AGENDA
AIRPORT ADVISORY COMMISSION
REGULAR MEETING
AUGUST 11, 2022
6:00 PM
CITY HALL COMMISSION CHAMBERS
204 ASH STREET
FERNANDINA BEACH, FL 32034

1. CALL TO ORDER

2. ROLL CALL

3. PLEDGE OF ALLEGIANCE

4. APPROVAL OF MINUTES

4.1 Approval of Minutes from the June 9, 2022 Regular Advisory Commission Meeting

5. PUBLIC COMMENT REGARDING ITEMS NOT ON THE AGENDA

6. OLD BUSINESS

6.1 Hangar Construction Project Update

6.2 Monthly Financial Report

7. NEW BUSINESS

7.1 Run the Runway 5K Facility Use Agreement and Safety Plan Review

7.2 Airport Landing Fee Guidance Review/Discussion

7.3 Annual CPI Escalation Discussion

7.4 Airport Advisory Commission Meeting Recurrence Discussion

7.5 The Amelia and Bonhams & Butterfields Auction Draft Safety Plan Review/Discussion

8. AIRPORT DIRECTOR AND STAFF REPORTS

8.1 August Airport Department Report

9. COMMISSION MEMBER REPORTS/COMMENTS

10. NEXT MEETING DATE

11. 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 Director.

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

2. **Members Present:** Doug Geib, Chuck Colcord, Tom Piscitello, Bob Sell, Tom Lockie, George Haffey, Nathan Coyle (Via Zoom; Airport Manager), Robert Kozakoff (Airport Operations), and David Broughton (Airport Administrative Assistant).

Members Absent: Prudence Hostetter

Others Present: Mr. Steven Sherman.

3. **Pledge of Allegiance**

4. **Approval of Minutes:** The April 14, 2022 Regular AAC Meeting Minutes were presented for review.

A motion was made by Member Sell and seconded by Member Colcord to approve the April 14, 2022 Airport Advisory Commission meeting minutes. A vote upon passage was taken by ayes and nays and being all ayes, carried.

Public Comment Regarding Items Not On The Agenda:

Mr. Steven Sherman, 95035 Woodberry Lane, Fernandina Beach – Mr. Sherman provided the AAC with a handout outlining a noise reduction plan through proposed implementation of landing fees at the airport.

5. OLD BUSINESