur during the August 6th Commission meeting.

   5.3 Airport Financials

   Airport Manager Coyle presented the airport financials to the AAC. There was no discussion on the financials.

6. **New Business:**

6.1 FY 19/20 Airport Budget Development

Airport Manager Coyle provided a presentation of the proposed FY 19/20 Airport Budget and Capital Plan. Mr. Coyle presented proposed revenue and expense projects for the budget and discussed the 5-year capital plan. Mr. Coyle also reviewed current status of airport reserve fund balance as it related to the airport's ability to cover its CIP needs across the 5-year planning period.

The group discussed the budget and CIP. Following discussion, Mr. Coyle stated that the budget has been submitted and would be considered by the City Commission during the upcoming months as a part of the City budget process.

6.2 T-Hangar Exclusivity Discussion
Mr. Coyle mentioned that this topic was to continue discussions on the concept of opening hangar development to private entities under a ground lease. Mr. Coyle shared an excel spreadsheet which showed rental revenue and expense of development and maintenance of airport-owned hangars for rental, assuming no grant dollars utilized, across the life cycle of the facility. Mr. Coyle then compared the life cycle cost-benefit to a scenario where a private developer would lease ground and develop/maintain/rent hangars.

The group discussed the concept. Mr. Coyle stated that an existing template may exist at an airport he had identified in Frederick, Maryland, where the airport took competitive proposals for hangar development and awarded a ground lease for development to AOPA. AAC members suggested that perhaps Mr. Coyle bring back that template RFP and associated information for review by the group.

A motion was made by Member Edlin, seconded by Member Austin, to recommend that the Airport Manager provide the AAC with information from the RFP conducted in Frederick Maryland at the next AAC meeting for further review of private T-Hangar development on the airport. A vote upon passage of the motion was taken by ayes and nays and being all ayes, carried.

7. **Airport Manager and Staff Reports:**

Mr. Coyle presented the monthly staff report for questions or comments. There was no discussion or questions from the group.

8. **Commission Member Reports and Comments:**

Member Broughton asked for an update on his question regarding the effect that adopted master plans have on decision making of the City. Mr. Coyle stated that he would get an answer back to the group soonest.

Commissioner Kreger suggested that the AAC consider providing a group presentation to the City Commission on land use compatibility for use of non-aeronautical property. Mr. Coyle stated that he could develop a presentation and coordinate it with the FAA for review. Member Colcord suggested that Mr. Coyle bring the presentation to the next AAC meeting for discussion of the group prior to presentation to the City Commission. Mr. Coyle agreed that he would bring something back for conversation.

9. **Next Meeting Date:** Thursday August 8, 2019.

10. **Adjournment:** There being no further business to come before the Airport Advisory Commission, the meeting was adjourned at 7:45 p.m.

______________________________	______________________________
Secretary	Chuck Colcord, Chairperson

REQUEST FOR PROPOSALS

FREDERICK
MUNICIPAL AIRPORT

RFP 17-R

Land Lease for
Northeast Hangar Development (F4)

Due:
July 28, 2017 by 3:00 p.m.

Issued By:
The City of Frederick Purchasing Department
111 Airport Drive East, Frederick, MD 21701
(301) 600-1194 Fax (301) 600-3871

The City of Frederick Maryland

Issued:
5/24/17

The City of Frederick
Maryland
Economic Development

Randy McClement, Mayor
Richard Griffin, AICP, CEcD – Director
Rick Johnson, CM Airport Manager

May 24, 2017

RE: **Frederick Municipal Airport – RFP 17-R**
Land Lease for Northeast Hangar Development (F4)

Dear Prospective Airport Hangar Developer,

The City of Frederick is pleased to offer a unique economic development opportunity to lease a ten acre prime airport land parcel (F4) at market rate for the purpose of developing general aviation aircraft hangar facilities. The City of Frederick is the second largest city in Maryland and FDK is the preferred corporate executive airport in the Baltimore/Washington region with more than 70,000 aircraft operations each year. There are a number of reasons why this development opportunity makes great sense:

- Frederick is a nationally award-winning city with high amenities
- FDK is located outside the Washington DC Special Flight Rules Area (SFRA)
- FDK has 70,000 (+/-) aircraft operations each year and approximately 200 based aircraft
- Strong pent up demand from aircraft owners for hangars
    - Existing waiting list of several dozen aircraft owners
    - Removal of some existing hangars as part of the obstruction removal for the Runway 5-23 extension project.
- Top Aviation Services
    - Signature Flight Support – Fixed Base Operator
    - Frederick Flight Center and Bravo Flight Training – Fixed Wing Flight Training
    - Advanced Helicopter Concepts – Rotary Wing Flight Training
    - Aircraft Owners and Pilots Association (AOPA) Headquarters

We are confident that the potential return on investment for this project supports the investment and we stand ready to consider your proposals. Make certain that you get your proposals in by Friday, July 28, 2017 at 3:00 p.m.

Sincerely,

Richard G. Griffin, AICP, CEcD
Director of Economic Development

Rick Johnson, C.M.
Airport Manager

NOTICE TO PROPOSERS

AUTHORITY TO DISTRIBUTE RFP PACKAGES:

The City of Frederick Purchasing Office (website and e-Maryland Marketplace, if applicable) is the only entity which can provide an authorized RFP package to interested companies or individuals. Firms who are working from an RFP package obtained from any other source may have an incomplete set of documents. The City assumes no responsibility for any error, omission, or misinterpretation resulting from a company's use of an incomplete RFP package.

Firms who have received the RFP package from a source other than the City Purchasing Office (website and e-Maryland Marketplace, if applicable) are advised to contact the office to receive instructions for obtaining an official RFP.

There may be one or more amendments or addendums to this solicitation. If your company desires to receive copies or notices of any such amendments, you must provide the information requested below to Purchasing. Please send this information via fax to (301) 600-3871 or by e-mail to klbrown@cityoffrederick.com. Purchasing will attempt to send amendments only to those firms that timely complete and return this form via fax or provide the requested information by timely e-mail.

RFPnumber	RFP 17-R
Company name	___________________________
Mailing address	___________________________
	___________________________
	___________________________
Phone number	___________________________
Fax number	___________________________
Contact person	___________________________
E-mail address	___________________________

Amendments will be posted on The City Frederick Purchasing website.
http://www.cityoffrederick.com/index.aspx?nid=251 Check the Expanded Information page for the particular solicitation for any posted amendments.

"The City of Frederick Government does not discriminate on the basis of race, color, religion, sex, national origin, age, marital status, veteran status, disability, sexual orientation, gender identity, genetic information, or any other legally protected group in employment or in the provisions of services."

Proposals shall be submitted by no later than July 28, 2017 at 3:00 p.m. Proposers shall be responsible for verifying that the City has received their proposal.

Attendance at one of two site visits is mandatory to submit a proposal under this RFP. Developers, general contractors, subcontractors and vendors are encouraged to attend. An attendance list will be generated and provided to all attendees.

Site visits will be held on:

> **Wednesday, May 31st and Wednesday, June 7th at 1:00 p.m.** beginning at the Airways Inn parking lot, 310 Aviation Way, Frederick, MD 21701.

Proposals should be submitted bearing the name and address of the Proposer, as well as, the title of the RFP. Proposals must be submitted in a sealed envelope addressed to the Purchasing Manager, The City of Frederick, 111 Airport Drive East, Frederick, Maryland 21701. All submittals must be valid for one hundred and twenty (120) days from date of receipt.

Firms desiring to respond to this request are required to: A) submit one (1) original (stating original), two (2) copies and an electronic (CD or flash drive) version.

Proposers are advised to respond to this RFP fully and with forthrightness at the time of proposal submission. Proposers are strongly cautioned NOT to contact elected officials or members of the evaluation committee regarding the selection process. Inappropriate efforts to lobby or influence individuals or organizations involved in this selection may result, at the City's sole discretion, in dismissal from further consideration. Proposers may be required to clarify their proposals by making individual presentations to the evaluation committee.

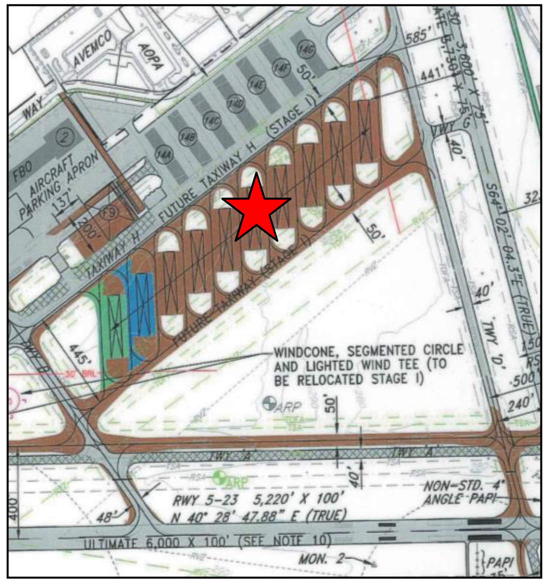
Proposals shall not be available for inspection until interviews, if scheduled, are completed and award has been made. After agreement award, all proposals become matter of public record and are available for inspection by the general public. It shall be the vendor's responsibility to duly note on their submittal if any information in their submitted proposal contains proprietary information.

The City of Frederick shall not be responsible for any oral instruction, suggestion or interpretations. If the Purchasing Department finds it necessary to revise any part of this RFP, it shall be done through the issuance of a written RFP Addendum which shall be posted on the City Purchasing website.

All questions should be in writing and directed to: Keisha Brown, Purchasing Manager at klbrown@cityoffrederick.com or 301-600-3871(fax), with e-mail being the preferred method.

Disclaimer: The City of Frederick may, in its sole and absolute discretion, accept or reject, in whole or in part, for any reason whatsoever any or all Proposals; re-advertise this Request for Proposal; postpone or cancel at any time this Request for Proposal process; or waive any formalities of or irregularities in the Proposal process. Proposals that are not submitted on time and/or do not conform to The City of Frederick's requirements will not be considered. The selection by The City of Frederick shall be based on the proposal, which is, in the sole opinion of the Evaluation Committee and Mayor and Board of Aldermen, to be in the best interest of The City of Frederick. The issuance of this Request for Proposal constitutes only an invitation to make presentations to The City of Frederick. The City of Frederick reserves the right to determine, at its sole discretion, whether any aspect of the proposal satisfies the criteria established in this Request for Proposal. In all cases, The City of Frederick shall have no liability to any vendor for any costs or expense, incurred in connection with this Request for Proposal or otherwise.

PURPOSE



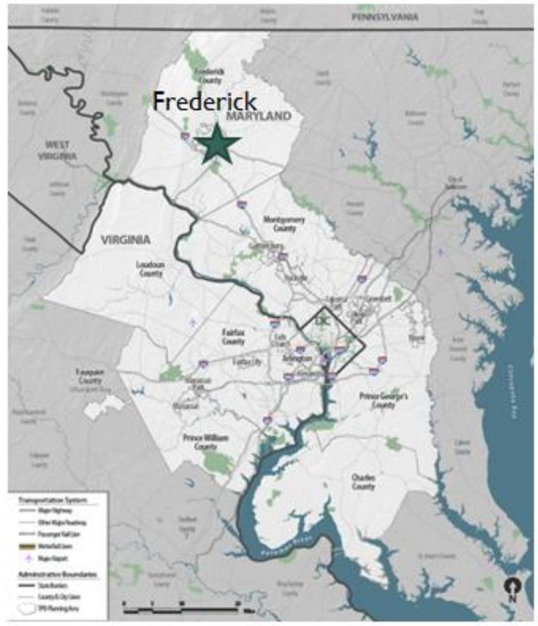
The City of Frederick (City) is seeking proposals from all interested and qualified parties for the purpose of financing, constructing, and operating a multi-hangar complex at the Frederick Municipal Airport in Frederick, Maryland. The Airport is offering a parcel of land for development shown on the approved Airport Layout Plan as F4. The intent of this RFP is to solicit proposals and subsequently establish a lease agreement for approximately 450,000 square feet of real property at the Frederick Municipal Airport to finance, construct, and operate up to 120 nested t-hangars and/or box hangars (not to exceed 10 individual structures) capable of accommodating single engine and/or multi-engine aircraft for the sole purpose of aircraft storage. The exact number and type of hangars will be determined by the developer as part of the proposal based on market demand.

1. COMMUNITY DESCRIPTION

The City of Frederick with nearly 70,000 residents, 3,400 businesses, and 50,000 jobs is the second largest city in Maryland and is the county seat for Frederick County. Frederick has garnered many accolades in recent years as a great place to work, live, and play. The Frederick Municipal Airport plays a strong role in that success. More than 1.7 million visitors from out of the region visit the City each year anchored by vibrant historic downtown which is located less than a mile from the municipal airport. The City is the hub of culture, commerce, and government for the community. Frederick is a biotech hub and is the home of Fort Detrick and the National Interagency Biodefense Campus as well as the National Cancer Institute-Frederick and the Frederick Laboratory for Cancer Research.

LOCATION

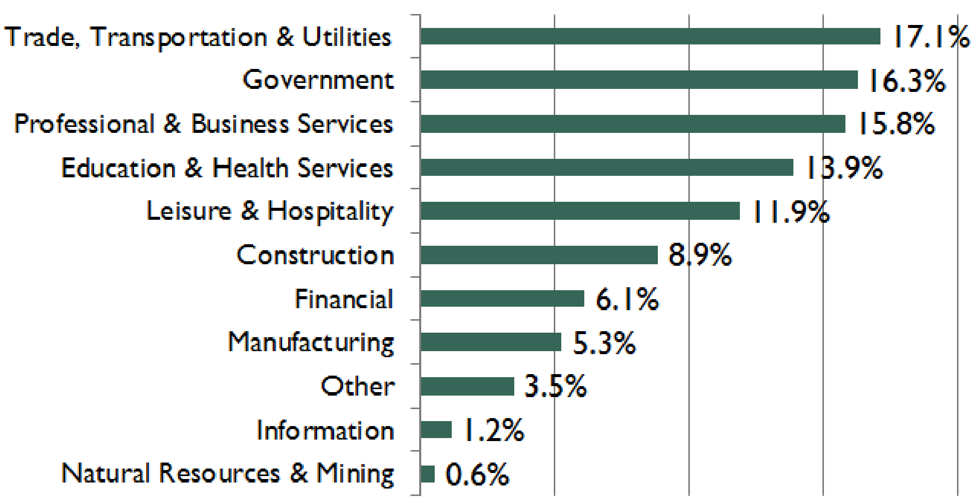
- **Frederick**
  - Two-thirds of the U.S. population is within a day's drive
  - Within 50 miles of 3 international airports
  - Close proximity to federal agencies
- **Metropolitan Washington Region**
  - 6th largest metro economy in the U.S.
  - 5.3 million people and 3.2 million jobs
  - 6th strongest Gross Regional Product (GRP) in the U.S.
  - Among the highest educational attainment levels in the U.S.
    - Almost half of the population over 25 has a bachelor's degree or higher (vs. 30% national average)
  - Among top markets for millennials



Source: 2016 State of the Region: Economic Competitiveness Report, MWCOG

INDUSTRY DIVERSITY

- **99,000 jobs in Frederick County**
- **49,000 (49%) in The City of Frederick**
- **81% of employment is in the private sector**



Source: Maryland Department of Labor, Licensing and Regulation, 2nd Quarter Data (2015)

EMPLOYMENT OPPORTUNITY

Industry	2015 Total Jobs	2014-2015 Number of Jobs Added	Companies with large recruitment needs in 2015
Bio-Tech	2,743	237	Leidos, Keaki, MedImmune, Thermo Fisher, Charles River, Lonza, Imagilin
IT	1,957	84	Chenega, Yakabod, Orases, Swift Systems, Computer Frontiers, Regent, Experient
Manufacturing	5,281	121	Wright Manufacturing, Trans-Tech, Stulz ATS, Flying Dog Brewery, Aeroflex/Weinschel
Construction	10,064	92	Morgan Keller, Pleasants/Kline, Dorcus
Education	3,569	360	FCC, Hood, Mount St. Mary's
Healthcare and Social Services	12,563	426	FMH, Country Meadows, Genesis Healthcare, Right Time Medical
Tourism	11,751	421	Plamondon Companies, Hilton Garden, Chili's, Bennigan's
Financial Activities and Insurance	938	266	McCaskill, Moore Wealth, Morgan Stanley, Farmers Insurance, BMC, Taylor Financial, area banks
Retail Trades	12,970	284	TJ Maxx, Dick's Sporting Goods, CarMax

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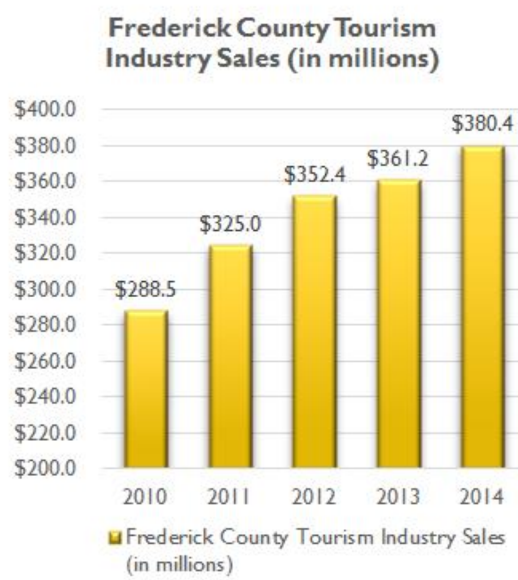
Source: Frederick County Workforce Services

TOURISM

- Visitor spending reached $1M per day in 2014, an all-time high




Source: Frederick County Tourism Council

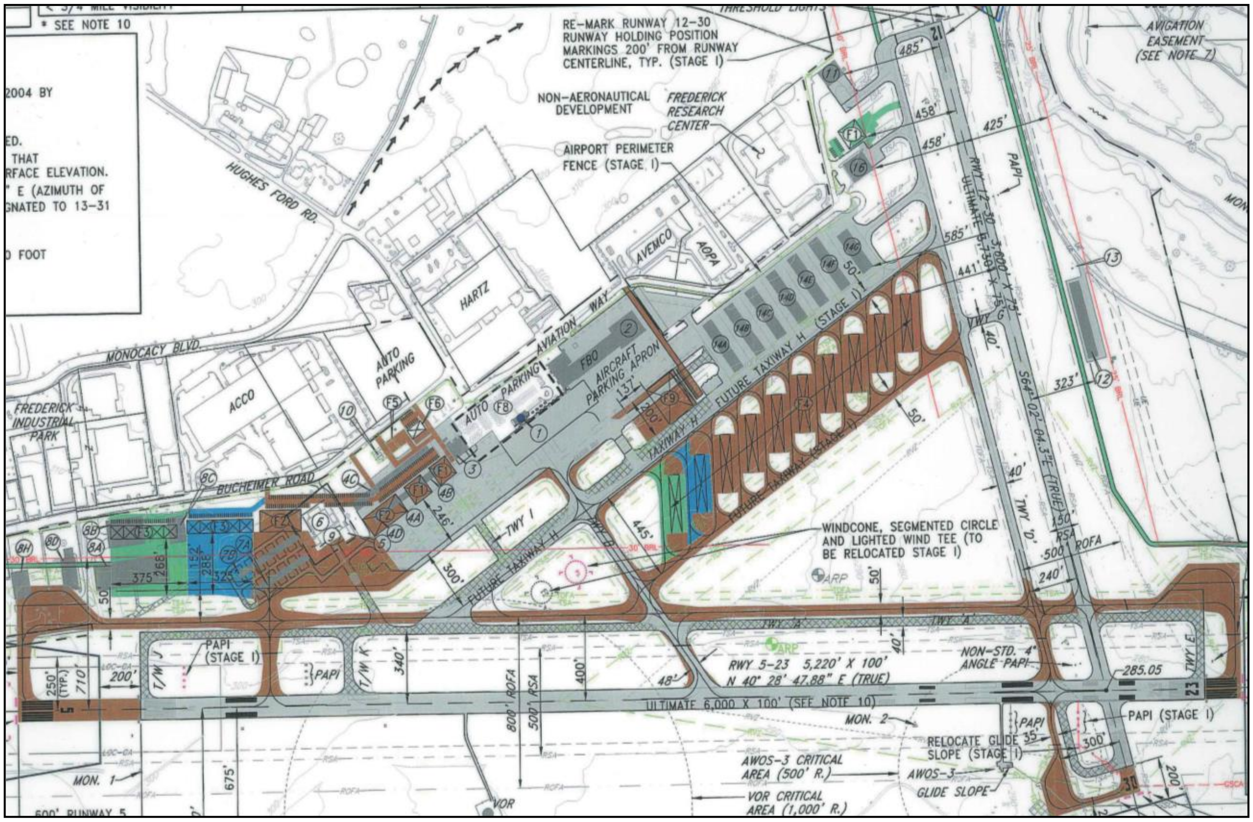


2. AIRPORT DESCRIPTION

The Frederick Municipal Airport (FDK), owned and operated by The City of Frederick, is a Federal Aviation Administration (FAA) designated General Aviation Reliever Airport, consisting of 616 acres. FDK is located at the junction of I-70 and I-270, which makes the Frederick area attractive to commuters and corporate travelers with business interest in the Washington, D.C. and Baltimore metropolitan areas. FDK lies outside the Washington, D.C. Special Flight Rules Area (SFRA). Air traffic control (ATC) services are provided daily between 0700-2100 by a Federal Contract Tower. FDK currently has approximately 200 based aircraft with an estimated 70,000 annual operations. The existing airfield configuration at FDK consists of two active runways. Runway 5/23 is a grooved asphalt runway 5,219' x 100' with a pavement rating of 60,000 pounds for single wheel gear load (SWL) and meets C-II Airport Reference Code (ARC) criteria. Runway 23 provides a instrument landing system (ILS) approach and, based on prevailing wind conditions, is the preferred runway for aircraft operations. Runway 5 maintains a global positioning system (GPS) non-precision instrument approach. Runway 12/30 is a 3,600' x 75', visual approach, asphalt runway and classified as a B-II runway. It was constructed in 1990 as a crosswind runway to complement the primary Runway 5/23. The offered F4 parcel is in the middle of taxiways Alpha, Bravo, Charlie, and Echo and consists of approximately 10.3 acres (450,000sf).

3. DESIGN CRITERIA

The selected Respondent shall finance, design, construct and manage a hangar complex on the parcel, for use by general aviation customers of the Frederick Municipal Airport, as described herein in a manner and form acceptable to and at no cost to the Airport including construction of



all sitework, pavement taxilanes, and pavement connections to adjoining taxiways. The hangar complex shall not impinge upon Part 77 surfaces, taxiway safety areas, building restriction lines (BRL), or taxiway object free areas (OFA). All designs and plans for the construction of hangars and T- hangars at the Frederick Municipal Airport shall conform to current accepted construction practices and shall meet or exceed the requirements of The City of Frederick Building Code. The exact number, size, and type of hangars shall be quantified in the proposal by the developer based on market analysis.

The minimum design clearance and geometric standards for taxilanes within the T-Hangar complex shall be based on Aircraft Design Group 1 and Taxiway Design Group 1B where the maximum door opening span does not exceed 49 feet. Where door openings are proposed that exceed 49 feet, the design clearance and geometric standards may – with approval by the City of Frederick - be based on the formulas contained in Advisory Circular 15-/5300-13A, Chapter 4, Section 404 (or the most current version in effect at the time of the proposed development). The City of Frederick shall have the final authority on the specific design requirements associated with clear-span door openings exceeding 49 feet, and reserves the right to enforce full Airplane

Design Group 2 standards when in the best interest of the City and the Airport. Other design criteria that must be complied with include the following:

Taxiway Charlie:

- Airplane Design Group = ADG-III
- Taxiway Design Group = TDG-II
- Taxiway Safety Area Width = 118’
- Taxiway Object Free Area Width = 186’

Taxilanes within Hangar Complex (where door widths do not exceed 49 feet):

- Airplane Design Group = ADG-I
- Taxiway Design Group = TDG-IB
- Taxilane Safety Area Width = 49’
- Taxilane Object Free Area Width = 79’

Hangars shall be of the fully-enclosed type. Each hangar bay shall be equipped with a door or doors that are designed for operation by one person. It is desired that a walk-in door be included for access to each bay. Floors of hangars or T-hangars shall be of concrete construction. Load bearing specifications shall meet or exceed criteria established by the architect or pre-engineered building manufacturer.

The following criteria shall be considered for the general design of the hangar complex:

- ➢ Aircraft stored and operated from the hangars must not exceed the design standards of the access taxilanes and Taxiway Charlie.
- ➢ Hangars must conform to the latest standards for aircraft hangars as established by the National Fire Protection Association (NFPA).
- ➢ Conformance with the Airport Layout Plan and approved environmental assessment documentation.
- ➢ Aesthetic compatibility with other airport buildings and environs.
- ➢ Optimum aircraft access and parking.
- ➢ Vehicle parking.
- ➢ Energy conservation.

- Backup power source or method to gain access in the event of a power outage.
- Landscape plan compatible with airports and does not create a wildlife attractant or hazard.
- Safety and security of the hangar facility and leased area.
- Efficient use of the leased area.

4. PERMITTED USES

The selected Respondent shall have the following rights in, and uses of, the leased premises and airport facilities, all of which shall be subject to the terms, conditions, and covenants hereinafter set forth and in a future lease agreement:

A. The selected Respondent may, upon completion of the hangars, use the leased premises for the purpose of generating revenue from leasing the facilities to third parties. Hangars are to be used solely for the storage of aircraft and equipment incidental to aircraft operations.

B. Specialized Aeronautical Service Operator (SASO) services may be authorized for this development subject to approval by the City of Frederick on a case-by-case basis.

C. The selected Respondent may use the Airport facilities in common with others authorized to do so, which right shall be exercised in accordance with the laws of the United States of America and the State of Maryland.

D. The selected Respondent shall adhere to the rules and regulations and minimum standards of the Frederick Municipal Airport, current versions.

5. DESIGN REVIEW

The successful Respondent will be responsible for preparing and obtaining, at their expense, all permits applicable for site preparation and construction of the facilities. Design and construction of the proposed improvements will be in accordance with all federal, State, and local codes, as appropriate. All plans for the design of the hangars, ramp, and taxilanes must meet FAA standards and approval of the City Planning, Engineering, and Building Departments. A site plan shall be approved by the Planning Commission and Improvement Plans shall be approved by the Building and Engineering Departments. All plans are required to be reviewed and approved by the FAA/Washington Airports District Office (WADO) and Maryland Aviation Administration (MAA). All costs associated with the planning, design, and development of the parcel shall be at the full expense of the Respondent.

6. IMPROVEMENTS TO BE CONSTRUCTED BY SELECTED RESPONDENT

A. The selected Respondent will finance, design, and construct any and all required utility extensions including water, sanitary sewer, telephone, and electrical power, as well as any necessary storm water management features at no cost to the Airport. The selected Respondent shall be responsible for constructing the improvements in accordance with plans and specifications prepared by a professional architectural/engineering firm, which shall be reviewed and approved in accordance with the site plan procedures by The City of Frederick Planning Commission. The Respondent shall employ such contractors, subcontractors, engineers, architects and the like as are necessary, advisable or convenient to that purpose. All construction shall be completed in a good and workman-like fashion and in accordance with the International Building Code and with The City of Frederick Building Department. No changes will be made to the plans and specifications without the prior written approval of the City. The City of Frederick requires all materials inspection and testing to be performed by a qualified testing agency employed by the Respondent and approved by The City of Frederick.

B. The selected Respondent shall be responsible for all equipment, utilities, furniture, furnishings and fixtures necessary to the proper conduct of Lessee’s business.

7. <u>DEVELOPMENT COST ESTIMATE</u>

The Respondent shall include a construction cost estimate for the project in a separate confidential envelope to include at a minimum a breakdown of the following estimated costs:

- Design and other Soft Costs $_________

- Site Preparation and Grading $__________
- Stormwater Management $__________
- Utilities $__________
- Ramp & Taxilane Improvements $__________
- Hangar Construction $__________
- Contingency $__________
- Other ________________________ $__________
- **TOTAL ESTIMATED COST $__________**

8. CONSTRUCTION OF FACILITIES

The selected Respondent is responsible for coordination with The City of Frederick and for obtaining all City approvals and building permits. After the FAA, MAA and the City have approved the final plans and specifications, including, but not limited to, the stormwater management plan, soil erosion and sedimentation plan and building construction plans, the City will issue a building permit. If selected, the Respondent will provide a phasing plan that describes the timeline from beginning to complete buildout of the hangar complex. The Respondent is responsible for all filings with the FAA, including Forms 7460-1 and 7460-2. It will be necessary for the selected Respondent to coordinate a pre-construction conference that will include the Airport Manager and appropriate parties.

9. CONSTRUCTION BOND

The selected Respondent shall furnish to the City, within fourteen (14) days prior to the start of the work, a Performance Bond in the amount of 100% of the total construction cost, to guarantee completion of the approved construction. All submitted Bonds shall be in accordance with The City of Frederick policy on acceptance of sureties.

10. OWNERSHIP AND AMORTIZATION OF FACILITY IMPROVEMENTS

All improvements made by the Respondent on the leased area shall be depreciated by the Respondent and shall become the property of The City of Frederick at the expiration of the lease period unless at that time the City and the Respondent execute a new lease agreement. The City of Frederick reserves the right to require all improvements be removed by the Respondent at the expiration of the lease period at no cost to the Airport.

11. MAINTENANCE AND REPAIR

The selected Respondent shall be responsible for, and shall pay for all maintenance and repair of the land, structures, utilities and facilities located upon the premises during the term of the subject lease. The selected Respondent shall manage a maintenance program, including regular hangar door inspections, fire extinguisher inspections, and annual maintenance procedures at a minimum. The selected Respondent shall be fully responsible for all snow removal, grass cutting, landscaping, and cleaning of the leased premises.

12. RATES AND CHARGES

In accordance with FAA grant assurances, in any agreement, contract, lease, or other arrangement under which a right or privilege at the Airport is granted to any person, firm, or corporation to conduct or to engage in any aeronautical activity for furnishing services to the public at the airport, The City of Frederick will insert and enforce provisions requiring the Respondent to:

(1) Furnish said services on a reasonable, and not unjustly discriminatory, basis to all users thereof, and

(2) Charge reasonable, and not unjustly discriminatory, prices for each unit or service, provided that the Respondent may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

A complete listing of standard and customary rates and charges to be assessed in the ordinary course of business is due to the Airport Manager for review at least 30 days prior to the effective date. All lease agreements developed by the Respondent may be reviewed and approved by the FAA, MAA, and City of Frederick.

13. LANDING FEES

It is understood and agreed that the City reserves the right to establish landing fees for General Aviation (GA) aircraft and other non-GA aircraft using the Airport.

14. CONTRACT PERIOD

The City of Frederick desires to achieve as much lease flexibility as possible, without compromising the Respondent's ability to create and operate an economically viable facility for their operation. The City is willing to consider an initial lease period of between 20 and 30 years. In evaluating proposals, the City will give the maximum credit in the evaluation to the period Option "a", lesser credit to Option "b", and the least credit to Option "c", as set forth below.

Contract period options:

a. 20 years plus two (2) 5-year options at the discretion of the City.
b. 25 years plus one (1) 5-year option at the discretion of the City.
c. 30 years

15. PAYMENTS TO THE CITY OF FREDERICK

For the area identified in the land lease, rent will established at Fair Market Rental Value (FMRV) which is presently estimated based on recent FDK appraisals at $1.10 per square foot. Rent will be collected at 100% of the FMRV rate and become effective on the first day of the month following the Certificate of Occupancy issuance date. Rent will be paid monthly in advance and due automatically, without invoicing by the City, on the first day of each month. A security deposit equal to one month's rent shall be paid at the time the lease is signed. The City shall reserve the right to adjust the rental rates at the start of each lease term.

16. CONTENT OF PROPOSAL PACKAGE

The Respondent will submit one (1) original, two (2) copies, and an electronic version of the proposal, which shall contain the following response items arranged in order, tabbed, and with a table of contents:

a. **Narrative** - Provide a narrative about why Respondent should be selected.

b. **Intent of Use** - Furnish a written plan explaining your vision for the available parcel. Briefly describe your approach in development of the site in terms of hangar product mix, milestones, and timeline until complete buildout.

c. **Site Plan** – Furnish a conceptual site plan and elevation drawing(s) showing the location of hangar facilities on the parcel, and proposed design of the hangars.

d. **Business Plan** - Prepare and furnish a written business plan.

e. Financial Information - Provide the following financial information in a separate confidential envelope with the Proposal.

- Development Cost Estimate
- Operating Proforma
- Financing Plan (debt and equity)
- Business Credit Report
- Past two years of Business Tax Returns

f. **Management Plan** – Furnish a management plan to explain how the facility will be managed. Address items such as facility maintenance, subleasing, and other areas you deem appropriate in the management of the facility.

g. **Security** - The successful Respondent will be required to submit a security plan for approval for the facility and its operations.

h. **Criminal History** –The Respondent shall provide a statement that the officers and on-site management team have/have not been convicted of any felonies or aviation violations within the last ten (10) years.

i. **Experience** - Provide evidence of five (5) years continuous experience within the last ten (10) years in the ownership, development, management, and/or operation of an aeronautical business at an airport, or related experience that makes you qualified to undertake this project.

j. **Authorized to Conduct Business** - Provide evidence that the Respondent is authorized to conduct business in the State of Maryland for all aspects of the business it proposes including any and all required licenses and permits prior to start of operations.

k. **Business References** - The Respondent shall submit at least three persons or firms with whom the Respondent has conducted business transactions during the past two years, and who have current addresses and phone numbers and may be contacted by the City. Information provided should include the firm's name, address, telephone and fax numbers, e-mail address and website, and the names and titles of the principals. If firms are used, give the name of the department and/or person whom we may contact. Respondents are to attach a letter of reference from each of the persons or firms provided.

l. **Architectural/Engineering References** – The Respondent shall identify the architectural/engineering/construction firm they intend using for the design and construction of the facility, and provide at least three references for that firm. Information provided should include the firms name, address, telephone and fax numbers, e-mail address and website, and the names and titles of the principals.

m. **Certificate of Insurance** - Proposers must submit with their bid proof of insurance meeting or exceeding the following requirements with Insurance Carriers possessing an A.M. Best rating A-VI or better. The City of Frederick shall be named as an Additional Insured on each contractor/subcontractor's General Liability and Umbrella policy. A Certificate of Insurance shall be submitted to the City of Frederick evidencing the following coverage with an unconditional 30 day notice of cancellation striking the "endeavor to" wording as per the attached example. This Certificate must be submitted before any work will be permitted at each job site.

A. Workers' Compensation Insurance-Statutory limits and Employer's Liability Insurance of $1,000,000 bodily injury each accident/$1,000,000 policy limit for each employee/$1,000,000 per employee bodily injury by disease

B. Commercial General Liability Insurance-This coverage must include premises/operations as well as products/completed operations with no exclusion for collapse, underground or explosion. Contractual Liability should also be included as well as a waiver of subrogation. The minimum required limits are as follows:

$2,000,000 General Aggregate Limit
$2,000,000 Products/Completed Operations Aggregate Limit
$1,000,000 Personal & Advertising Injury Liability Limit
$1,000,000 Each Occurrence Limit
$50,000 Fire Damage Limit
$5,000 Medical Expense Limit (Per Person)

C. Business Automobile Insurance with a minimum of $1,000,000 combined single limit of liability.

D. Commercial Umbrella Insurance with a minimum limit of $2,000,000 per occurrence.

E. The Contractor shall require each subcontractor to maintain, at a minimum,

F. The same coverage as outlined in A through D above. All insurance policies under Coverage B and D shall name The City of Frederick as additional insured.

17. TERMS AND CONDITIONS

A. The City of Frederick reserves the right to request clarification of information submitted and to request additional information from one or more Respondents.

B. Any lease agreement from the acceptance of a proposal shall be approved by FAA, MAA and The City of Frederick and shall contain, at a minimum, applicable provisions of the Request for Proposals.

C. Failure to furnish all information required for the aeronautical hangar proposal, as specified in this RFP, will result in immediate disqualification of the proposal.

D. The City reserves the right to reject all Proposals if they deem it necessary in the best interest of the City.

E. The Lease Agreement resulting from this RFP will be awarded to the most qualified Respondent whose qualifications, experience, financial responsibility, proposed development plan, and proposed management plan, conforming to the requirements of this RFP, are determined to be the most advantageous to Frederick Municipal Airport and The City of Frederick. The selected Respondent will be offered a Lease Agreement that will allow them to build and operate the proposed, approved facilities.

18. EVALUATION OF PROPOSALS

The City of Frederick will analyze and evaluate each proposal submitted against the criteria established below. The City will carefully consider the Respondent's qualifications, experience, financial responsibility, development plan and management plan in evaluating the proposals. Consideration will be given for proof of the experience and skill, and financial responsibility of Respondents in the management and operation of a general aviation hangar complex, and to the specific plans presented in the proposal for constructing and managing general aviation hangars at the Airport. Evaluation of the proposal as a whole bears more weight than any individual element. The primary goal of the City in this solicitation is to offer the opportunity for a land lease to an aeronautical operator to build, operate and manage an aircraft hangar facility.

The following categories of criteria will be used to evaluate proposals:

A. Plan of Operation

A Proposed Management Plan including method of organizing, directing and operating the business to insure that it meets the operational needs and requirements of general aviation aircraft hangar facilities. These criteria will include:

1. Proposed staffing.
2. Personnel policies and practices.
3. Level of supervision.
4. Training practices and policies.
5. General philosophies, practices and business practices.
6. Proposed equipment and operating facilities.
7. Proposed scope and quality of products and services to be offered.
8. Proposed handling of security and emergency practices.
9. Proposed operational and financial controls.
10. Contract Period.

B. Establishment of Fixed Facilities

1. Development Cost Estimate.
2. Proposed utilization of site and layout of facilities including number and type of hangars.
3. Quality of proposed development and operation.
4. Proposed corporate hangar and related interior space development.
5. Proposed relationship of the airport operation to the Respondent's organization and the extent of Respondent's commitment to the proposed operation.
6. Environmental protection measures.
7. Efficient use of leased area.

C. Respondent's Capabilities

1. **Experience and Qualifications of Respondent's and Respondent's Management and Key Personnel**
   a. Resumes of key personnel.

b. The size and complexity of Respondent's present operation.

c. Operating a hangar facility at an airport with an appropriate level of general aviation activity.

d. The quality of Respondent's present and past performance.

e. References.

2. **Firm's Financial Stability**

a. Credit references.

b. Equity in project.

c. Financial commitments.

d. Demonstrated financial capacity to develop and operate hangar

e. Tax records (2 years).

3. **References**

a. Business references

b. Architectural/Engineering references

D. Disadvantaged/Minority Participation Plan

1. Proposed disadvantaged/minority participation in Respondent's operation.
2. Proposed disadvantaged/minority business participation during the construction of the proposed facilities.

F. Development Timeline

1. Estimated start date of construction.
2. Contract Development/Closing
3. Design, Entitlement Approvals, Permitting
4. Construction
5. Estimated completion date of construction.

EVALUATION CRITERIA

The evaluation committee will utilize information obtained from the RFP package, calls to references, other information known by the evaluation committee, and oral presentation/interviews if so desired. The evaluation committee shall score the proposals in accordance with the process listed below. After final scoring the evaluation team shall make a recommendation for award to the highest rated proposal.

The evaluation criteria listed below is intended to be the basis by which each proposal shall be evaluated, measured, and ranked. The City of Frederick hereby reserves the right to evaluate, at its sole discretion, the extent to which each proposal received compares to the said criteria. The City reserves the right in its sole discretion to reject the proposal of any vendor who fails to comply with any procedure in the following section.

The recommendation of the evaluation committee shall be based on the evaluations using the following criteria:

A. Plan of Operation	(30 possible points)
B. Establishment of Fixed Facilities	(15 possible points)
C. Respondent's Capabilities	(30 possible points)
D. Disadvantaged/Minority Participation Plan	(5 possible points)
E. Timeliness of Construction	(20 possible points)

TOTAL POSSIBLE SCORE (100)

GENERAL CONDITIONS

No RFP Opening – No Reading of Prices. The City does not conduct a proposal opening for RFP responses. The City requests that companies refrain from requesting proposal information until an intention to award is announced, as a measure to best protect the solicitation process, particularly in the event of a cancellation or re-solicitation.

Vendor Responsibility - It is the vendor's responsibility to examine all specifications and conditions thoroughly, and comply fully with specifications and all attached terms and conditions. Vendors must comply with all Federal, State, and City laws, ordinances and rules.

Changes in Proposals - Prior to the proposal submittal closing date and time established for this RFP, a vendor may make changes to its proposal provided the change is initialed and dated by the vendor. No change to a proposal shall be made after the proposal closing date and time.

Errors in Proposals - Vendors are responsible for errors and omissions in their proposals. No such error or omission shall diminish the vendor's obligations to the City.

Withdrawal of Proposal - A submittal may be withdrawn by written request of the submitter prior to the closing date and time. After the closing date and time, the submittal may be withdrawn only with permission of the City.

Rejection of Proposals and Rights of Award -The City reserves the right to reject any or all proposals at any time with no penalty. The City also has the right to waive immaterial defects and minor irregularities in any submitted proposal.

Proposal Disposition - All material submitted in response to this RFP shall become the property of the City upon delivery to the City.

Negotiating is Acceptable -The City may negotiate any aspect of the proposal or the solicitation in accordance with the evaluation criteria and/or prior to executing the contract.

Liability, Insurance, Licenses and Permits - When it is required to enter or go onto The City of Frederick property to deliver materials or perform work or service as a result of an award, the successful vendor will assume the full duty, obligation and expense of obtaining all necessary licenses, permits and insurance. The vendor shall be liable for any damages of loss to the City occasioned by negligence of the vendor (or agent) or any person the vendor has designated in the completion of the contract as a result of his or her proposal.

Non-Discrimination - The Proposer shall not discriminate on the basis of race, color, religion, sex, national origin, age, marital status, veteran status, disability, sexual orientation, gender identity, genetic information, of any other legally protected group in employment or in the provision of services.

SPECIAL CONDITIONS

Assignment - The vendor shall not assign, transfer, convey, sublet or otherwise dispose of this contract, including any or all of its right, title or interest therein, or his or its power to execute such contract to any person, company or corporation without prior written consent of The City of Frederick.

Laws, Permits and Regulations - The vendor shall obtain and pay for any and all licenses, permits and inspection fees that may be required for this project; and shall comply with all Laws, ordinances, regulations and building code requirements applicable to the work contemplated herein.

Review and Approval Process - The Mayor and Board of Aldermen will have final approval.

Cancellation - In the event any of the provisions of this proposal are violated by the vendor, the Purchasing Manager shall give written notice to the vendor stating the deficiencies and unless deficiencies are corrected within ten (10) days, recommendation will be made to the Mayor and Board of Aldermen for immediate cancellation. The City of Frederick reserves the right to terminate any contract/agreement resulting from this Request for Proposals at any time and for any reason, upon giving thirty (30) days prior written notice to the other party.

Indemnification - Consultant shall indemnify, protect, defend, and hold harmless the City, the City's representatives, and their respective officers, directors, elected and appointed officers, officials, partners, employees, and agents ("City Indemnitees") from and against all liability, claims, demands, damages, losses, liens, causes of action, suits, judgments, fines, penalties, costs and expenses (including, without limitation, reasonable attorney fees and costs of defense), of any nature, kind, or description claimed, asserted, or prosecuted by any person or entity whomsoever, to the extent caused by: (i) the negligent, acts, errors, or omissions, by Consultant, its agents, partners, employees and sub-consultants, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, or (ii) the material breach of this Agreement, except to the extent that any claims or damages are caused by the negligence, willful misconduct or material breach of this Contract by the City Indemnitees. This indemnity obligation shall survive the termination or expiration of this Agreement, but shall not otherwise extend any applicable statute of limitations or statute of repose. This indemnity obligation shall be in addition to, and not in lieu of, any and all other liability which the Consultant has or may have to any party indemnified hereunder or to third parties as a matter of law. Consultant's obligations hereunder shall not be limited by any insurance coverage required by this Agreement.

Right to Reject -The City of Frederick Purchasing Manager or designee, reserves the right to waive irregularities, reject and/or accept any and all proposals, in whole or in part, or take other such action as serves the best interests of the City.

Execution of Agreement - Selected Vendor will be required to execute a Standard City Agreement within ten (10) days after notification by the City that Agreement is available and thereafter comply with the terms and conditions contained therein. No Agreement shall be considered binding upon the City until it has been properly executed.

Failure to Execute Agreement -Failure on the part of the selected Vendor to execute the agreement as required will be just cause for the annulment of the award.

Subletting or Assigning of the Agreement- The selected Vendor shall not sublet, sell, transfer, assign or otherwise dispose of the agreement or any portion thereof, or of the work provided for therein, or of his right, title or interest therein, to any person, firm or corporation without the written consent of the City. Each Vendor shall list all subcontractors and the work provided by the suppliers with the proposal submitted.

Time of Award - The City reserves the right to hold proposals and proposal guarantees for a period not to exceed 120 days after the date of the proposal submittal stated in the Request for Proposal before awarding the agreement.

Patent Fees, Royalties, and Licenses - If the selected Contractor requires or desires to use any design, trademark, device, material or process covered by letters of patent or copyright, the selected Contractor and his surety shall indemnify and hold harmless the City from any and all claims for infringement by reason of the use of any such patented design, device, trademark, copyright, material or process in connection with the work agreed to be performed and shall indemnify the City from any cost, expense, royalty or damage which the City may be obligated to pay by reason of any infringement at any time during the prosecution of or after completion of the work.

PROPOSER'S CERTIFICATION

I have carefully examined the Request for Proposals, and any other documents accompanying or made a part of this Request for Proposals.

I hereby propose to furnish the goods or services specified in the Request for Proposals. I agree that my proposal will remain firm for a period of up to 120 days in order to allow the City adequate time to evaluate the qualifications submitted.

I verify that all information contained in this proposal is truthful to the best of my knowledge and belief. I further certify that I am duly authorized to submit this proposal on behalf of the firm as its act and deed and that the firm is ready, willing and able to perform if awarded the contract.

I further certify, under oath, that this proposal is made without prior understanding, agreement, connection, discussion, or collusion with any other person, firm or corporation submitting a proposal for the same product or service; no officer, employee or agent of the City of Frederick or any other proposer is interested in said proposal; and that the undersigned executed this Proposer's Certification with full knowledge and understanding of the matters therein contained and was duly authorized to do so.

(1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;
(b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
(d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

(2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

____
NAME OF BUSINESS
BY:
____
SIGNATURE
____
NAME & TITLE, TYPED OR PRINTED

____
MAILING ADDRESS

____
CITY, STATE, ZIP CODE

(   )____________________________________
TELEPHONE NUMBER

Sworn to and subscribed before me
this __________________ day of
______________________, 2017
____
Notary Public

State of _________________________________

My Commission Expires: __________________

CITY OF FREDERICK AFFIRMATIVE ACTION DATA FORM

The City of Frederick is pursuing an Affirmative Action program to insure equal opportunity in its project bidding and awards practice. We are asking you to help us in this effort by completing the Applicant Affirmative Action Data Form below. Completing the Data Form will assist us in monitoring the effectiveness of our program. THIS FORM WILL NOT BE USED TO DISCRIMINATE IN ANY WAY IN THE PROJECT BIDDING OR AWARD PROCESS. The completion of this form is required for your participation and consideration. Your cooperation is appreciated. Thank you.

(1) PROJECT BID ON: ____

(2) DATE: ____

(3) NAME OF BIDDER: ____

(4) TYPE OF BUSINESS ENTITY:

(a) ________ Individual
(b) ________ Sole Proprietorship
(c) ________ General Partnership
(d) ________ Limited Partnership
(e) ________ Limited Liability Company
(f) ________ S-Corporation
(g) ________ C-Corporation
(h) ________ Professional Corporation

(5) PERCENTAGE OF OWNERSHIP INTEREST:
(i.e., 1% - 100%)

(a) BASED ON ETHNIC ORIGIN:
(1) _____% White
(2) _____% Black/African-American
(3) _____% Hispanic
(4) _____% Asian
(5) _____% American Indian or Alaska Native

(b) BASED ON GENDER:
(1) _____% Male
(2) _____% Female

NOTE: Ethnic origin is defined by the Federal Equal Employment Opportunity Commission as follows:

White -- (Not of the Hispanic Origin) All persons having origins in any of the original peoples of Europe, North Africa, or the Middle East.

Black -- (Not of the Hispanic Origin) All persons having origins in any of the black racial groups of Africa.

Hispanic -- All persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin, regardless of race.

Asian or Pacific Islanders -- All persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands. This area includes, for example, China, Japan, Korea, the Philippine Islands, and Samoa.

ANTI-BRIBERY AFFIDAVIT

I HEREBY CERTIFY that:

(1) I am the ______________________________________ and duly authorized representative of the firm of ____ ______________________________________ whose address is ______________________________________ ______________________________ and that I possess the legal authority to make this affidavit on behalf of myself and the firm for which I am acting.

(2) Except as described in Paragraph (3) below, neither I, nor to the best of my knowledge, the above firm, nor any of its officers, directors, partners, employees, or agents directly involved in obtaining contracts with the City of any county, bi-county agency, or subdivision of the state have been convicted of, or have pleaded nolo contendre to a charge of, or have during the course of an official investigation or other proceeding admitted in writing or under oath acts or omissions committed after July 1, 1977 which constitute bribery, attempted bribery, or conspiracy to bribe under the laws of any state or federal government.

(3) Except as described in Paragraph (4) below, neither I, nor to the best of my knowledge, the above firm, nor any of its officers, directors, partners, employees, or agents has made payment to or provided loans, services, gifts, food or entertainment to any City official or employee with the intent to influence that person in the performance of his official duties. I further acknowledge and understand that it is unlawful to make payment or to provide loans, services, gifts, food or entertainment to any City official or employee with the intent to influence that person in the performance of his official duties and that violation of this provision is a misdemeanor punishable by a fine of not more than four hundred dollars ($400.00), or imprisonment for not more than ninety (90) days, or both.

(4) State "none" or, as appropriate, list any conviction, plea, or admission described in Paragraphs (2) and (3) above, with the date, court, official, or administrative body; and the sentence or disposition (if any):

____

____

I acknowledge that this affidavit is to be furnished to the requesting agency.

I acknowledge that, if the representations set forth in this affidavit are not true and correct, the City may terminate any contract awarded and take any other appropriate action. I further acknowledge that I am executing this affidavit in compliance with Section 160 of Article 78A of the Annotated Code of Maryland, which provides that certain persons who have been convicted of, or have admitted to, bribery, attempted bribery, or conspiracy to bribe may be disqualified, either by operation of law or after a hearing, from entering into contracts with the state or any of its agencies or subdivisions.

I do solemnly declare and affirm under the penalties of perjury that the contents of this affidavit are true and correct.

____ _______________________
Signature Date

____
Printed or Typed Name

Dated at: __________________________ (time) this__________________________(date) day of________________________(month), 20___

By: ______________________________ Attest: ____________________________

DISADVANTAGED BUSINESS ENTERPRISE (DBE) PLAN

PROCEDURE USED TO REQUIRE CONTRACTORS TO IDENTIFY DBE'S
All bids shall include a Disadvantaged Business Enterprise Regulation Bid Solicitation Form, which is attached hereto.

DISADVANTAGED BUSINESS ENTERPRISE

REGULATION

FORMAL SOLICITATION

The proposer/bidder shall make good faith efforts to subcontract a portion of the prime contract to small business concerns owned and controlled by socially and economically disadvantaged individuals (i.e. DBEs). In the event that the bidder for this solicitation qualifies as a DBE, this effort shall be deemed to have been met. Individuals who are unquestionably presumed to be socially and economically disadvantaged include Women, African-Americans, Hispanics, Native Americans, Asian-Pacific Americans, and Asian-Indian Americans. The apparent successful competitor will be required to submit information concerning the DBE's who will participate in this contract. The information will include the name and address of each DBE, a description of the work to be performed by each named firm, and the dollar value of the contract. If the proposer/bidder fails to provide DBE participation in the contract, documentation will be require from the proposer/bidder demonstrating that good faith efforts were attempted by the proposer/bidder. A proposal/bid that fails to meet these requirements will be considered nonresponsive.

____

Acknowledgment Signature Date

DISADVANTAGED BUSINESS ENTERPRISE PARTICIPATION FORM

The City of Frederick has adopted a Disadvantaged Business Enterprise (DBE) Plan in recognition of the importance and responsibility of awarding contracts to those businesses socially and/or economically disadvantaged. The DBE Plan requires the bidder to make good faith efforts to subcontract a portion of the prime contract to small business concerns owned and controlled by socially and economically disadvantaged individuals (i.e., DBEs). A copy of the City of Frederick's Disadvantaged Business Enterprise (DBE) Plan is available at the offices of the Purchasing Department, 111 Airport Drive East, Frederick, Maryland 21701.

In accordance with the requirements of the DBE Plan, please provide the following requested information. Completion of this form is required for your participation and consideration in the contract award process.

(1) PROJECT BIDDING ON: ____

(2) DATE: ____

(3) NAME OF BIDDER: ____

(4) IS BIDDER A CITY CERTIFIED DBE? __________________________________

(5) NAME AND ADDRESS OF EACH DBE WHO WILL PARTICIPATE IN THIS CONTRACT:

____

____

____

____

____

____

(6) DESCRIBE THE WORK TO BE PERFORMED BY EACH OF THE DBEs:

____

____

____

____

____

____

____

(7) DOLLAR AMOUNT OF YOUR BID: ____________________________________

(8) DOLLAR AMOUNT OF EACH DBEs CONTRACT:

____
____
____

(9) IF A DBE IS NOT PARTICIPATING IN THIS CONTRACT, YOU MUST STATE WHAT GOOD FAITH EFFORTS WERE ATTEMPTED TO INCLUDE DBE PARTICIPATION.

____
____
____
____
____
____

(This information shall include a list of the businesses/firms/suppliers that were contacted to participate in your submittal for the contract. Please list the name of company, contact person and phone number. Additional documentation may be attached to this form showing that the bidder had made good faith efforts to include DBE participation.)

AFFIDAVIT

The undersigned swears that the foregoing statements are true and correct. Any material misrepresentation will be grounds for terminating any contract which may be awarded and for initiating action under Federal or State laws concerning false statements.

Signature: ________________________________

Name: ___________________________________
Title: ____________________________________
Date: ____________________________________

State of __________________
County of ________________

On this ______ day of _____________, 20___, before me appeared ________________________________, to me personally known or properly identified, who, being duly sworn, did execute the foregoing affidavit, and did state that he/she was properly authorized by ____ (Name of firm) to execute the affidavit and did so as his/her free act and deed.

____
Notary Public
My Commission Expires: ____________

LOCAL VENDOR PREFERENCE QUALIFICATIONS

Pursuant to The City of Frederick Purchasing Rules and Regulation Section III, Subsection C, a preference credit of 10%, not to exceed $3,000, shall be granted to a City of Frederick Business and a preference credit of 5%, not to exceed $1,500, shall be granted to a State of Maryland Business when evaluating any competitive solicitation. In order for a vendor to be considered for Local Preference points the vendor must fill out in its entirety and submit with their bid the "Local Vendor Preference Qualification Form" attached to this Request for Proposal. In order to qualify for this preference, a vendor must meet all of the following criteria:

A. "City Business" means a business entity that (i) For at least one year immediately preceding the issuance of the relevant request for quotes or formal solicitation, has its headquarters, a manufacturing facility, a locally-owned franchise, or an operating branch physically located within the City; (ii) For the most recent tax year, has paid any business tax or real property tax due to the City; and (iii) Will use only subcontractors who meet the criteria of (i) and (ii).

B. "State Business" means a business entity that (i) For at least one year immediately preceding the issuance of the relevant request for quotes or formal solicitation, has its headquarters, a manufacturing facility, a locally-owned franchise, or an operating branch physically located within the State of Maryland; (ii) For the most recent tax year, has paid any business tax or real property tax due to a political subdivision of the State of Maryland; and (iii) Will use only subcontractors who meet the criteria of (i) and (ii).

Vendors claiming local or state preference for any Bid, Price Quote or RFP must submit an Affidavit of Eligibility (see next page) with their bid, quote response or proposal.

LOCAL VENDOR PREFERENCE
AFFIDAVIT OF ELIGIBILITY

This form is to be completed in its entirety by the prime vendor and submitted along with your Bid, Quote or Proposal. Incomplete forms will be rejected for preference evaluation.

In addition each vendor shall submit on the form provided below the name(s) of major subcontractors the vendor proposes to employ. A major subcontractor is defined as a subcontractor whose subcontract constitutes approximately five (5) percent or more of the total contract price. In order for a vendor to be considered for local preference points all major subcontractors must also qualify. Please fill out a form for each major subcontractor the vendor proposes to employ. Copy this form if additional forms are required and attach as submittals to Proposal. Incomplete forms will be rejected for preference evaluation.

1. LEGAL NAME OF FIRM: ____

Mailing Address: Physical Address (if different):

__________________________________ ________________________________
__________________________________ ________________________________
__________________________________ ________________________________

2. Year your business was established in The City of Frederick: ___________________________

Year your business was established in State of Maryland ___________________________

3. Does your business have more than one office in the State of Maryland?

Yes _____ No _____

If Yes, specify the office locations ____

4. Was the local business required to pay business and or real property tax for the most recent tax year?
Yes _____ No _____

If, yes did the local business pay any of this tax to Frederick City?

Yes _____ No _____

LOCAL VENDOR PREFERENCE
AFFIDAVIT OF ELIGIBILITY

Under penalty of perjury, the undersigned states that the forgoing statements are true and correct. The undersigned also acknowledges that any person, firm, corporation or entity intentionally submitting false information to the City of Frederick in an attempt to qualify for a local preference shall be prohibited from bidding on City of Frederick products and services for a period of one (1) year.

Authorized Signature: ____________________________________ Date: _____________

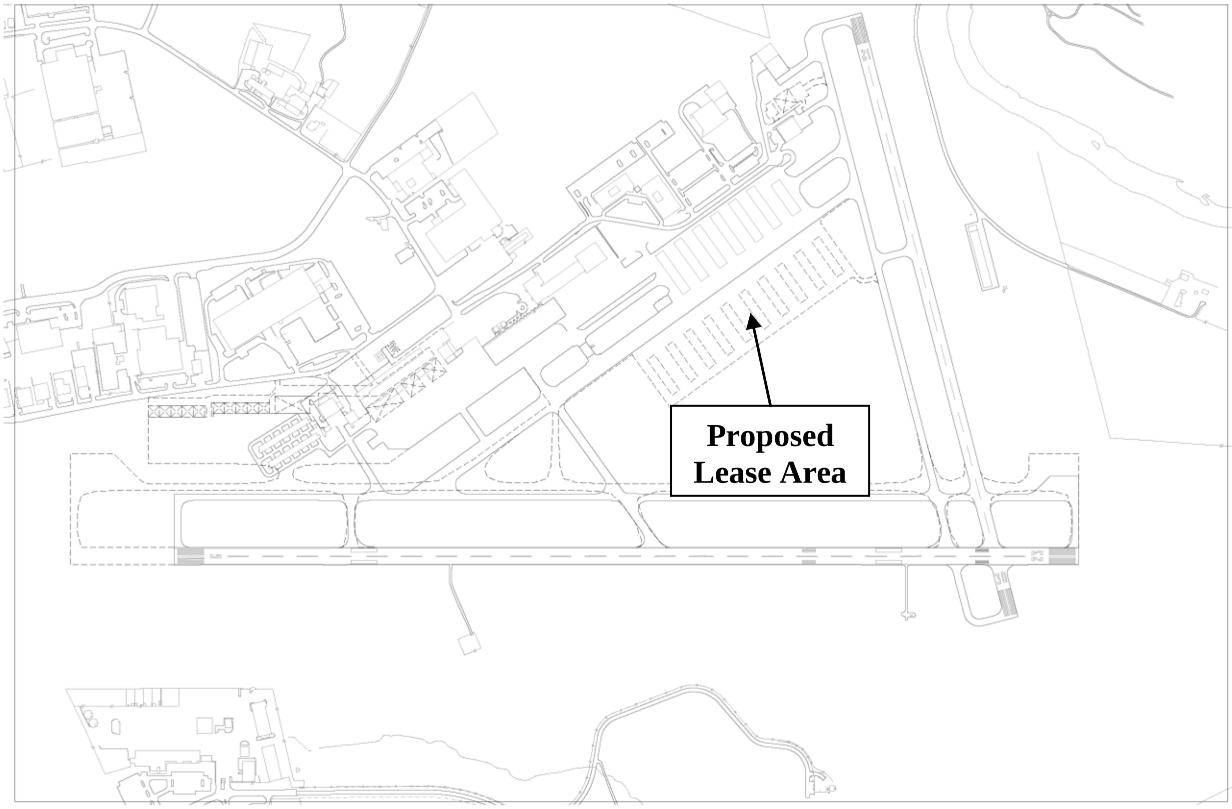
Printed Name & Title: ____________________________________ Phone_____________

On this ___________ day of _______________, 20___, before me personally came and appeared to me known or properly identified, who, being by me duly sworn, did depose and say that he/she resides at ___________________________________ ; and that he/she is the ____________________of the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation, that one of the seals affixed to said instrument is such seal; that it was so affixed by order of the directors of said corporation, and that he/she signed his name thereto by like order.

Notary Public ____________________________

My Commission Expires: _________________

ATTACHMENT A



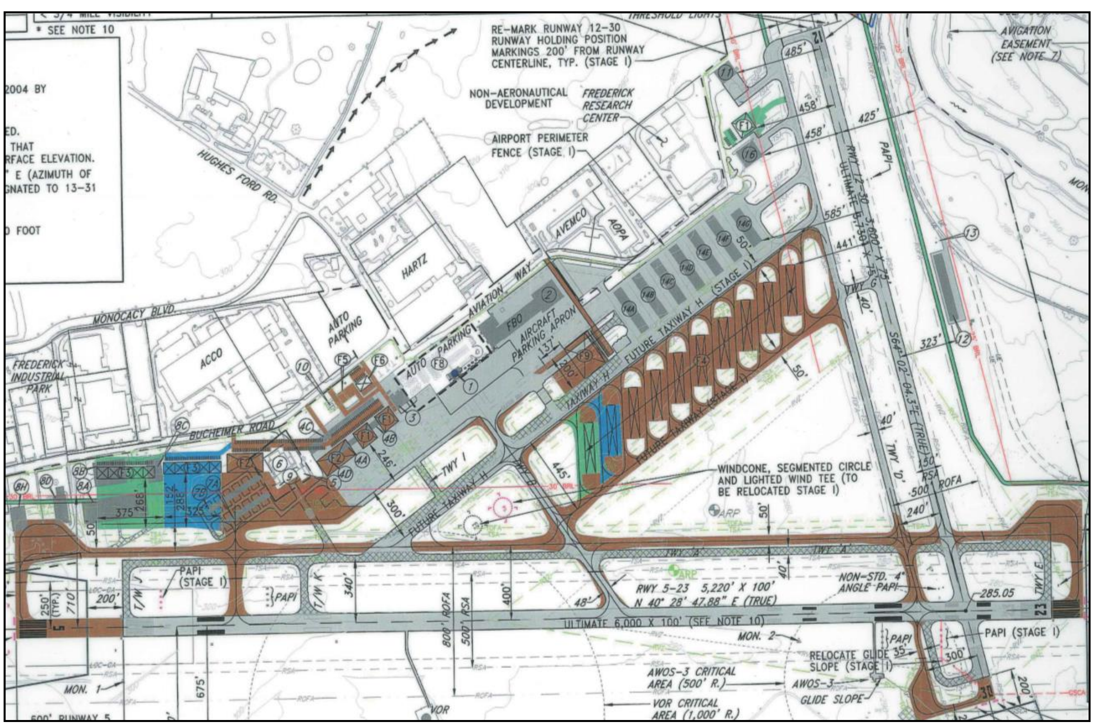


EXHIBIT B

LEASE DEVELOPMENT SCHEDULE

ALLOTTED TIME	MILESTONE
Lease Commencement Date	
24 Months	Phase 1 Development and Construction
Phase 1 Rent Commencement Date in accordance with Article III, paragraph A.1.	
12 Months; Commences on date of issuance of certificate of occupancy (temporary or permanent) for the 3rd Hangar building or Phase 1 Rent Commencement Date, whichever shall first occur	Market Research
Phase 2 notice due to City ("Phase 2 Notice Date") on last day of 12th month of market research	
24 Months	Phase 2 Development and Construction
Phase 2 Rent shall be due beginning on the first day of the month following issuance of any temporary or permanent certificate of occupancy for the Hangar building, or on the first day of the 25th month following the Phase 2 Notice Date, whichever shall first occur ("Phase 2 Rent Commencement Date")	
12 Months; Commences on date of issuance of certificate of occupancy (temporary or permanent) for the Phase 2 Hangar building or Phase 2 Rent Commencement Date, whichever shall first occur	Market Research
Phase 3 notice due to City ("Phase 3 Notice Date") on last day of 12th month of market research	
30 Months	Phase 3 Development and Construction
Phase 3 Rent shall be due beginning on the first day of the month following issuance of any temporary or permanent certificate of occupancy, or for all five (5) Hangar buildings on the first day of the 31st month following the Phase 3 Notice Date ("Phase 3 Rent Commencement Date"), whichever shall first occur	

PHASE DETAILS

Phase 1: Beginning at the northernmost limit of the available Land, construct approximately 64,800 square feet of finished aircraft hangar storage space in sequential order from north to south consisting of:

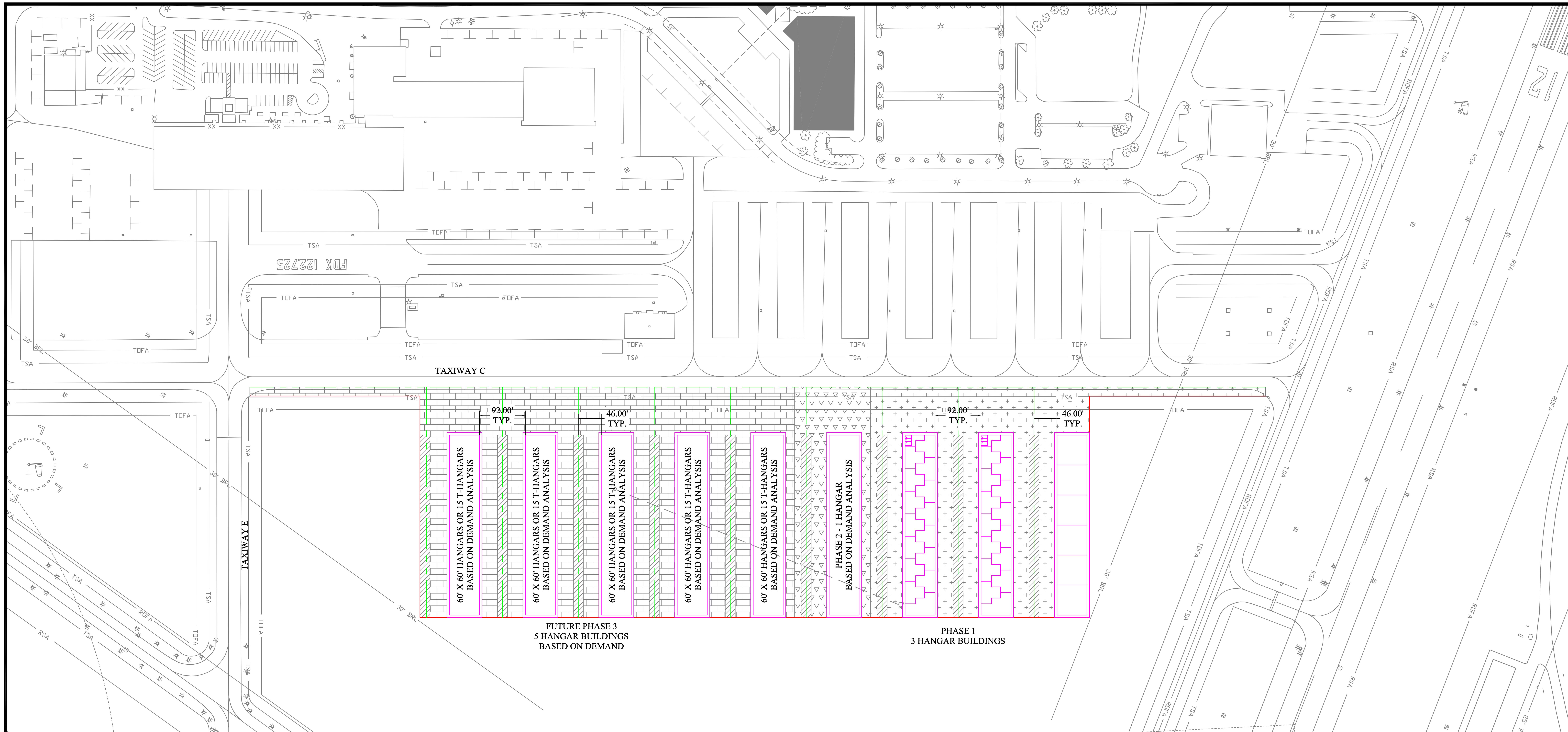
• One (1) single 6-unit 60' x 60'box hangar (21,600 square feet); and
• Two (2) 15-unit T-hangar buildings with 45' doors (43,200 square feet): and
• Improvements appropriate to Phase 1 hangars

Phase 2: Construct approximately 21,600 square feet of finished aircraft hangar storage space directly abutting the southernmost Phase 1 building consisting of:

• One (1) single 6-unit 60' x 60'box hangar (21,600 square feet); or
• One (1) 15-unit T-hangar building with 45' doors (21,600 square feet); and
• Improvements appropriate to Phase 2 hangars

Phase 3: Beginning at the Phase 2 building, construct approximately 108,000 square feet of finished aircraft hangar storage space in sequential order from north to south consisting of:

• Five (5) 6-unit 60' x 60'box hangars (108,000 square feet); or
• Five (5) 15-unit T-hangar building with 45' doors (108,000 square feet); or
• A combination of the two prior options for a total of five (5) buildings, as Lessee determines most appropriate based upon market demand; and
• Improvements appropriate to Phase 3 hangars



NOTES:

1. PHASE 1 TO INCLUDE:
   1.1. SINGLE 6-UNIT 60' X 60' BOX HANGAR.
      1.1.1. 21,600 SF
   1.2. 2, 15-UNIT T-HANGAR BUILDINGS W/45' DOORS.
      1.2.1. 43,200 SF
   1.3. PERVIOUS PAVEMENT
      1.3.1. 29,221 SF
   1.4. IMPERVIOUS PAVEMENT
      1.4.1. 126,938 SF
2. PHASE 2 TO INCLUDE:
   2.1. SINGLE 6-UNIT 60' X 60' BOX HANGAR OR 15-UNIT T-HANGAR BUILDING BASED ON DEMAND.
      2.1.1. 21,600 SF
   2.2. IMPERVIOUS PAVEMENT
      2.2.1. 27,266 SF
3. PHASE 3 TO INCLUDE:
   3.1. 5, 6-UNIT 60' X 60' BOX HANGARS OR 5, 15-UNIT T-HANGAR BUILDINGS BASED ON DEMAND.
      3.1.1. 108,000 SF
   3.2. PERVIOUS PAVEMENT
      3.2.1. 36,526 SF
   3.3. IMPERVIOUS PAVEMENT
      3.3.1. 205,274 SF
4. HANGARS WILL BE CONSTRUCTED FROM NORTH TO SOUTH.

N

GRAPHIC SCALE
100 0 50 100 200 400
(IN FEET)
1 inch = 100 ft.

LEGEND

DESCRIPTION	SYMBOL
PROP. EOP	
PROP. TW CL	
PHASE 1	
PHASE 2	
FUTURE PHASE 3	
PROPOSED POROUS PAVEMENT WITH UNDERDRAIN	

NO.	DATE	REVISIONS	BY	APPR.

CAMPBELL & PARIS ENGINEERS
4215 LAFAYETTE CENTER DR., SUITE 2
CHANTILLY, VA. 20151 (703) 802-0093

DESIGNED BY:	DRAWN BY:	CHECKED BY:	APPROVED BY:
FM	FM	-	-
SCALE: AS SHOWN		C&P JOB #: FDK-27	PROJECT PHASE: PLANING

FREDERICK, MARYLAND
FREDERICK MUNICIPAL AIRPORT
TAXIWAY C HANGARS

AOPA EXHIBIT A

AIP No.
--
STATE No.
--
SHEET INDEX

APRIL 2018

CITY OF FREDERICK, MARYLAND
LEASE FOR SPACE, FACILITIES AND LAND
AT FREDERICK MUNICIPAL AIRPORT

THIS LEASE (hereinafter referred to as “Lease”) is made this ___ day of _________, 2018 by and between The City of Frederick, Maryland, a municipal corporation of the State of Maryland (the “City”) and AOPA Holdings Corporation, a Delaware Corporation registered and doing business in the State of Maryland (the “Lessee”) (Collectively “Parties”).

WHEREAS, the City owns Frederick Municipal Airport (hereinafter the “Airport”) located in the City of Frederick, Maryland and issued RFP 17-R Land Lease for Northeast Hangar Development (F4) (“RFP 17-R”) soliciting proposals to construct general aviation hangars on the Airport; and

WHEREAS, Lessee submitted a response to the RFP 17-R and desires to construct, lease and operate a hangar facility at the Airport for the storage and accommodation of general aviation aircraft.

NOW THEREFORE WITNESSETH:

That in consideration of the promises, charges, fees, covenants and agreements contained herein; and of the mutual benefits to be derived therefrom, the Parties hereto agree as follows:

ARTICLE I

LEASED PREMISES

City hereby leases to Lessee and Lessee hereby accepts and leases from City the following space, described below and as more particularly shown on Exhibit A attached hereto and incorporated herein:

Approximately 619,625 square feet of raw ground (“Land”), which the Lessee shall use exclusively for the development, construction, and operation of approximately 194,400 square feet of finished aircraft storage buildings (“Hangars”) to be built in phases pursuant to the Lease Development Schedule attached hereto and incorporated herein as Exhibit B. In addition to Hangars, Lessee shall construct and maintain other related facilities including but not limited to utilities, storm water management facilities, vehicle parking areas, and connecting pavements (“Improvements”). The Land, Hangars, and Improvements are hereinafter collectively referred to as the “Leased Premises”.

In addition to the lease of the Land for the purpose of utilizing it for the Leased Premises, City grants and conveys unto Lessee a non-exclusive right, coterminous with the term of this Lease, to utilize the runways and taxiways of the Airport in conjunction with the uses to which the Leased Premises are put and in accordance with all laws, rules and regulations of the United States of America, the State of Maryland, The City of Frederick, and Frederick Municipal Airport pertaining thereto.

ARTICLE II

TERM AND CONSTRUCTION REQUIREMENTS

A. This Lease shall be for an initial term of twenty-five (25) consecutive years ("Initial Term"), commencing on ____________ ("Lease Commencement Date") and ending on the last day of the month prior to the twenty-fifth (25th) anniversary of the Lease Commencement Date ("Lease Termination Date"), subject to earlier termination or extension as hereinafter provided.

B. Thereafter, this Lease may be renewed by the Lessee for one ten-year (10) renewal term ("Renewal Term") commencing therefor at 12:01 a.m. on the day immediately following the expiration date of the Initial Term under the same terms and conditions as set forth herein if Lessee notifies the City, in writing, of its request to renew this Lease at least one hundred eighty (180) days prior to the expiration of the Initial Term. This Lease shall not be eligible for renewal unless all of the following conditions exist:

1. Lessee is in good corporate standing with the State of Maryland; and

2. Lessee is not in default of any of the terms or provisions of this Lease; and

3. Lessee is in compliance with and is conforming to with the current Frederick Municipal Airport, Frederick Maryland, Rules and Regulations and Minimum Operating Standards ("Airport Operating Standards") as they are amended from time to time; and

4. Lessee is in compliance with and is conforming to all Federal Aviation Administration ("FAA") grant assurances associated with the Airport.

Upon receipt of the request to renew and upon confirmation that the above conditions exist, the City will confirm in writing that the Lease will be renewed for the Renewal Term.

C. The Lessee shall have completed all three (3) of the Hangars labeled as Phase 1 on Exhibit A such that they are fully operational and available for use within twenty-four (24) months after the Lease Commencement Date. The City agrees that it will act with reasonable diligence to process any permits, approvals and/or licenses within the City's control. If Lessee fails to cause all three (3) Hangars labeled as Phase 1 to be made fully operational and available for use within twenty-four months (24) of the Lease Commencement Date, City shall have the unilateral right, at its own discretion, to terminate this Lease upon thirty (30) days written notice. Any delay by City in exercising such discretion to terminate shall be deemed a waiver of that right if not exercised prior to the date Lessee has made all three (3) Hangars labeled as Phase 1 on Exhibit A fully operational and available for use.

D. Lessee and City shall follow the timeline contained below and also as stated in the Lease Development Schedule (Exhibit B). Lessee shall provide written notice to the City of its intent to build or not build Phase 2 no later than the last day of the twelfth (12th) month following the Phase 1 Rent Commencement Date or on the last day of the twelfth (12th) month following the issuance of a permanent or temporary certificate of occupancy for the third completed Hangar building of Phase 1, whichever shall occur earlier in time. If Lessee provides notice that it does not intend to build Phase 2, the Parties shall execute an appropriate modification to the Lease square footage limits to denote the current limits of the Improvements built in Phase 1. Failure of the Lessee to provide written notice within the prescribed time limits will serve as a declination of the Lessee to develop the remaining Phase 2 or Phase 3 pursuant to the terms of this Lease.

E. Lessee shall provide written notice to the City of its intent to build or not build Phase 3 no later than the last day of the twelfth (12th) month following the Phase 2 Rent Commencement Date or on the last day of the twelfth (12th) month following the issuance of a temporary or permanent certificate of occupancy of the single Hangar contained in Phase 2 whichever shall occur earlier in time. If Lessee provides notice that it does not intend to build Phase 3, the Parties shall execute an appropriate modification to the Lease square footage limits to denote the current limits of the Improvements built in Phase 1 and 2. Failure of the Lessee to provide written notice within the prescribed time limits will serve as a declination of the Lessee to develop the remaining Phase 3 pursuant to the terms of this Lease.

F. If Lessee provides notice to the City of its intent to build Phase 2 or Phase 3, and subsequently waives their development rights by giving notice to the City of its intent not to complete any portion of Phase 2 or Phase 3, the Lessee shall pay a penalty fee in an amount equal to three times the annual rent that would have been applicable for the incomplete portions of Phase 2 or Phase 3 as determined pursuant to Article III.

The Lessee shall also be required to pay the penalty fee if all of the following apply:

- i) The Lessee gives notice of its intent to build Phase 2 or Phase 3;
- ii) Any applicable Rent Commencement Date begins as a result of the passage of time rather than the Lessee having received any applicable certificates of occupancy;
- iii) The Lessee has not commenced construction of all of the Hangars consistent with the notice of intent for the applicable Phase and/or is not actively pursuing such construction;
- iv) The Lessee has not provided notice to the City that it is waiving the development rights for the non-constructed Hangars in the applicable portion of Phase 2 or Phase 3;
- v) The City in its sole discretion determines that the Lessee has waived its development rights for those non-constructed Hangars; and
- vi) The City gives notice to the Lessee that the Lessee’s remaining development rights for the applicable portion of Phase 2 or Phase 3 have been terminated.

Penalty fee payments under this provision shall be paid in three annual installments beginning when they first become applicable and then on an annual basis from that date for two subsequent years.

ARTICLE III

RENT/TAXES

A. Lessee shall pay rent ("Rent") to the City in accordance with the schedule shown below in the following Rental Rate by Year table for the Leased Premises. Rent is based on the actual square footage of the "as-built" Hangars or 21,600 square feet per Hangar whichever is greater plus the actual square footage of any storm water management features built outside the general footprint of the Hangars and the Lessee installed taxilanes directly adjacent to and abutting the Hangars. Beginning on the first day of the Renewal Term, Rent shall increase by approximately three percent (3%) annually above the previous year's rental rate as shown in the Rental Rate by Year table below.

Rental Rate by Year					
Lease Year	**Rate per sq.ft.**	**Lease Year**	**Rate per sq.ft.**	**Lease Year**	**Rate per sq.ft.**
1	$0.65	**13**	$0.65	**25**	$0.65
2	$0.65	**14**	$0.65	**26**	$0.67
3	$0.65	**15**	$0.65	**27**	$0.69
4	$0.65	**16**	$0.65	**28**	$0.71
5	$0.65	**17**	$0.65	**29**	$0.73
6	$0.65	**18**	$0.65	**30**	$0.75
7	$0.65	**19**	$0.65	**31**	$0.78
8	$0.65	**20**	$0.65	**32**	$0.80
9	$0.65	**21**	$0.65	**33**	$0.82
10	$0.65	**22**	$0.65	**34**	$0.85
11	$0.65	**23**	$0.65	**35**	$0.87
12	$0.65	**24**	$0.65		
NOTE: "Lease Year" in table above is in reference to the Lease Commencement Date					

1. During the 25-month period following the Lease Commencement Date, Rent for each Hangar in Phase 1 is due on a Hangar by Hangar basis beginning on the first day of the month following receipt of the temporary or permanent certificate of occupancy for that Hangar. In the event all three Hangars in Phase 1 have not received a temporary or permanent certificate of occupancy on or before the first day of the 25th month following Lease Commencement Date, then Lessee's obligation to pay Rent for these additional Hangars shall begin on that date notwithstanding the lack of the certificate of occupancy.

The date of the initial rent payment for the third Hangar or on the first day of the 25th month following the Lease Commencement Date, whichever shall first occur, shall be considered the "Phase 1 Rent Commencement Date".

Lessee shall not be obligated to pay Rent between the Lease Commencement Date and the date of the receipt of the first of any temporary or permanent certificates of occupancy or the Phase 1 Rent Commencement Date, whichever shall first occur.

2. If Lessee provides notice to the City of its intent to build Phase 2 ("Phase 2 Notice Date"), Rent for Phase 2 shall commence on the earlier of the first day of the month following the receipt of a temporary or permanent certificate of occupancy for the Hangar constructed during Phase 2 or the first day of the 25th month following Phase 2 Notice Date. ("Phase 2 Rent Commencement Date")

3. If Lessee provides notice to the City of its intent to construct Phase 3 ("Phase 3 Notice Date"), Rent for any Hangar in Phase 3 shall commence on the earlier of the first day of the month following the receipt of any temporary or permanent certificate of occupancy for any Hangar constructed during Phase 3 or for all five Hangars the first day of the 31st month following Phase 3 Notice Date ("Phase 3 Rent Commencement Date").

4. If the Rent is commenced without the Lessee having received a temporary or permanent certificate of occupancy pursuant to subparagraphs 1-3 of this section, Rent shall be calculated for the respective Phase based upon the square footage of the Hangars and applicable storm water management features shown on an approved development plan or 21,600 square feet per Hangar whichever is greater plus the square footage of any storm water management features built outside the general footprint of the Hangars and the Lessee installed taxilanes directly adjacent to and abutting the Hangars.

B. If the classification of the Airport or the Leased Premises for tax purposes changes as a result of Lessee's use, then Lessee shall be responsible for any real estate and/or personal property tax increases attributable to such use. Lessee shall have 30 days from the date that the City mails any notice to Lessee regarding the tax bill to pay the City the amount of applicable taxes. Lessee shall make such payment whether any of the foregoing are created by statute, charter, ordinance, regulation or other requirements or imposed under or by virtue of any present or future law of any governmental authority, federal, state, county, city, municipal or otherwise. In the event Lessee receives a tax bill from a taxing authority but fails to pay the taxes within 30 days of the date that the City mails any notice to Lessee, City may collect these taxes as additional Rent pursuant to the terms of this Lease.

C. Beginning on the Lease Commencement Date, the Lessee shall be responsible to arrange for and pay all utilities serving the Leased Premises, including but not limited to water and sewer, gas, electric, cable, telephone, and all other recurring expenses.

D. The Airport Manager shall have the right to review a schedule of Lessee's rates, fees, and charges for all services authorized by this Lease, however such rates, fees, and charges shall be provided only for Airport Manager's information and to confirm compliance with applicable Federal grant agreement terms, not for approval. Lessee shall thereafter place such schedule of fees, rates, and charges in conspicuous places upon the Leased Premises.

ARTICLE IV

METHOD OF PAYMENT

Rent shall be due on a monthly basis and paid in advance by Lessee without demand on the first day of any calendar month in which Rent is due. Lessee will be assessed a late charge at the rate of five percent (5%) per month of the amount owed to City if rental payments due under this Lease are not paid by the fifth day of the month.

ARTICLE V

USES BY LESSEE

A. Lessee shall have the following rights in and uses of the Leased Premises and Airport, all of which shall be subject to the terms, conditions, and covenants hereinafter set forth:

1. To use the Leased Premises solely for the development, construction, and management of hangar facilities for general aviation aircraft and related equipment, and to sublease hangar facilities for use by third parties. Prior to complete buildout, the City shall retain operational control over all Land not subject to any developmental approvals.

2. To use Leased Premises solely for the purposes described herein, with the understanding that Lessee has no ownership interest in the Land beyond this Lease. Lessee may not pledge any of the Land for collateral for financing purposes. Lessee and its sublessees shall have the right to encumber, assign or convey its leasehold rights and/or title and interest in and to the Hangars to secure repayment of funds borrowed by Lessee or Lessee's sublessees to finance any construction of Hangars, Improvements, equipment, repairs, or restorations of Hangars or Improvements, or to refinance any outstanding loan or loans previously obtained for such purpose. Such encumbrances shall be memorialized on any appropriate form including, but not limited to, deeds of trust filed in the land records or other records of Frederick County. A copy of any document showing an encumbrance shall be provided to the City upon its execution. The City's fee interests with respect to the Land shall not be made subject to any encumbrance permitted by Lessee. Lessee may neither physically remove, nor permit any sublessee or an encumbrance holder to physically remove, any structural portion of any Hangar such that would leave the Hangar in a state whereby it would not have qualified for its initial certificate of occupancy. Lessee agrees that any encumbrance or finance terms do not eliminate or reduce Lessee's obligation to maintain the Leased Premises in accordance with the provisions of Article VII, Article XI or other applicable terms of this Lease. Any encumbrances permitted by Lessee pursuant to this provision must be extinguished/cleared prior to surrender of the Hangars to the City at the expiration of this Lease.

3. To use the public facilities at the Airport in common with others authorized to do so, which right shall be exercised in accordance with the laws of the United States of America and the State of Maryland, and the Airport Operating Standards as amended.

B. Lessee shall not use the Leased Premises for Specialized Aeronautical Operation Services (SASO) including but not limited to a prohibition by the Lessee on the sale of aviation fuels or petroleum products, flight training, aircraft maintenance services, or avionics to the general public without the written consent of the Airport Manager. If approved, SASO operations must conform to the City's procurement and leasing policies and Airport Operating Standards as amended.

C. Subcontracting arrangements made by the Lessee during the design and construction of the Hangars and Improvements must comply with Airport Operating Standards as amended and the rules and regulations and federal grant obligations and assurances which are incorporated herein by reference. Subleasing agreements made by Lessee must comply with Airport Operating Standards as amended and the rules and regulations and federal grant obligations and assurances which are incorporated herein by reference.

1. City may require reasonable proof of the ability of any sub-lessee to assume the financial, regulatory, administrative, and enforcement requirements of any sublease with Lessee.

2. The Airport Manager reserves the right to approve for consistency with the terms of this Lease all subleases, sublease templates or any other documents that serve the purpose of creating a lease situation and any modifications to subleases, sublease templates or any other documents that serve the purpose of creating a lease situation prior to the Lessee's execution of those documents Said approval shall not be unreasonably withheld. Any of the above listed documents submitted to the Airport Manager for approval shall be acted upon within ten (10) business days of their submittal. Failure of the Airport Manager to act within ten (10) business days shall result in the submitted documents having been deemed approved. In the event that the Parties approve a sublease template, any subleases that do not alter the template form except for the completion of the information required by the form will be deemed approved without prior review by the Airport Manager. The Parties agree that the Airport Manager reserves the right to require that unexecuted sublease templates be updated from time to time to be consistent with FAA grant assurances associated with the Airport. Lessee agrees to insert into all subleases, sublease templates or any other documents that serve the purpose of creating a lease situation terms that require the sublessees to comply with Airport Operating Standards as amended. The Parties understand and agree that the Lessee may not execute any sublease agreements that extend in length beyond the term of the Renewal Term of this Lease.

D. The Lessee shall provide notification of any change of use, modification, or alteration to the Hangars before or after construction that requires the issuance of a City issued permit.

ARTICLE VI

IMPROVEMENTS TO BE CONSTRUCTED BY LESSEE

A. At Lessee's sole cost and responsibility, Lessee shall design, finance, and construct City-approved Hangars and Improvements in accordance with RFP 17-R Land Lease for Northeast Hangar Development (F4) and the Lessee's submitted proposal dated September 1, 2017 to that same RFP, which are incorporated herein by reference and made a part of this Lease, as if set forth herein in full, as the terms of this Lease. In the event of any inconsistency, variance, or difference between RFP 17-R and this Lease, then this Lease shall govern. Design of the Hangars and connecting taxilanes must meet current FAA design standards and receive the approval of the City's Planning, Engineering, and Building Departments. The Lessee is responsible for completing, and coordinating with the Airport Manager, all filings with the FAA and Maryland Aviation Administration (MAA), including FAA Forms 7460-1 and 7460-2. Lessee is responsible for preparing and obtaining all permits and entitlements necessary for site preparation and construction for all development of the Leased Premises.

B. Lessee shall design, finance, construct, and acquire all required utility extensions and access easements, as necessary, including, but not limited to, water, sanitary sewer, telephone, electric, and storm water management features. Lessee shall be responsible for constructing any improvements in accordance with plans and specifications prepared by a professional architectural/engineering firm, which shall be reviewed and approved in accordance with the site plan procedures by The City of Frederick Planning Commission. Lessee shall employ such contractors, subcontractors, engineers, architects and the like as are necessary, advisable or convenient to that purpose. All construction shall be completed in a good and workman-like fashion and in accordance with the International Building Code and current City of Frederick standard engineering specifications. No changes will be made to the plans and specifications without the prior written approval of the City. City requires all materials inspection and testing to be performed by a qualified testing agency employed by the Lessee and approved by The City of Frederick.

C. Lessee shall be responsible for all equipment, furnishings and fixtures necessary to the proper conduct of Lessee's business.

D. Plans may be submitted for review to the FAA/Washington Airports District Office (WADO) and MAA. All costs associated with the planning, design, and development of the Leased Premises shall be at the full expense of the Lessee.

E. Lessee shall furnish to the City, within fourteen (14) days prior to the start of construction of each phase, as applicable, a Performance Bond in the amount of 100% of the total construction cost for that phase, to guarantee completion of approved construction. All submitted bonds shall be in accordance with The City of Frederick policies on acceptance of sureties.

ARTICLE VII

OBLIGATIONS OF LESSEE

Lessee shall conduct its activities at the Airport to the reasonable satisfaction of the City and shall keep the Leased Premises in a safe, clean, orderly, and inviting condition at all times, and in accordance with Airport Operating Standards as amended. Lessee shall acquire and maintain any necessary permits and licenses at its sole expense.

ARTICLE VIII

INSURANCE

A. Lessee shall, at its own expense, maintain primary liability insurance with a reputable insurance company authorized to conduct business in the State of Maryland, and said insurance shall not be cancelled without at least thirty (30) days advance written notice to City.

B. Lessee shall, at its own expense, take out and carry in effect, throughout the term of this Lease, a standard form policy, or policies, of insurance for the foregoing stated liability, in the following types and amounts:

1. Statutory Workers' Compensation Insurance in compliance with the requirements of Maryland law, and Employer's Liability coverage in a policy limit amount of at least One Million ($1,000,000.00) dollars.

2. General Liability Insurance with combined single limit of not less than Five Million ($5,000,000.00) dollars to include but not be limited to bodily injury and/or death, premises/operations, independent contractors, property damage, and products/completed operations per occurrence.

3. Automobile Liability with a combined single limit of not less than One Million ($1,000,000.00) dollars for bodily injury and property damage per occurrence. Lessee shall provide comprehensive form, owned, hired, and non-owned coverage.

C. Lessee agrees to furnish City with a certificate, or certificates, of insurance from the insurance carrier(s) evidencing coverage of Lessee's operations on the Airport and the period of the policy, and indicating the type, kind and amount of insurance in effect. Except as otherwise indicated, all policies shall identify the City, its authorized agents, employees and representatives as additional insureds. The City shall be provided with at least thirty (30) days advance notice in writing, of cancellation or of any material change.

D. Lessee shall furnish each certificate of insurance in duplicate to the City within thirty (30) days from the Lease Commencement Date, unless otherwise specifically authorized by City in writing.

Certificate(s) shall be issued to:

Airport Manager
Frederick Municipal Airport
111 Airport Drive East
Frederick, Maryland 21701

E. The City reserves the right to obtain relevant endorsements, declaration pages, and/or a complete copy of the insurance policy(s) from Lessee, evidencing the coverage required herein, upon written demand.

F. The failure of the City, at any time or from time to time, to enforce the foregoing insurance provisions shall not constitute a waiver of those provisions nor in any respect reduce the obligations of Lessee to defend and hold the City and any of its agents, employees or representatives harmless with respect to any items of injury or damage covered by this Article.

ARTICLE IX

DAMAGE OR DESTRUCTION OF PREMISES

If the Leased Premises shall be damaged or destroyed by fire, explosion or other casualty not arising from the fault or negligence of Lessee, the following shall apply:

A. Partial Damage. If the Leased Premises are partially damaged by fire, explosion or other casualty, but are not rendered unusable, the same will be repaired at Lessee's own cost and expense, and there will be no abatement of Rent.

B. Extensive Damage. If the damage shall be so extensive as to render the Leased Premises unusable but capable of being repaired within thirty (30) days, the same shall be repaired with due diligence at Lessee's sole cost and expense, and Rent in an amount proportionate to the damaged portions of the Leased Premises shall abate until such time as the Leased Premises are fully restored; provided however, that there shall be no abatement of Rent if said damages were the result of improper operation, misuse, abuse or negligence on the part of Lessee, its agents or sublessees, or when such damage results from alterations performed by Lessee or any agents or sublessees operating under the control of Lessee, whether or not the alterations were approved by City.

C. Complete Destruction. In the event said Leased Premises are completely destroyed by fire, explosion, or other casualty, including by an "Act of God", or are so damaged that they will remain unusable for more than thirty (30) days, Rent payable hereunder shall be paid to the time of such damage or destruction and shall thenceforth cease until such time as the Leased Premises may be fully restored. If within six (6) months after the time of such damage or destruction, approvals to rebuild said Leased Premises have not been obtained, or if within twelve (12) months construction activity shall not have commenced, City may cancel this Lease in its entirety as of the date of such damage or destruction, and order all improvements be removed at Lessee's expense.

ARTICLE X

TERMINATION OF LEASE; DEFAULTS AND TRANSFER

A. Termination or Expiration. Subject to the terms of this Lease, Lessee shall have no further right or interest in the Leased Premises after the termination of this Lease by the City pursuant to subparagraph E of this Article or the expiration of this Lease. Upon such termination or expiration of this Lease, ownership of all Improvements and Hangars constructed by or for Lessee, whether permanent or temporary in character, shall automatically become property of the City and shall be surrendered in good condition, reasonable wear and tear expected, without compensation or any instrument of transfer.

B. Termination by Lessee. In the event that one or more of the following occurrences and upon thirty (30) days written notice provided to the City by Lessee, Lessee may terminate this Lease or without prejudice to its right to terminate, may suspend the payment of Rent during the period such condition continues in an amount proportionate to the Lessee's inability to utilize the Leased Premises for the purposes intended by this Lease:

1. The permanent abandonment of the Airport as an air terminal.

2. The lawful assumption by the United States Government, or any authorized agency thereof, of the operation, control, or use of the Airport, or any substantial part or parts thereof, or lawful order thereof suspending or terminating such operations, and in either event in such a manner so as to substantially restrict Lessee for a period of at least one year from operating thereon.

3. Issuance by any court of competent jurisdiction of an injunction in any way preventing or restraining the use of the Airport, with said injunction remaining in force of such injunction for a period of at least one year.

4. The complete destruction of the Premises as outlined in Article IX.

In the event Lessee terminates this Lease pursuant to this Article X.B, then Lessee shall have the right to remove the Hangars and return the Leased Premises to buildable condition. Lessee waives its right to remove the Hangars unless the Lessee notifies the City within five days from the termination of this Lease of its intention to remove the Hangars.

C. Default. Each of the following shall be deemed a default by Lessee and a breach of this Lease:

1. The filing of a petition by or against Lessee for adjudication as bankrupt, or for reorganization, or for arrangement under any bankruptcy act.

2. The commencement of any action or proceeding for the appointment of a receiver or trustee of the property of Lessee.

3. The making by Lessee of an assignment for the benefit of creditors.

4. The suspension of business by Lessee or any act by Lessee amounting to a business failure.

5. The filing of a tax lien against any property of Lessee.

6. Abandonment of the Leased Premises.

7. A failure by Lessee in the performance of any other term, covenant, agreement or condition of this Lease on the part of Lessee to be performed.

8. Failure by Lessee to pay the rental payments required by the terms of this Lease.

9. Failure by the Lessee to pay any tax assessments which are due and payable pursuant to Article III B.

10. Failure by Lessee to prohibit its sublessees or any encumbrance holder from physically removing any structural portion of any Hangar such that would leave the Hangar in a state whereby it would not have qualified for its initial certificate of occupancy.

11. Failure by Lessee to maintain the Leased Premises to such a degree that the Leased Premises has deteriorated to such a state of disrepair such that would leave any Hangar in a state whereby it would not have qualified for its initial certificate of occupancy.

D. City's Right Upon Lessee's Default - General. City, upon failure of Lessee to cure any default by Lessee itemized in Article X, C.5 or C.7 under the terms and conditions of this Lease within forty-five (45) days after receipt of written notice thereof from City, provided however that if the nature of the default is such that more than forty-five (45) days are reasonably required for its cure and the Lessee commences such cure within said period and diligently pursues such cure the following provisions shall not apply, may immediately or at any time thereafter, without further notice to Lessee, enter the Leased Premises without terminating this Lease and do any and all acts as City may reasonably deem necessary, proper or convenient to cure such default, for the account and at the expense of Lessee, and Lessee agrees to pay City as additional rent, upon demand, three times the amount of all reasonable damage and/or expense incurred by City in so doing.

E. City's Right upon Lessee's Default – Termination.

1. Upon failure of Lessee to cure any default itemized in Article X, C.1, C.2, C.3, C.4, C.6, C.10 or C.11of this Lease within forty-five (45) days after receipt of notice thereof from the City, provided however that if the nature of the default is such that more than forty-five (45) days are reasonably required for its cure and the Lessee commences such cure within said period and diligently pursues such cure the Termination provisions will not apply; or

2. If Lessee fails to pay Rent (Article X.C.8) or any tax assessments which are due and payable (Article X.C.9) for a period of sixty (60) days after either is due and payable; or

3. Upon the occurrence of any of the preceding situations in subparagraph E.1 or 2 above, the City may terminate this Lease by issuing a notice to the Lessee and in accordance with the legal process under Maryland law, take possession of the Leased Premises and remove Lessee, sublessee, and any occupant and any property therefrom, using such force as may reasonably be necessary, without being guilty of trespass and without relinquishing any rights of City against Lessee. No act or thing done by City shall be deemed to be an acceptance of a

surrender of the Leased Premises unless City shall execute a written agreement of surrender with Lessee.

4. Upon termination as provided in Article X.E of this Lease, the City shall recognize the rights of all sublessees pursuant to their respective subleases provided: (i) such sublessee is not in default of the terms of its sublease and provided any such sublessee is provided at least thirty (30) days prior written notice and opportunity to cure any such default; and (ii) the applicable sublease does not obligate the City to assist financially in the construction, maintenance or payment for the Hangar. Any sublessee, notwithstanding the terms of its sublease with Lessee to the contrary, shall be minimally obligated to pay the proportionate share of both the Rent obligation of the Lessee to the City and the upkeep and maintenance of the Hangar that would have been the responsibility of the Lessee under the terms and conditions of this Lease. For clarification, a sublessee's "proportionate share" shall be calculated using the square footage of the sublessee's hangar footprint. The rent obligation means the applicable Rent that the Lessee would otherwise pay to the City for sublessee's hangar space footprint. Rent payable by a sublessee under this provision begins on the same date that Rent would have been payable by the Lessee. The fee for "upkeep and maintenance of the Hangar" shall be the amount estimated or charged by AOPA to the sublessees as additional rent to cover AOPA's anticipated costs of maintaining the ramps and Hangars plus miscellaneous administrative costs.

5. Upon any termination as provided in Article X, Lessee shall cooperate with the City to assign to the City all subleases executed between Lessee and its sublessees.

ARTICLE XI

MAINTENANCE OF LEASED PREMISES

A. Lessee shall be responsible for maintenance of the Leased Premises to include repair of Hangars and Improvements. For all such maintenance, Lessee shall obtain any and all appropriate permits and the work performed shall be done in a good and workmanlike manner.

B. Lessee shall repair damage to the Leased Premises in a timely manner when such damage results from improper operation, misuse, abuse or negligence on the part of Lessee, its agents or sublessees, or when such damage results from alterations performed by Lessee, its agents operating under the control of Lessee or its sublessees.

C. Lessee is responsible for providing (i) snow and ice removal promptly following any snowfall or icing from any automobile parking areas within the Leased Premises and pedestrian areas and taxilanes, (ii) landscape maintenance including mowing of grass areas within Leased Premises including maintenance of any storm water management facilities; (iii) janitorial services necessary to maintain cleanliness of the Leased Premises; and (iv) routine and preventative maintenance on all electrical/mechanical systems. All such maintenance shall have appropriate permits and be performed promptly and in a good and workmanlike manner.

D. Lessee shall also be responsible for placing all trash and debris in covered and secured outside trash containers.

ARTICLE XII

CITY'S RIGHT TO INSPECTION

City shall have access to the Leased Premises and each part thereof for the purpose of ensuring compliance with Airport Operating Standards as amended and general safety and welfare of Airport operations. City shall have access and the ability to review all maintenance logs, inspection reports, lease agreements, sublease agreements, security reports, closed circuit television (CCTV) footage, and any other documentation pertaining to the operational or administrative affairs on the Leased Premises. Airport Manager shall be given a copy of master key(s) (or equivalent device) for access to all hangars, doors, and structures on Leased Premises for purposes of ensuring compliance with the terms of this Lease.

ARTICLE XIII

END OF THE LEASE INSPECTION

A. During the term of the Lease, Lessee shall take all such maintenance and corrective action in accordance with Article XI above, Maintenance of Leased Premises. Without limitation to the City's inspection rights in Article XII above, at any time within 240 to 180 days prior to the expiration of this Lease, the City shall have the right to schedule an inspection of the Leased Premises with the Lessee for the specific purpose of determining whether the Leased Premises are in a condition reasonably acceptable to the City for surrender at the expiration of the Lease as provided in Article X.A. above. At the conclusion of this inspection, the City using reasonable judgment shall provide Lessee with a list of discrepancies that must be completed in order for the Leased Premises to be surrendered in "good condition, reasonable wear and tear expected." Lessee shall have one hundred twenty (120) days to correct such discrepancies to the satisfaction of the City.

B. If after one hundred twenty (120) days has passed and the City in its reasonable discretion determines that the condition of any or all of the Hangars remains in a state of disrepair, the City may direct the removal of any or all of the Hangars that remain in a state of disrepair and for that identified area of Land to be returned to buildable condition at Lessee's sole cost.

ARTICLE XIV

LEASE PROVISIONS REQUIRED BY THE FEDERAL AVIATION ADMINISTRATION

A. Lessee, its successors and assigns, as part of the consideration hereof, does hereby covenant and agree as a covenant running with the Land that Lessee shall maintain and operate the Leased Premises and the Lessee's services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, DOT, Subtitle A, Office of the

Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

B. Lessee, its successors and assigns, as part of the consideration hereof, does hereby covenant and agree as a covenant running with the Land (1) that no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the Leased Premises; (2) that in the construction of any Improvements on, over, or under the Leased Premises and the furnishing of services thereon, no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; (3) that Lessee shall use the Leased Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title IV of the Civil Rights Act of 1964, and as said Regulations may be amended.

C. In the event of breach of any of the above nondiscrimination covenants by Lessee, City shall have the right to terminate this Lease and to reenter and repossess the Leased Premises and the facilities thereon, and hold the same as if this Lease had never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 are followed and completed including expiration of appeal rights.

D. Lessee shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof and it shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service; provided that Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers.

E. Noncompliance with Section D above shall constitute a material breach thereof and in the event of such noncompliance City shall have the right to terminate this Lease without liability therefore or at the election of the City or the United States either or both said governments shall have the right to judicially enforce ARTICLE XIV, Section D above.

F. Lessee agrees that it shall insert the above five provisions (ARTICLE XIV, Sections A-E above) in any sublease agreement contract, license, permit or other instrument by which Lessee grants a right or privilege to any person, firm or corporation to render accommodations and/or services to the public on the Leased Premises.

G. [Intentionally Omitted.]

H. City reserves the right to further develop or improve the landing area of the Airport as it sees fit regardless of the desires or view of the Lessee and without interference or hindrances.

I. City reserves the right, but shall not be obligated to Lessee, to maintain and keep in repair the landing area of the Airport and all publicly-owned facilities of the Airport, together with the right to direct and control all activities of the Lessee in this regard.

J. This Lease shall be subordinate to the provisions and requirements of any existing or future agreement between City and the United States relative to the development, operation or maintenance of the Airport, including but not limited to, all federal grant obligations.

K. Lessee agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Administration in the event future construction of a Hangar is planned for the Leased Premises, or in the event of any planned modification or alterations of any present or future building or structure situated on the Leased Premises.

L. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308a of the Federal Aviation Act of 1958 (49 U.S.C. 1349a).

M. There is hereby reserved to City, its successors and assigns, for the use and benefit of the public, a right of flight for passage of aircraft in the airspace above the surface of the Leased Premises. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace or landing at, taking off from or operation on the Airport.

N. Lessee by entering into this Lease expressly agrees for itself, its successors and assigns that it will not erect nor permit the erection of any structure or object nor permit the growth of any vegetation on the Leased Premises to penetrate the airspace protected by FAR Part 77. In the event the aforesaid covenants are breached, City reserves the right to enter upon the Leased Premise and to remove the offending structure or object and cut the offending vegetation, all of which shall be at the sole expense of Lessee.

O. Lessee by entering into this Lease agrees for itself, its successors and assigns that it will not make use of the Leased Premises in any manner which might interfere with the landing and taking off of aircraft from the Airport, or otherwise constitute a hazard. In the event the aforesaid covenant is breached, City reserves the right to enter upon the Leased Premises and cause the abatement of such interference at the sole expense of the Lessee.

P. This Lease and all the provisions hereof shall be subject to whatever right the United States Government now has or in the future may have or acquire affecting the control, operation, regulation and taking over of said Airport or the exclusive or nonexclusive use of the Airport by the United States during the time of war or national emergency.

ARTICLE XV

INDEMNIFICATION

If the Lessee is negligent and to the extent of such negligence, Lessee agrees that it shall indemnify and hold harmless the City and its officers, agents, representatives and employees, and save it harmless from and against any and all claims, suits, actions, demands, liabilities, and expenses in connection with loss of life, personal injury, and/or damage to person or property arising from or out of any occurrence in, upon or on the Leased Premises, or in connection with the Lessee's use of the Leased Premises or occasioned wholly or in part by any act or omission of Lessee, its agents or representatives.

In the event that the City or its officers, agents, representatives or employees shall without negligence on its part, be made party to any litigation commenced against Lessee, then Lessee shall protect and hold the City harmless and shall pay all costs, expenses, and reasonable attorney's fees incurred or paid in connection with such litigation. Lessee shall not be liable for any injury, damage, costs, expenses, attorney's fees or loss occasioned by the negligence or willful misconduct of the City, its officials, agents, representatives or employees.

If the City is negligent and to the extent of such negligence, City agrees that it shall indemnify and hold harmless the Lessee and its officers, agents, representatives and employees, and save it harmless from and against any and all claims, suits, actions, demands, liabilities, and expenses in connection with loss of life, personal injury, and/or damage to person or property arising from or out of any occurrence in, upon or on the Leased Premises, or in connection with the Lessee's use of the Leased Premises or occasioned wholly or in part by any act or omission of City, its agents or representatives.

In the event that the Lessee or its officers, agents, representative or employees shall without negligence on its part, be made party to any litigation commenced against City, then City shall protect and hold the Lessee harmless and shall pay all costs, expenses, and reasonable attorney's fees incurred or paid in connection with such litigation. City shall not be liable for any injury, damage, costs, expenses, attorney's fees or loss occasioned by the negligence or willful misconduct of the Lessee, its officials, agents, representatives or employees.

ARTICLE XVI

NO PARTNERSHIP OR JOINT VENTURE

No partnership or joint venture between the Parties is intended to or shall be created hereunder. In conducting its business hereunder, Lessee acts independently and not as an agent of the City. The selection, retention, assignment, direction and payment of Lessee's employees shall be the sole responsibility of Lessee, and the City shall not attempt to exercise any control over the business activities of Lessee or daily performance of duties by Lessee's employees.

ARTICLE XVII

SIGNAGE

Lessee may install exterior building signs in compliance and conformity with any and all laws, rules and regulations of the United States of America, the State of Maryland, the City and the Airport pertaining thereto regarding all local sign ordinances and permits, with prior approval of the Airport Manager, such approval not to be unreasonably withheld.

ARTICLE XVIII

NOTICES

All notices hereunder must be in writing and shall be deemed validly given if sent by USPS first-class postage pre-paid mail, or if personally delivered, or sent by next-business-day delivery via a nationally recognized overnight courier, to the following addresses (or any other address that the Party to be notified may designate to the sender by like notice):

Notices to the City must be sent to each of the following contacts:

Mayor
City of Frederick
101 North Court Street
Frederick, Maryland 21701

City Attorney
City of Frederick
101 North Court Street
Frederick, Maryland 21701

Airport Manager
City of Frederick
111 Airport Drive East
Frederick, Maryland 21701

Notices to the Lessee must be sent to:

General Counsel
AOPA Holdings Corporation
421 Aviation Way
Frederick, Maryland 21701
(301) 694-2018

ARTICLE XIX

MISCELLANEOUS

A. Waiver. The waiver, modification, or failure to insist by either Party of any conditions or terms of this Lease shall not void, waive, or modify any of the other terms or conditions nor be construed as a waiver or relinquishment of such Party's right to future performance of any such term or terms.

B. Assignment. It is mutually acknowledged that this Lease may be assigned, transferred or otherwise delegated by either Party upon the express prior written consent of the other Party. Such consent shall not be unreasonably withheld.

C. Severability. If any terms or provisions of this Lease are found null, void or inoperative, for any reason, the remaining provisions will remain in full force and effect. The language of all parts of this Lease shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against either of the Parties.

D. Paragraph Headings. The section headings contained in this Lease are inserted only as a matter of convenience and reference and in no way define, limit, or describe the scope or intent of this Lease and do not in any way affect its provisions.

E. Attorney Fees. Should either Party be required to seek the services of an attorney to enforce its rights under this Lease, each Party shall be responsible for its own attorney fees.

F. Force Majeure. Neither Party shall be responsible or liable for, or deemed in default for, any delay or failure of performance due to causes beyond its control, including but not limited to acts of God.

G. Governing Law. The Parties further agree that this Lease and the rights and obligations hereunder shall be governed by, and construed in accordance with, the laws of the State of Maryland regardless of any principle of conflicts of laws or choice of laws of any jurisdiction. The state courts of the State of Maryland and, if the jurisdictional prerequisites exist at the time, the United States District Court for the District of Maryland, shall have sole and exclusive jurisdiction to hear and determine any dispute or controversy arising under or concerning this Lease.

H. Conflict of Terms. Specifically with regard to any termination of this Lease as a result of a default pursuant to Article X of this Lease, if there exists a conflict of terms between this Lease and the Airport Operating Standards, the terms of this Lease shall take priority.

I. Entire Agreement. This Lease constitutes the entire agreement between the Parties with respect to the subject matter hereof and it supersedes all previous discussions, promises, representations, and understandings relating to the topics herein discussed. The Lease may only be amended by a written document signed by all parties hereto.

IN WITNESS WHEREOF, the Parties hereto have caused this Lease to be executed as of the date above written.

ATTEST: AOPA HOLDINGS CORPORATION

__________________________________ BY: ____________________________ (SEAL)
Erica J. Saccoia, Treasurer

WITNESS: CITY OF FREDERICK, MARYLAND

__________________________________ BY: ____________________________ (SEAL)
Michael C. O’Connor

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY:

BY: _____________________________
City Attorney

AIRPORT 420

AIRPORT
420

REVENUES	BUDGET 2018-2019	YTD	Percentage
33120 FEMA GRANT	-	14,777.93	100.0%
33220 FAA GRANT	293,000	167,642.40	57.2%
33323 FDOT GRANT	87,000	39,923.54	45.9%
33420 FEMA STATE GRANT	-	2,462.99	100.0%
34704 RENTALS NON-TAXABLE		650.00	100.0%
34720 RENTALS		2,722.62	100.0%
34970 FUEL SALES	20,000	27,297.36	136.5%
34971 LEASE PAYMENTS - LAND LEASE	68,439	66,060.00	96.5%
34972 LEASE PAYMENTS - BUILDING LEASE		3,565.07	100.0%
34973 LAND LEASE - AMELIA RIVER	205,960	167,605.46	81.4%
34974 LAND LEASE PAYMENTS - NON-TAXABLE	37,105	27,237.05	73.4%
34975 RENT/LEASE PAYMENTS - City Built	321,192	224,005.25	69.7%
34976 8 FLAGS RENT (TAXABLE)	67,017	40,857.14	61.0%
34978 8 FLAGS RENT - NON-TAXABLE	50,266	52,279.64	104.0%
34979 TRANSIENT REVENUE	-	7,157.51	100.0%
36110 INTEREST			
36420 INSURANCE PROCEEDS		0.00	
36800 CAPITAL CONTRIBUTION		0.00	
38410 LOAN PROCEEDS		0.00	
36990 OTHER REVENUE	95,700	112,412.12	117.5%
36991 PARKING REVENUE	2,004	3,345.88	167.0%
36995 LATE FEES	-	233.83	100.0%
36992 GAIN ON SALE OF ASSETS			
38101 TRANSFERS IN GENERAL FUND		0.00	
38910 CASH BALANCE FORWARD	40,900	0.00	0.0%
TOTAL	1,288,583	960,235.79	74.5%

AIRPORT 420

AIRPORT
420

		BUDGET 2018-2019	YTD	Percentage
PERSONNEL SERVICES				
51200	SALARIES	122,210	97,083.40	79.44%
51300	TEMPORARY	-	0.00	
51350	PART TIME	-	0.00	
51400	OVERTIME	-	0.00	
52100	FICA	9,349	6,698.60	71.65%
52200	RETIREMENT	36,594	30,867.42	84.35%
52300	HEALTH	29,701	24,710.91	83.20%
52301	LIFE	605	582.80	96.33%
52350	OPEB COSTS	1,756	1,463.30	83.33%
52400	WORKERS' COMP	2,150	1,791.70	83.33%
52500	UNEMPLOYMENT			
	TOTAL	202,365	163,198.13	80.65%
OPERATING EXPENSES				
53100	PROFESSIONAL SERVICES	25,000	27,590.19	110.36%
53200	AUDIT	6,795	4,530.00	66.67%
53400	CONTRACTUAL	47,440	33,001.51	69.56%
53900	AUTO ALLOWANCE		0.00	
53910	HOUSING ALLOWANCE	-	0.00	
54000	TRAINING/TRAVEL	3,000	1,266.86	42.23%
54100	COMMUNICATIONS	1,920	1,491.16	77.66%
54101	COMMUNICATIONS - CELL	2,000	1,275.45	63.77%
54103	COMMUNICATIONS - INTERNET	5,750	2,334.00	40.59%
54200	POSTAGE	150	7.98	5.32%
54300	UTILITIES - ELECTRIC	45,000	27,729.69	61.62%
54310	UTILITIES - WATER & SEWER	14,504	8,560.34	59.02%
54500	INSURANCE	45,052	37,543.30	83.33%
54610	R/M GROUNDS	108,000	56,151.28	51.99%
54620	R/M EQUIPMENT	1,500	311.40	20.76%
54630	R/M VEHICLES-LABOR	4,000	5,735.00	143.38%
54640	R/M VEHICLES-MATERIALS	4,000	6,299.03	157.48%
54700	PRINTING	2,350	0.00	0.00%
54800	PROMOTIONAL	2,000	1,730.17	86.51%
54902	BAD DEBT EXPENSE		0.00	
54910	BILLING COST	7,300	6,083.30	83.33%
55100	OFFICE SUPPLIES	6,300	4,814.74	76.42%
55200	OPERATING SUPPLIES	735	769.75	104.73%
55210	UNIFORMS	400	112.50	28.13%
55230	FUEL	8,000	3,137.47	39.22%

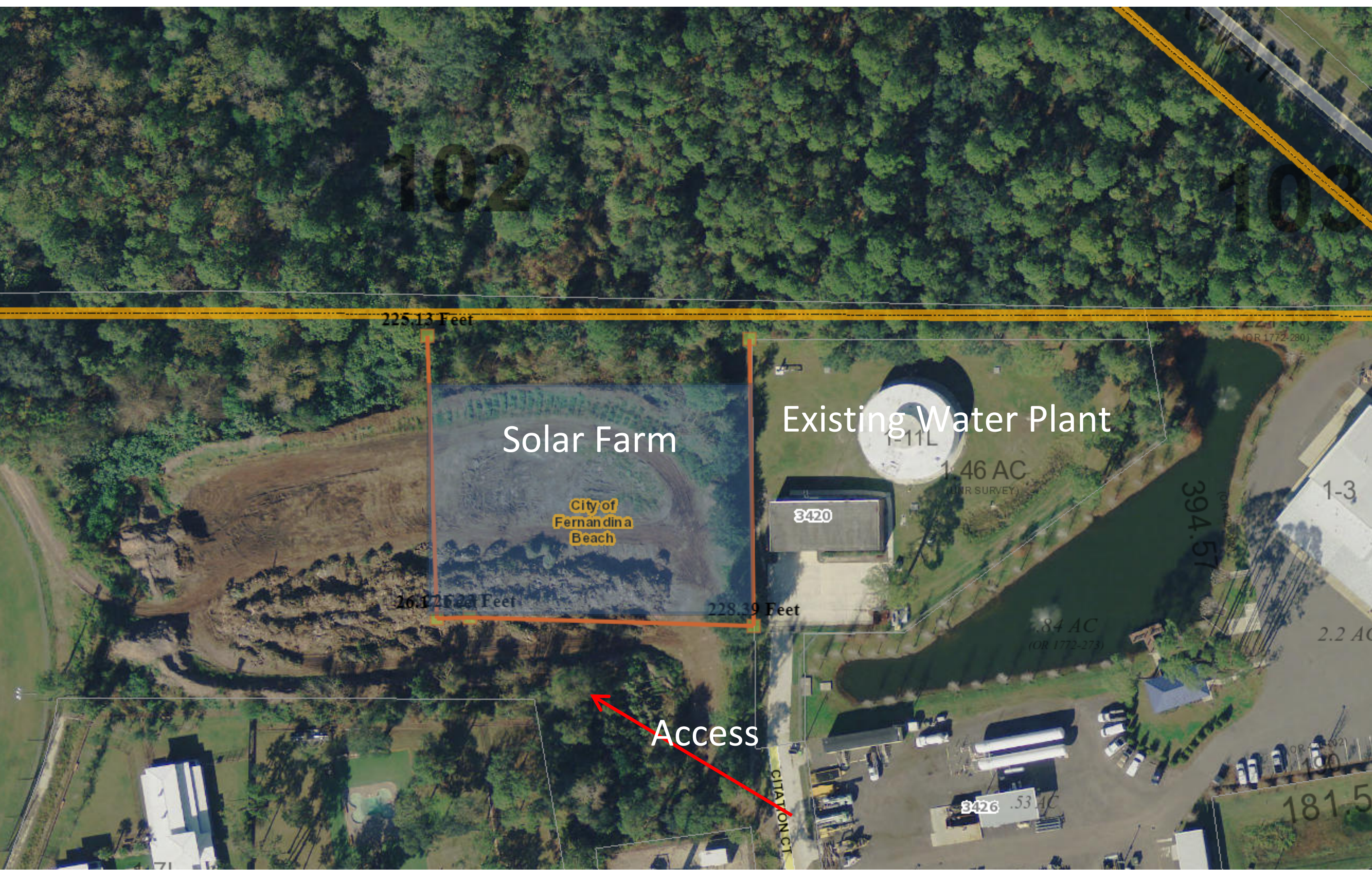
AIRPORT 420

AIRPORT
420

	BUDGET 2018-2019	YTD	Percentage
55400 BOOKS/SUBS/DUES	725	655.00	90.34%
TOTAL	341,921	231,130.12	67.60%
CAPITAL OUTLAY			
56200 BUILDINGS	-	0.0	
56300 IMPROVEMENTS	583,950	227,069.6	38.89%
56400 MACH./EQUIP.	-	0.0	
56401 MACH./EQUIP. Non-CAP	1,000	0.0	0.00%
TOTAL	584,950	227,069.6	38.82%
57000 SETTLEMENT EXP		0.0	
57100 PRINCIPAL	77,000	0.0	
57200 INTEREST	37,832	18,932.4	
57300 FINANCING COSTS	-	0.0	
TOTAL	114,832	18,932.4	
DEPARTMENT TOTAL	1,288,583	640,330.3	49.69%

City Water Plant Land Lease Concept:

1. Amend existing lease for Water Department to add 39,780 sq/ft of leased property to existing lease for installation of a solar farm, contingent upon completion of a glare analysis, to support the water plant. At the current non-aeronautical rate, this is $13,923 per year in new revenue (then CPI adjusted per lease terms).
2. City Water Department will install additional solar panels on the new solar farm and install conduit w/cable run to new terminal facility to offset power draw of the airport terminal.
    a. The initial capital investment completed by the Water Department (amount TBD) will be provided as a rent credit across the 30 year term of the lease reducing the annual lease amount to the airport. Water department maintains airport panels. Airport maintains/repairs any damage to conduit/cable and circuit/connection to the terminal facility.
    b. The airport will receive and FBO will receive power savings on terminal facility. Current monthly power cost ranges from $1,500 to $1,700 per month. It is estimated that this cost could be reduced by approximately 30%.



CITY OF FERNANDINA BEACH
FACILITIES USE AGREEMENT

This FACILITIES USE AGREEMENT (herein after called the AGREEMENT) is made and entered into this day of August, 2019_, by and between the CITY OF FERNANDINA BEACH, a Florida municipal corporation, whose address is 204 Ash Street, Fernandina Beach, FL 32034 (herein called "CITY"), and 360 Destination Group. whose address is 1890 South 14th Street, Building 200, Suite 206 Fernandina Beach, FL 32034(herein called "USER").

WHEREAS, CITY owns, controls and operates that certain public facility known as the Fernandina Beach Municipal Airport (herein called "FACILITY); and

WHEREAS, USER has expressed a desire to use said FACILITY for parking of privately owned automobiles on Jamestown Road for attendance of a private/corporate dinner event in Hangar A, 3990 Centurion Way, from the hours of 8:00am to 11:00pm on September 10, 2019.

NOW, THEREFORE, the parties agree as follows:

1. USER shall be permitted to use the FACILITY described above for the purpose of parking automobiles on Jamestown Road at the Fernandina Beach Municipal Airport to allow attendance of an event in Hangar A at 3990 Centurion Way, Fernandina Beach FL 32034 .

2. USER will set up and use the FACILITY on a continuous basis during this period September 10, 2019 from 8:00am until 11:00pm.

3. USER shall pay CITY the sum of $125.00 per day for use of FACILITY during the period designated, payable with returning this signed AGREEMENT.

4. As condition to USER's right to use the facilities herein, USER agrees to and shall comply with the following:
   a. USER shall not exclude any person from its services because of race, sex, age, religion, disability, national origin or other prohibited discrimination.
   b. USER shall have competent, responsible, and able supervision on the premises at all times that its service is operational.
   c. USER shall not interfere with emergency operations of CITY or other authorized users of the FACILITY.
   d. USER shall keep premises in a clean and sanitary condition, and be responsible for cleanup on a daily basis and removal of temporary structures at the site upon completion of the event and returning property to same condition as when received.
   e. CITY shall have the right, acting through its agents or employees, to enter upon the premise at reasonable hours and times for the purpose of making inspections.
   f. USER will obtain all required Federal, State, County and City permits including any applicable fees.
   g. USER shall not undertake any alterations or changes in the construction of the facility premises, without prior written consent of CITY.
   h. USER agrees to assume liability for and indemnify, hold harmless, and defend the CITY, its commissioners, mayor, officers, employees, agents, and attorneys of, from, and against all liability and expense, including reasonable attorney's fees, in connection with any and all claims, demands, damages, actions, causes of action, and suits in equity of whatever kind or nature, including claims for personal injury, property damage, equitable relief, or loss of use, arising directly or indirectly out of or in connection with any negligent and/or deliberate act or omission

of USER, its officers, employees, agents, and representatives. USER's liability hereunder shall include all attorney's fees and costs incurred by the CITY in the enforcement of this indemnification provision. This includes claims made by the employees of USER against the CITY and USER hereby waives its entitlement, if any, to immunity under Section 440.11, Florida Statutes. The obligations contained in this provision shall survive termination of this Agreement and shall not be limited by the amount of any insurance required to be obtained or maintained under this Agreement. Nothing contained in the foregoing indemnification shall be construed to be a waiver of any immunity or limitation of liability the CITY may have under the doctrine of sovereign immunity or Section 768.28, Florida Statutes.

i. USER shall not rent, sublet, or assign space in the FACILITY premises without the prior written consent of CITY.

j. USER has priority over the portion of the FACILITY as described during the time agreed upon in this AGREEMENT, and can use specified areas during the time of this AGREEMENT.

k. CITY reserves the right to cancel this AGREEMENT at any time, without cause, by giving USER 30 days notice of such cancellation.

l. USER shall maintain liability insurance, in amounts as deemed necessary and appropriate by the City Attorney, show the CITY as additional insured thereon, and shall provide proof of it to CITY, upon commencement of this AGREEMENT, and thereafter, as required by CITY. USER will provide insurance on all their equipment being used in the FACILITY.

m. USER shall, at all times, abide by Federal, State, and local laws, in the operation of its programs or services at the FACILITY. Sale and/or consumption of alcohol not allowed on Airport property unless properly permitted by the City.

5. Term of Agreement: The term of the AGREEMENT is as noted in paragraphs 1 and 2 above, unless terminated sooner.

6. The addresses for giving notices are as follows:

USER: 1890 South 14th St.
Building 200, Suite 206
Fernandina Beach, FL 32034
Attn: Account Manager

CITY: City of Fernandina Beach
204 Ash Street
Fernandina Beach, FL 32034
Attn: City Manager

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals this day and year first above written.

USER: 360 Destination Group

By:

Its:

101________________________
Employer ID #

CITY OF FERNANDINA BEACH

By: ___________________________________
Dale L. Martin
Its: City Manager

By: ___________________________________
Caroline Best
Its: City Clerk

Approved as to Form and Legality:

____
Tammi E. Bach, City Attorney

MEMORANDUM

TO: AIRPORT ADVISORY COMMISSION

FROM: AIRPORT MANAGER

DATE: August 8, 2019

RE: MONTHLY REPORT

- The second reading of revised airport architectural and design standards is scheduled to occur at the City Commission meeting on Tuesday/August 6, 2019. There were no revisions directed by the City Commission during the first reading in July.

- An award to low bidder for demolition of the previous FBO office space, and removal of the CAP trailer, was issued by the City Commission during the July 16, 2019 meeting. I have provided a draft contract to Thomas May Construction (low bidder) and am awaiting a response. Following finalization of the contract, I will schedule a pre-construction meeting with the contractors and arrange a project timeline for the work to be completed. I am hopeful that the work will be completed by the end of the current FY.

- The City has received the AGO opinion regarding ad valorem taxes being applied to City-owned hangars utilized for non-commercial aircraft storage at FHB. In short, the opinion favors the City's position on the matter. I have attached the opinion to this monthly report. The City Manager, City Attorney, and I conducted a teleconference with the Property Appraiser's office on Thursday/1 August and I am to understand that the Property Appraiser will no longer seek to apply ad valorem taxes upon these rentals in future years, and that a request will be made to refund the $55,892.19 paid by the Airport during tax years 2017 and 2018 as this matter was reviewed. I will keep the group informed if anything changes.

- The work order for design of rehabilitation for Runway 4/22 pavement, lighting, and stormwater will be considered by the City Commission during the August 6, 2019 meeting. This work order was presented to the AAC during the July meeting, during which meeting the AAC provided unanimous recommendation for approval by the City Commission. The FAA has provided the grant offer for design phase of this project, and that grant offer is also on the August 6, 2019 Commission Meeting agenda.

- I have received the FDOT grant-match component for the Runway 4/22 design project. This grant from FDOT would provide up to $10,000 for remaining grant match of design expenses related to this project. With the FAA grant and FDOT grant, the airport's portion of the work order (not-to-exceed cost of $165,000) is expected to be $6,500. The FDOT grant agreement is on the August 20, 2019 City Commission agenda for consideration.

- The construction grant for remaining grant funds to rehabilitate the airport's fuel farm has been received and is on the August 20, 2019 City Commission agenda for consideration. A design meeting for this work was conducted on Wednesday/31 July with Passero Associates and the FBO.

- The airport received concurrence from the FAA to place dredge sediment on airport property on May 17th. Staff met with contractors for this work on July 30th, and the work will commence immediately. It is expected that the work will take approximately three weeks to complete.

- I have drafted a slideshow which provides information about use of non-aeronautical airport property and shared the slideshow with the FAA for feedback. I plan to share the slideshow with the AAC once I receive feedback/input from the FAA. During the July AAC meeting, we discussed developing a slideshow which outlines the FAA's rules and compliance directives governing use of non-aeronautical airport property following the recent discussion about Amelia River Golf Course.

- Airport staff will be attending the annual Florida Airports Council convention in Fort Lauderdale from Monday/5 August through Wednesday/7 August. The airport submitted the new terminal facility under the FDOT GA Project of the Year category, which will be announced during the conference. I am hopeful that we will win the award!

STATE OF FLORIDA

ASHLEY MOODY
ATTORNEY GENERAL

July 25, 2019

Ms. Tammi E. Bach, J.D., B.C.S.
City Attorney
City of Fernandina Beach
204 Ash Street
Fernandina Beach, Florida 32034

Mr. J. Christopher Woolsey
Legal Counsel to Nassau County Property Appraiser
Wood & Stuart, P.A.
P. O. Box 1987
Bunnell, Florida 32110

Dear Ms. Bach and Mr. Woolsey:

This office has received your joint request for an Attorney General opinion on behalf of the Fernandina Beach City Commission and Nassau County Property Appraiser Michael Hickox asking essentially the following question:

> Whether City-owned and operated hangars at the Fernandina Beach Municipal Airport are exempt from ad valorem taxation pursuant to article VII, section 3(a) of the Florida Constitution (2018), when spaces inside the hangars are periodically leased to private aircraft owners to store airplanes.

In sum:

> The leasehold interests owned by Fernandina Beach and leased to private aircraft owners are exempt from ad valorem taxation under section 196.199(2)(a), Florida Statutes (2018), so long as the lessees are using the leaseholds for a noncommercial aviation or airport purpose or operation with no engagement in for-profit activity.

The City of Fernandina Beach owns and operates the Fernandina Beach Airport. There are over 50 T-hangars and bulk hangars for housing aircraft on the property. The City rents or leases individual bays directly to private aircraft owners to engage in "noncommercial activities, *i.e.*, storage of aircraft." Generally, property owned and operated by a municipality is exempt from taxation. Article VII, section 3(a) of the Florida Constitution (2018), provides: "All property owned by a municipality and used exclusively by it for municipal or public purposes shall be exempt from taxation." But a leasehold interest in municipal property held by a nongovernmental lessee may be taxed unless exempt. Section 196.001 provides: "Unless expressly exempted from taxation, the following property shall be subject to taxation in the manner provided by law: ... (2) All leasehold interests in property of the United States, of the state, or any political subdivision, municipality, agency, authority, or other public body corporate of the state."

The Legislature has established conditions by which nongovernmental leasehold interests of governmental properties may be exempt. Section 196.199(2), Florida Statutes (2018), exempts such leasehold interests "only when the lessee serves or performs a governmental, municipal, or public purpose or function, as defined in s. 196.012(6)." The first sentence of section 196.012(6) establishes the general rule:

> Governmental, municipal, or public purpose or function shall be deemed to be served or performed when the lessee under any leasehold interest created in property of ... any municipality ... is demonstrated to perform a function or serve a governmental purpose which could properly be performed or served by an appropriate governmental unit or which is demonstrated to perform a function or serve a purpose which would otherwise be a valid subject for the allocation of public funds.

This is followed by multiple sentences that describe specific classes of property or uses of property legislatively "deemed" to serve a governmental, municipal, or public purpose or function, with the second and third sentences addressing certain leasehold interests in airports:

> For purposes of the preceding sentence, an activity undertaken by a lessee which is permitted under the terms of its lease of real property designated as an aviation area on an airport layout plan which has been approved by the Federal Aviation Administration and which real property is used for the administration, operation, business offices and activities related specifically thereto in connection with the conduct of an aircraft full service fixed base operation which provides goods and services to the general aviation public in the promotion of air commerce shall be deemed an activity which serves a governmental, municipal, or

> public purpose or function. Any activity undertaken by a lessee which is permitted under the terms of its lease of real property designated as a public airport as defined in s. 332.004(14) by municipalities ... subject to a leasehold or other possessory interest of a nongovernmental lessee that is deemed to perform an aviation [or] airport purpose or operation shall be deemed an activity that serves a governmental, municipal, or public purpose.
>
> . . .

Multiple statutes and judicial opinions through the years have addressed exemptions from taxation for nongovernmental entities leasing municipal property. Many of the cases, however, involve statutes that have since been repealed or analyses that have been supplanted. Although the supreme court stated in *Walden v. Hillsborough County Aviation Authority*, 375 So. 2d 283, 286 (Fla. 1979), that the exemptions codified in section 196.199(2) and in what is now section 199.012(6) serve a governmental, municipal, or public purpose, the court has concluded in subsequent case law that the definitions of "public purpose" in the statute may not necessarily be determinative. In *Sebring Airport Authority v. McIntyre*, 783 So. 2d 238 (Fla. 2001), the court concluded that a 1994 amendment to section 199.012(6) itself violated article VII, section 3(a), because the provision improperly exempted private, profit-making activities from ad valorem taxation.[1]

Accordingly, to be eligible for exemption, the use of leased property from a government entity must be shown to serve a "governmental-governmental" function as opposed to a "governmental-proprietary" function. *See, e.g., Sebring*, 783 So. 2d at 247-48; *Williams v. Jones*, 326 So. 2d 425, 433 (Fla. 1975). "Under this test, a tax exemption is constitutionally permitted only if the use by the private entity 'could properly be performed or served by an appropriate governmental unit, or which is demonstrated to perform a function or serve a purpose which would otherwise be a valid subject for the allocation of public funds,'" as opposed to "profitmaking endeavors." *Florida Dep't of Revenue v. City of Gainesville*, 918 So. 2d 250, 260 (Fla. 2005) (quoting *Sebring*, 783 So. 2d at 246-48).

The courts have consistently concluded that airport property owned by a municipality cannot be exempt from ad valorem taxation when used for a commercial, for-profit purpose. *See Sebring, supra* (property leased by private enterprise from Sebring Airport Authority and used for a raceway operated for profit); *Walden, supra* (in airport owned

[1] The court found the following provision to be unconstitutional: "The use by a lessee, licensee, or management company of real property or a portion thereof as a convention center, visitor center, sports facility with permanent seating, concert hall, arena, stadium, park, or beach is deemed a use that serves a governmental, municipal, or public purpose or function when access to the property is open to the general public with or without a charge for admission."

and operated by aviation authority, space leased in airport buildings for various food services, newspaper and tobacco sales, and a duty-free shop, were all used for "commercial, profit-making purposes"); *Greater Orlando Aviation Auth. v. Crotty*, 775 So. 2d 978 (Fla. 5th DCA 2000) (hotel built and operated by airport authority "for private, profit-making purposes" on property owned by municipality).

In a case involving hangar space at your airport, *Page v. City of Fernandina Beach*, 714 So. 2d 1070 (Fla. 1st DCA 1998), *rev. den.*, 728 So. 2d 201 (Fla. 1998), the First District concluded that certain hangars did not qualify for the ad valorem tax exemption because they were leased by nongovernmental entities and used for commercial, for-profit activities. The first lessee used its hangars in the operation of a fixed-base operation for profit;[2] the second lessee used its hangars to store and maintain aircraft it used to put on air shows throughout the country; and the third lessee used its hangars for the manufacture and testing of unmanned aircraft. The court concluded: "Undertaken by private entities for profit, these uses of City land do not qualify the leased real estate for the exemption[.]" *Id.* at 1075.

Two additional cases the City relies upon bear mentioning. In *Nikolits v. Runway 5-23 Hangar Condominium Association, Inc.*, 847 So. 2d 1054 (Fla. 4th DCA 2003), the Fourth District affirmed a summary judgment against the Palm Beach County Property Appraiser who sought to assess an ad valorem tax on the leasing of airplane hangars to a private entity at the Boca Raton Airport. The case does not address the issue herein, however, because the airport and hangars were on land owned by the state of Florida, which the court concluded was "therefore not taxable." *See Canaveral Port Auth. v. Dep't of Revenue*, 690 So. 2d 1226, 1227-28 (Fla. 1996) (the state is immune from ad valorem taxation).

Nolte v. Paris Air, Inc., 975 So. 2d 627 (Fla. 4th DCA 2008), is a two-paragraph opinion that contains no facts. The court simply affirmed a trial court judgment finding that property owned by a municipal airport and leased "to full service, fixed base operators who provide goods and services to the general aviation public in the promotion of air commerce" served a governmental, municipal, or public purpose, tracking the language and citing the definition of such purpose in section 196.012(6).

It appears from the authorities cited herein that leases of hangars at the Fernandina Beach Airport by nongovernmental entities are exempt from ad valorem taxation so long as the activity undertaken by lessees using the hangars constitutes a governmental, municipal, or public purpose. The Property Appraiser acknowledges that the hangars at issue are being used solely for noncommercial storage of private aircraft. There has

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[2] The case involved the tax years preceding, and thus not subject to, the 1993 amendment to section 196.012(6), which added the language dealing with aircraft full-service fixed base operations serving a governmental, municipal, or public purpose. *Page*, 714 So. 2d at 1073 & n.3.

been no representation that the hangars are used for the conduct of any commercial, for-profit activity.

Fernandina Beach Airport is federally assisted and is thus subject to regulations of the Federal Aviation Commission (FAA).[3] The *FAA Airport Compliance Manual,* in chapter 9, addresses various aspects of an airport owner's "responsibility to make the airport available on reasonable terms."[4] Paragraph 9.7, dealing with "Availability of Leased Space," provides in part: "Sponsors [public agencies or private owners of a public-use airport] are also obligated to make space available to support aeronautical activity of noncommercial aeronautical users (i.e., hangars and tie-down space for individual aircraft owners)."[5]

Accordingly, by leasing hangars to private aircraft, the Fernandina Beach Airport is ensuring the provision of a basic airport purpose which "could properly be performed or served by an appropriate governmental unit" under section 196.012(6), that does not involve commercial or for-profit use by the nongovernmental lessees. Therefore, it is my opinion the hangars are not subject to ad valorem taxation.

Sincerely,

Ashley Moody
Attorney General

AM/tebg

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[3] *See Mission Statement of the Fernandina Beach Municipal Airport*, https://www.fbfl.us/806/Airport-Mission-Statement.

[4] *FAA Airport Compliance Manual*, Order 5190.6B (Sept. 30, 2009), https://www.faa.gov/airports/resources/publications/orders/compliance_5190_6/media/5190_6b.pdf., at 9.1, p. 9-1.

[5] *Id.* at 9.7, pp. 9-8 to 9-9.

II

116TH CONGRESS
1ST SESSION

S. 2198

To promote the launch of aviation's next era.

IN THE SENATE OF THE UNITED STATES

JULY 22, 2019

Mr. INHOFE (for himself and Mr. KING) introduced the following bill; which was read twice and referred to the Committee on Finance

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A BILL

To promote the launch of aviation's next era.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS; DEFINITION OF ADMINISTRATOR.

(a) SHORT TITLE.—This Act may be cited as the "Promoting the Launch of Aviation's Next Era Act of 2019" or the "PLANE Act of 2019".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

(c) DEFINITION OF ADMINISTRATOR.—In this Act, the term ''Administrator'' means the Administrator of the Federal Aviation Administration.

TITLE I—FAIRNESS FOR PILOTS

SEC. 101. EXPANSION OF PILOT'S BILL OF RIGHTS.

(a) APPEALS OF SUSPENDED AND REVOKED AIRMAN CERTIFICATES.—Section 2(d)(1) of the Pilot's Bill of Rights (Public Law 112–153; 126 Stat. 1159; 49 U.S.C. 44703 note) is amended by striking ''or imposing a punitive civil action or an emergency order of revocation under subsections (d) and (e) of section 44709 of such title'' and inserting ''suspending or revoking an airman certificate under section 44709(d) of such title, or imposing an emergency order of revocation under subsections (d) and (e) of section 44709 of such title''.

(b) DE NOVO REVIEW BY DISTRICT COURT; BURDEN OF PROOF.—Section 2(e) of the Pilot's Bill of Rights (Public Law 112–153; 126 Stat. 1159; 49 U.S.C. 44703 note) is amended—

(1) by amending paragraph (1) to read as follows:

''(1) IN GENERAL.—In an appeal filed under subsection (d) in a United States district court with respect to a denial, suspension, or revocation of an airman certificate by the Administrator—

''(A) the district court shall review the denial, suspension, or revocation de novo, including by—

''(i) conducting a full independent review of the complete administrative record of the denial, suspension, or revocation;

''(ii) permitting additional discovery and the taking of additional evidence; and

''(iii) making the findings of fact and conclusions of law required by Rule 52 of the Federal Rules of Civil Procedure without being bound to any findings of fact of the Administrator or the National Transportation Safety Board.'';

(2) by redesignating paragraph (2) as paragraph (3); and

(3) by inserting after paragraph (1) the following:

''(2) BURDEN OF PROOF.—In an appeal filed under subsection (d) in a United States district court after an exhaustion of administrative remedies, the burden of proof shall be as follows:

''(A) In an appeal of the denial of an application for the issuance or renewal of an airman certificate under section 44703 of title 49, United States Code, the burden of proof shall be upon the applicant denied an airman certificate by the Administrator.

''(B) In an appeal of an order issued by the Administrator under section 44709 of title 49, United States Code, the burden of proof shall be upon the Administrator.''; and

(4) by adding at the end the following:

''(4) APPLICABILITY OF ADMINISTRATIVE PROCEDURE ACT.—Notwithstanding paragraph (1)(A) of this subsection or subsection (a)(1) of section 554 of title 5, United States Code, section 554 of such title shall apply to adjudications of the Administrator and the National Transportation Safety Board to the same extent as that section applied to such adjudications before the date of enactment of the Promoting the Launch of Aviation's Next Era Act of 2019.''.

SEC. 102. ENHANCING PROTECTIONS FOR THE AVIATION COMMUNITY.

(a) NTSB REVIEW OF APPLICATION FOR AIRMAN CERTIFICATE.—Section 44703(d) of title 49, United States Code, is amended—

(1) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(2) by inserting after paragraph (1), the following new paragraph:

''(2) NTSB REVIEW.—

''(A) IN GENERAL.—In the case of an application for the issuance of an airman medical certificate, the National Transportation Safety Board may review a denial that may not be considered a final denial by the Administrator when the Administrator has twice reconsidered the application and sustained a previous denial on that application.

"(B) DEEMED DENIAL.—The Administrator's failure to rule upon a request for reconsideration of the denial of issuance of an airman medical certificate within 60 days of the date on which the application to reconsider is submitted to the Administrator shall be deemed to be a denial of the application.".

(b) VOLUNTARY SURRENDER OF AN AIRMAN MEDICAL CERTIFICATE.—Section 44703 of title 49, United States Code, is amended by adding at the end the following new subsection:

"(l) VOLUNTARY SURRENDER OF AN AIRMAN MEDICAL CERTIFICATE.—An airman may voluntarily surrender an airman medical certificate issued under this section for cancellation at any time, unless the certificate is subject to a Federal Aviation Administration order of suspension or revocation at the time of the voluntary surrender.".

(c) APPEALS.—Section 44703(d)(1) of title 49, United States Code, is amended by striking "hold a certificate that" and all that follows through the period and inserting "holds a certificate that is suspended at the time of denial.".

(d) REAPPLICATIONS.—Section 44709 of title 49, United States Code, is amended—

(1) by redesignating subsection (f) as subsection (g); and

(2) by inserting after subsection (e), the following new subsection:

"(f) REAPPLICATIONS.—Except as provided in section 44710, any person whose certificate has been revoked by an order of the Administrator or the National Transportation Safety Board may reapply for a certificate at any time following the revocation.".

(e) APPEAL OF SUSPENSION OR TERMINATION OF DELEGATION.—Section 44702(d) of title 49, United States Code, is amended by adding at the end the following: "Subsections (d), (e), and (f) of section 44709 shall apply to a rescission of a delegation under this subsection in the same manner as those subsections apply to an order of the Administrator or the National Transportation Safety Board under that section.".

SEC. 103. LIMITATIONS ON REEXAMINATION OF CERTIFICATE HOLDERS.

(a) IN GENERAL.—Section 44709(a) of title 49, United States Code, is amended—

(1) in paragraph (1), by striking "reexamine" and inserting ", except as provided in paragraphs (2) and (3), reexamine"; and

(2) by adding at the end the following:

"(3) LIMITATION ON THE REEXAMINATION OF AIRMAN CERTIFICATES.—The Administrator may not reexamine an airman holding a student, sport, recreational, or private pilot certificate issued under section 44703 of this title if the reexamination is ordered as a result of an event involving the fault of the Federal Aviation Administration or its designee, unless the Administrator has reasonable grounds—

"(A) to establish that the airman may not be qualified to exercise the privileges of a certificate or rating issued to the airman by the Federal Aviation Administration or its designee, based upon an act or omission committed by the airman while exercising those privileges, after the issuance of the certificate or rating; or

"(B) to demonstrate that the airman obtained such a certificate or rating through fraudulent means or through an examination that was substantially and demonstrably inadequate to establish the airman's qualifications.".

(b) AMENDMENT, MODIFICATION, SUSPENSION, OR REVOCATION OF AIRMAN CERTIFICATES AFTER REEXAMINATION.—Section 44709(b) of title 49, United States Code, is amended—

(1) in paragraph (1), by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively, and by moving such clauses, as so redesignated, 2 ems to the right;

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively, and by moving such subparagraphs, as so redesignated, 2 ems to the right;

(3) in the matter preceding subparagraph (A), as redesignated, by striking ''The Administrator'' and inserting the following:

''(1) IN GENERAL.—Except as provided in paragraph (2), the Administrator''; and

(4) by adding at the end the following:

''(2) AMENDMENTS, MODIFICATIONS, SUSPENSIONS, AND REVOCATIONS OF AIRMAN CERTIFICATES AFTER REEXAMINATION.—

''(A) IN GENERAL.—The Administrator may not issue an order to amend, modify, suspend, or revoke an airman certificated held by a student, sport, recreational, or private pilot and issued under section 44703 of this title after a reexamination of the airman holding the certificate unless the Administrator determines that the airman—

"(i) lacks the technical skills and competency, or care, judgment, and responsibility, necessary to hold and safely exercise the privileges of the certificate; or

"(ii) materially contributed to the issuance of the certificate by fraudulent means.

"(B) STANDARD OF REVIEW.—Any order of the Administrator under this paragraph shall be subject to the standard of review provided for under section 2 of the Pilot's Bill of Rights (49 U.S.C. 44703 note).".

(c) CONFORMING AMENDMENTS.—Section 44709(d)(1) of title 49, United States Code, is amended—

(1) in subparagraph (A), by striking "subsection (b)(1)(A)" and inserting "subsection (b)(1)(A)(i)"; and

(2) in subparagraph (B), by striking "subsection (b)(1)(B)" and inserting "subsection (b)(1)(A)(ii)".

SEC. 104. AVIATION RULEMAKING AND EXEMPTION PETITION DUE PROCESS.

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall issue a final rule that amends, as appropriate, sections 11.61 through 11.103 of title 14, Code of Federal Regulations (Petitions for Rulemaking and for Exemption) to do the following:

(1) Add the following decision factors to the decision factors the Federal Aviation Administration considers pursuant to subsection (a) of section 11.73 of such title 14 when deciding whether to act on a petition for rulemaking:

(A) The number of certificate holders directly affected by the proposed rulemaking.

(B) The impact of the proposed rulemaking on small businesses.

(C) The number of organizations requesting the proposed rulemaking.

(2) Require the designation of an employee of the Federal Aviation Administration to manage each petition filed.

(3) Require notification of the following to each petitioner within 30 days of receipt of a petition for rulemaking properly submitted pursuant to such section 11.71, a petition for exemption properly submitted pursuant to section 11.81 of such title 14, or a petition for reconsideration submitted pursuant to section 11.101 of such title 14:

(A) The name and contact information for the employee of the Federal Aviation Administration designated pursuant to the requirement under paragraph (2).

(B) How the Federal Aviation Administration will dispose of the petition.

(C) If the Federal Aviation Administration determines that the petition justifies Administration action, a timeline for such action.

(D) If the Federal Aviation Administration determines that the petition does not justify Administration action, the basis for that decision with specific reference to the decision factors under subsection (a) of such section 11.71 for petitions for rulemaking, under such section 11.81 for petitions for exemption, or under such section 11.101 for petitions for reconsideration, as applicable.

(b) REPORT TO CONGRESS.—Not later than September 30, 2020, and each subsequent year thereafter, the Administrator shall submit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a report that details the following with respect to the prior calendar year:

(1) The number of petitions for rulemaking submitted pursuant to sections 11.63 and 11.71 of such title 14.

(2) For each such petition for rulemaking—

(A) the regulations impacted or relevant to the petition; and

(B) the nature, disposition, and status of each petition.

(3) The number of petitions for exemption submitted pursuant to such 11.81.

(4) For each such petition for exemption—

(A) the regulation from which exemption is sought; and

(B) the disposition and status of each petition.

(5) The number of petitions for reconsideration submitted pursuant to section 11.101.

(6) For each such petition for reconsideration—

(A) the regulation from which reconsideration is sought; and

(B) the disposition and status of each petition.

SEC. 105. TIMELY RESOLUTION OF INVESTIGATIONS.

Not later than 180 days after the date of enactment of this Act, the Administrator shall issue a final rule to amend, as appropriate—

(1) subpart A of part 13 of title 14, Code of Federal Regulations, to require the completion of an investigation and a decision by the Administrator on whether to initiate a subsequent action within 2 years from the date upon which a complaint is first filed pursuant to section 13.5 of such title 14; and

(2) subpart F of such part 13 to require the completion of an investigation and a decision by the Administrator on whether to initiate a subsequent action within 2 years of the issuance of an order of investigation pursuant to section 13.103 of such title 14.

TITLE II—FORWARD LOOKING INVESTMENT IN GENERAL AVIATION, HANGARS, AND TARMACS (FLIGHT ACT)

SEC. 201. ESTABLISHMENT OF PUBLIC-PRIVATE PARTNERSHIP PROGRAM AT GENERAL AVIATION AIRPORTS.

(a) IN GENERAL.—Chapter 481 of title 49, United States Code, is amended by adding at the end the following:

"§ 48115. General aviation public-private partnership program

"(a) SMALL AIRPORT PUBLIC-PRIVATE PARTNERSHIP PROGRAM.—The Secretary of Transportation shall establish a program that meets the requirements under this section for improving facilities at—

"(1) general aviation airports; and

"(2) privately owned airports used or intended to be used for public purposes that do not have scheduled air service.

"(b) APPLICATION REQUIRED.—The operator or sponsor of an airport, or the community in which an airport is located, seeking, on behalf of the airport, to participate in the program established under subsection (a) shall submit an application to the Secretary in such form, at such time, and containing such information as the Secretary may require, including—

"(1) an assessment of the needs of the airport for additional or improved hangars, airport businesses, or other facilities;

"(2) the ability of the airport to leverage private sector investments on the airport or develop public-private partnerships to build or improve facilities at the airport; and

"(3) if the application is submitted by a community, evidence that the airport supports the application.

"(c) LIMITATION.—

"(1) STATE LIMIT.—Not more than 4 airports in the same State may be selected to participate in the program established under subsection (a) in any fiscal year.

"(2) DOLLAR AMOUNT LIMIT.—Not more than $500,000 shall be made available for any airport in any fiscal year under the program established under subsection (a).

"(d) PRIORITIES.—In selecting airports for participation in the program established under subsection (a), the Secretary shall give priority to airports at which—

"(1) the operator or sponsor of the airport, or the community in which the airport is located—

"(A) will provide a portion of the cost of the project for which assistance is sought under the program from local sources;

"(B) will employ best business practices in developing or implementing a public-private partnership; or

"(C) has established, or will establish, a public-private partnership to build or improve facilities at the airport; or

"(2) the assistance will be used in a timely fashion.

"(e) TYPES OF ASSISTANCE.—The Secretary may use amounts made available under this section—

"(1) to provide assistance to market an airport to private entities or individuals in order to leverage private sector investments or develop public-private partnerships for the purposes of building or improving hangars, businesses, or other facilities at the airport;

"(2) to fund studies that consider what measures an airport should take to attract private sector investment at the airport; or

"(3) to participate in a partnership described in paragraph (1) or an investment described in paragraph (2).

"(f) AUTHORITY TO MAKE AGREEMENTS.—The Secretary may enter into agreements with airports and entities entering into partnerships with airports under this section to provide assistance under this section.

"(g) AVAILABILITY OF AMOUNTS FROM AIRPORT AND AIRWAY TRUST FUND.—

"(1) IN GENERAL.—There is authorized to be appropriated, out of the Airport and Airway Trust Fund established under section 9502 of the Internal Revenue Code of 1986, $5,000,000 for each of the fiscal years 2020 through 2025 to carry out this section. Amounts appropriated pursuant to this paragraph shall remain available until expended.

"(2) AVAILABILITY.—Amounts appropriated pursuant to paragraph (1)—

"(A) shall remain available until expended; and

"(B) shall be in addition to any amounts made available pursuant to section 48103.".

(b) CLERICAL AMENDMENT.—The analysis for chapter 481 of such title is amended by adding at the end the following:

"48115. General aviation public-private partnership program.".

(c) EXPENDITURE AUTHORITY FROM AIRPORT AND AIRWAY TRUST FUND.—Section 9502(d)(1)(A) of the Internal Revenue Code of 1986 is amended by inserting "or section 47143 of title 49, United States Code" before the semicolon at the end.

SEC. 202. GENERAL AVIATION AIRPORT ENTITLEMENT REFORM.

(a) UNITED STATES SHARE OF PROJECT COSTS.—Section 47109 of title 49, United States Code, is amended by adding at the end the following:

"(g) GENERAL AVIATION AIRPORTS.—The Government's share of allowable project costs may be increased by the Administrator of the Federal Aviation Administration to 95 percent for a project—

"(1) at an airport that is not a primary airport if the Administrator determines that the project will increase safety or security at that airport; or

"(2) at an airport that is categorized as a basic or unclassified airport in the report of the Federal Aviation Administration entitled 'General Aviation Airports: A National Asset' and dated May 2012.".

(b) USE OF APPORTIONED AMOUNTS.—Section 47117(e)(1) of title 49, United States Code, is amended by adding at the end the following:

"(D) All amounts subject to apportionment for a fiscal year that are not apportioned under section 47114(d), for grants to sponsors of general aviation airports, reliever airports, or nonprimary commercial service airports.".

SEC. 203. DISASTER RELIEF AIRPORTS.

(a) DESIGNATION OF DISASTER RELIEF AIRPORTS.—

(1) IN GENERAL.—Subchapter I of Chapter 471 is amended by inserting after section 47131 the following:

“§ 47132. Disaster relief airports

‘‘(a) DESIGNATION.—

‘‘(1) IN GENERAL.—The Secretary of Transportation shall designate as a disaster relief airport an airport that—

‘‘(A) is categorized as a regional reliever airport in the report issued by the Federal Aviation Administration entitled ‘National Plan of Integrated Airport Systems (NPIAS) 2017–2021’;

‘‘(B) is within a reasonable distance, as determined by the Secretary, of a hospital or transplant or trauma center;

‘‘(C) is in a region that the Secretary determines under subsection (b) is prone to natural disasters;

‘‘(D) has at least one paved runway with not less than 3,400 feet of useable length capable of supporting aircraft up to 12,500 pounds;

"(E) has aircraft maintenance or servicing facilities at the airport able to provide aircraft fueling and light maintenance services; and

"(F) has adequate taxiway and ramp space to accommodate single-engine or light multi-engine aircraft simultaneously for loading and unloading of supplies.

"(2) DESIGNATION IN STATES WITHOUT QUALIFYING AIRPORTS.—If fewer than 3 airports described in paragraph (1) are located in a State, the Secretary, in consultation with aviation officials of that State, shall designate not more than 3 general aviation airports in that State as a disaster relief airport under this section.

"(b) PRONE TO NATURAL DISASTERS.—

"(1) IN GENERAL.—For the purposes of subsection (a)(1)(C), a region is prone to natural disasters if—

"(A) in the case of earthquakes, there is not less than a 50 percent probability that an earthquake of magnitude 6 or above will occur in the region within 30 years, according to the United States Geological Survey; and

"(B) in the case of other types of natural disasters, the President has declared more than

5 major disasters in the region under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170), according to the most recent map of the Federal Emergency Management Agency.

"(2) NATURAL DISASTER DEFINED.—For the purposes of this section, the term 'natural disaster' includes a hurricane, tornado, severe storm, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm, drought, or wildfire.

"(c) REQUIREMENTS.—

"(1) OPERATION AND MAINTENANCE.—

"(A) IN GENERAL.—A disaster relief airport and the facilities and fixed-based operators on or connected with the airport shall be operated and maintained in a manner the Secretary consider suitable for disaster relief.

"(B) EXCLUSION.—A disaster relief airport shall not be considered to be in violation of subparagraph (A) if a runway is unuseable because the runway is under scheduled maintenance or is in need of necessary repairs.

"(2) COMPLIANCE WITH ASSURANCES ON AIRPORT OPERATIONS.—A disaster relief airport shall comply with the provisions of section 47107 as if the airport has received a project grant under this subchapter.

"(3) NATURAL DISASTER MANAGEMENT PLAN.—A disaster relief airport shall develop an emergency natural disaster management plan in coordination with local emergency response teams and first responders.

"(d) CIVIL PENALTY.—A public agency that knowingly violates this section shall be liable to the United States Government for a civil penalty of not more than $10,000 for each day of the violation.

"(e) CONSIDERATION FOR PROJECT GRANTS.—The Secretary shall give consideration to the role an airport plays in disaster relief when determining whether to provide a grant for the airport under this subchapter.

"(f) APPLICABILITY OF OTHER LAWS.—This section shall apply notwithstanding any other law, rule, regulation, or agreement.".

(b) CLERICAL AMENDMENT.—The analysis for chapter 471 of such title is amended by inserting after the item relating to section 47131 the following:

"47132. Disaster relief airports.".

SEC. 204. AIRPORT DEVELOPMENT RELATING TO DISASTER RELIEF.

Section 47102(3) of title 49, United States Code, is amended by adding at the end the following:

"(S) planning, acquiring, or constructing at an airport designated as a disaster relief airport under section 47132, including—

"(i) planning for disaster preparedness associated with maintaining airport operations during a natural disaster;

"(ii) airport communication equipment and fixed emergency generators that are not able to be acquired by programs funded under the Department of Homeland Security; and

"(iii) constructing, expanding, and improving airfield infrastructure to include aprons and terminal buildings the Secretary determines will facilitate disaster response at the airport.".

SEC. 205. FUNDING FOR PROJECTS AS DISASTER RELIEF AIRPORTS.

(a) IN GENERAL.—Section 47114(d)(3) of title 49, United States Code, is amended—

(1) by redesignating subparagraphs (A) through (D) as subparagraphs (B) through (E), respectively;

(2) by inserting before subparagraph (B), as redesignated by subparagraph (A), the following:

"(A) Not less than $25,000 to airports designated as disaster relief airports under section 47132 to enhance the ability of such airports to aid in disaster relief, including through funding for airport development described in section 47102(3)(P)."; and

(3) in subparagraphs (D) and (E), as redesignated by subparagraph (A), by striking "subparagraph (A)" each place it appears and inserting "subparagraph (B)".

(b) CONFORMING AMENDMENTS.—

(1) Section 47106(a)(7) of title 49, United States Code, is amended by striking "47114(d)(3)(B)" and inserting "47114(d)(3)(C)".

(2) Section 47117(b)(2) of title 49, United States Code, is amended—

(A) in subparagraph (A)(i), by striking "(3)(A)" and inserting "(3)(B)"; and

(B) in subparagraph (B)—

(i) by striking "47114(d)(3)(A)" and inserting "47114(d)(3)(B)"; and

(ii) by striking "47114(d)(3)(B)" and inserting "47114(d)(3)(C)".

SEC. 206. REVISION OF AUTOMATED WEATHER OBSERVING SYSTEMS (AWOS) POLICY.

(a) IN GENERAL.—Section 553(d)(1) of the FAA Reauthorization Act of 2018 (Public Law 115–254) is amended—

(1) in subparagraph (B), by striking "and" at the end;

(2) by redesignating subparagraph (C) as subparagraph (D); and

(3) by inserting after subparagraph (B) the following new subparagraph:

"(D) the Secretary determines the grant obligation does not exceed the amounts made available under paragraph (1) of section 47117(f) of such title 49 for that fiscal year; and".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect as if included in the enactment of the FAA Reauthorization Act of 2018 (Public Law 115–254).

TITLE III—SECURING AND REVITALIZING AVIATION (SARA ACT)

SEC. 301. LIMITATION OF LIABILITY FOR CERTAIN INDIVIDUALS DESIGNATED AS REPRESENTATIVES OF THE FEDERAL AVIATION ADMINISTRATION.

(a) IN GENERAL.—Any individual designated by the Administrator under subpart C of part 183 of title 14, Code of Federal Regulations, to act as a representative of the Administrator, including an aviation medical examiner, pilot examiner, or designated airworthiness representative, shall, when carrying out duties pursuant to that designation and without regard to the individual's employer—

(1) be considered to be performing an activity necessary to safeguard a uniquely Federal interest; and

(2) not be liable in a civil action for actions performed with reasonable care in connection with those duties.

(b) FRAUDULENT MISCONDUCT.—This section does not relieve an individual described in subsection (a) that causes harm to any person through intentional or fraudulent misconduct while carrying out duties pursuant to that subsection from any penalty applicable under any provision of law for that misconduct.

(c) ACTIVITY COVERED.—This section shall only apply to those individuals carrying out their duties within the United States or its territories.

TITLE IV—AIR TRAFFIC CONTROLLER REFORMS

SEC. 401. FEDERAL AVIATION ADMINISTRATION ACADEMY.

The Administrator shall designate all necessary employees at the Mike Monroney Aeronautical Center in Oklahoma City, Oklahoma, as excepted employees in the event of a covered lapse in appropriations (as such terms are defined in section 1341(c) of title 31, United States Code) that is in effect on or after the date of enactment of this Act to ensure that the Federal Aviation Administration Academy remains open and capable of continuing to train air traffic controllers for the duration of the covered lapse in appropriations to the Federal Aviation Administration.

SEC. 402. PRACTICAL EXPERIENCE FOR AIR TRAFFIC CONTROLLERS.

(a) REVIEW.—

(1) IN GENERAL.—The Administrator shall assign to the Aviation Rulemaking Advisory Committee (in this section referred to as the "Com-

mittee'') the task of reviewing all regulations and policies related to the training of air traffic control tower operators, including the practical experience requirements.

(2) RECOMMENDATIONS.—After conducting the review under paragraph (1), the Committee shall, not later than 6 months after the date of enactment of this Act, submit to the Administrator recommendations on the following:

(A) Ways to modify the requirements described in paragraph (1) to enable the contract tower industry to prepare and better utilize approved air traffic collegiate training initiative (AT–CTI) school graduates, veterans, and other qualified air traffic control program graduates for work at air traffic control facilities in the Federal contract tower program.

(B) Regulatory and policy changes that are necessary to ensure that an applicant applying for their initial facility rating must successfully accomplish a minimum of 2 months of on-the-job training in a control tower and that such an applicant be allowed to qualify for a facility rating having undertaken classroom and simulation training within a formal training process approved by the Federal Aviation Administration that may not have taken place within the facility for which the initial facility rating is being applied.

(C) Other areas determined appropriate by the Committee.

(b) Action Based on Recommendations.—Not later than 1 year after receiving recommendations under subsection (a)(2), the Administrator shall take such actions as the Administrator considers appropriate with respect to such recommendations.

TITLE V—AVIATION FUEL TAXES

SEC. 501. TREATMENT OF FUEL FOR USE IN AVIATION.

(a) Rate of Tax.—

(1) In general.—Section 4081(a)(2)(A) of the Internal Revenue Code of 1986 is amended by striking ''and'' at the end of clause (ii), by striking the period at the end of clause (iii) and inserting '', and'', and by adding at the end the following new clause:

''(iv) in the case of aviation-grade kerosene, 21.9 cents per gallon.''.

(2) Taxes imposed on fuel used in commercial aviation.—Section 4081(a)(2)(C) of such Code is amended to read as follows:

"(C) TAXES IMPOSED ON FUEL USED IN COMMERCIAL AVIATION.—In the case of aviation-grade kerosene which is removed from any refinery or terminal directly into the fuel tank of an aircraft for use in commercial aviation by a person registered for such use under section 4101, the rate of tax under subparagraph (A)(iv) shall be 4.4 cents per gallon.".

(3) REFUELLER TRUCKS, TANKERS, AND TANK WAGONS.—Section 4081(a)(3) of such Code is amended—

(A) by inserting "a secured area of" before "an airport" in subparagraph (A)(i); and

(B) by striking subparagraph (D).

(4) CONFORMING AMENDMENTS.—

(A) Sections 4081(a)(3)(A) and 4082(b) of such Code are amended by striking "kerosene" each place it appears and inserting "aviation-grade kerosene".

(B) Section 4081(a)(4) of such Code is amended by striking "paragraph (2)(C)(i)" and inserting "paragraph (2)(C)".

(C) The heading for section 4081(a)(4) of such Code is amended by striking "KEROSENE" and inserting "AVIATION-GRADE KEROSENE".

(D) Section 4081(d)(2) of such Code is amended by striking so much as precedes subparagraph (A) and inserting the following:

"(2) AVIATION FUELS.—The rate of tax specified in subsection (a)(2)(A)(ii) shall be 4.3 cents per gallon—".

(E) Subsection (e) of section 4082 of such Code is amended—

(i) by striking "kerosene" and inserting "aviation-grade kerosene";

(ii) by striking "section 4081(a)(2)(A)(iii)" and inserting "section 4081(a)(2)(A)(iv)";

(iii) by striking the last sentence; and

(iv) by striking "KEROSENE REMOVED INTO AN AIRCRAFT" in the heading and inserting "AVIATION-GRADE KEROSENE".

(b) RATE FOR USE OF CERTAIN LIQUIDS IN AVIATION.—

(1) IN GENERAL.—Section 4041(c) of the Internal Revenue Code of 1986 is amended—

(A) by striking "any liquid for use as a fuel other than aviation gasoline" in paragraph (1) and inserting "aviation-grade kerosene";

(B) by striking "liquid for use as a fuel other than aviation gasoline" in paragraph (2) and inserting "aviation-grade kerosene";

(C) by striking paragraph (3) and inserting the following new paragraph:

"(3) RATE OF TAX.—The rate of tax imposed by this subsection shall be the rate of tax applicable under section 4081(a)(2)(A)(iv) which is in effect at the time of such sale or use."; and

(D) by striking "CERTAIN LIQUIDS USED AS FUEL IN AVIATION" in the heading and inserting "AVIATION-GRADE KEROSENE".

(2) PARTIAL REFUND OF FULL RATE.—Section 6427(l)(2) of such Code is amended to read as follows:

"(2) NONTAXABLE USE.—For purposes of this subsection, the term 'nontaxable use' means—

"(A) in the case of diesel fuel or kerosene, any use which is exempt from the tax imposed by section 4041(a)(1) other than by reason of a prior imposition of tax, and

"(B) in the case of aviation-grade kerosene—

"(i) any use which is exempt from the tax imposed by section 4041(c) other than by reason of a prior imposition of tax, or

"(ii) any use in commercial aviation (within the meaning of section 4083(b)).".

(3) CONFORMING AMENDMENTS.—

(A) Section 4041(a)(1)(B) of such Code is amended by adding at the end the following: "This subparagraph shall not apply to aviation-grade kerosene.".

(B) The heading for section 6427(l) of such Code is amended by striking "AND KEROSENE" and inserting ", KEROSENE, AND AVIATION FUEL".

(C) Section 6427(l)(4) of such Code is amended—

(i) in subparagraph (A)—

(I) by striking "kerosene" in subparagraph (A) and inserting "aviation-grade kerosene";

(II) by striking "section 4081(a)(2)(A)(iii)" and inserting "section 4081(a)(2)(A)(iv)"; and

(III) by striking "KEROSENE USED IN COMMERCIAL AVIATION" in the heading and inserting "IN GENERAL";

(ii) by striking subparagraphs (B) and (C) and inserting the following:

"(B) PAYMENT TO ULTIMATE REGISTERED VENDOR.—With respect to any aviation-grade kerosene, if the ultimate purchaser of such kerosene waives (at such time and in such form and manner as the Secretary shall prescribe) the right to payment under paragraph (1) and assigns such right to the ultimate vendor, then the Secretary shall pay the amount which would be paid under paragraph (1) to such ultimate vendor, but only if such ultimate vendor—

"(i) is registered under section 4101, and

"(ii) meets the requirements of subparagraph (A), (B), or (D) of section 6416(a)(1)."; and

(iii) by striking "KEROSENE USED IN COMMERCIAL AVIATION" in the heading and inserting "AVIATION-GRADE KEROSENE".

(D) Section 6427(i)(4)(A) of such Code is amended—

(i) by striking "paragraph (4)(C)" and inserting "paragraph (4)(B)"; and

(ii) by striking ", (l)(4)(C)(ii),".

(E) Section 6427(l)(5)(B) of such Code is amended by striking "kerosene used in aviation" and inserting "aviation-grade kerosene".

(c) TRANSFERS FROM HIGHWAY TRUST FUND OF TAXES ON FUELS USED IN AVIATION TO AIRPORT AND AIRWAY TRUST FUND.—

(1) IN GENERAL.—Section 9503(c) of the Internal Revenue Code of 1986 is amended by striking paragraph (5).

(2) CONFORMING AMENDMENTS.—

(A) Section 9502(a) of such Code is amended by striking ", section 9503(c)(5),".

(B) Section 9502(b)(1)(D) of such Code is amended by striking "and kerosene to the extent attributable to the rate specified in section 4081(a)(2)(C)" and inserting "and aviation-grade kerosene".

(C) Section 9503(b) of such Code is amended by inserting after paragraph (2) the following new paragraph:

"(3) ADJUSTMENTS FOR AVIATION USES.—The amounts described in paragraph (1) and (2) with respect to any period shall (before the application of this subsection) be reduced by appropriate amounts to reflect any amounts transferred to the Airport and Airway Trust Fund under section 9502(b) with respect to such period.''.

(d) CERTAIN TRANSFERS NOT TRANSFERRED FROM AIRPORT AND AIRWAY TRUST FUND.—

(1) Section 9502(d)(2) of the Internal Revenue Code of 1986 is amended by striking ''(other than subsection (l)(4) thereof)''.

(2) Section 9502(d)(3) of such Code is amended by striking ''(other than payments made by reason of paragraph (4) of section 6427(l))''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to fuels or liquids removed, entered, or sold after September 30, 2019.

TITLE VI—VOLUNTARY SURRENDER OF REPAIR STATION CERTIFICATE

SEC. 601. REVISION OF CERTAIN REGULATIONS RELATING TO REPAIR STATION CERTIFICATES.

The Administrator shall—

(1) not later than 60 days after the date of the enactment of this Act, publish in the Federal Reg-

ister a notice of proposed rulemaking revising part 145 of title 14, Code of Federal Regulations—

(A) to restore the right of a repair station to unilaterally surrender its certificate;

(B) to prevent an individual who materially contributes to the revocation of a repair station certificate or causes the process of revoking such a certificate to begin from reentering the industry; and

(C) to clarify that a repair station that terminates an individual who materially contributes to the revocation of the certificate of the repair station or causes the process of revoking that certificate to begin may reapply for a certificate; and

(2) not later than 90 days after publishing the notice of proposed rulemaking, publish in the Federal Register a final rule with respect to those revisions.

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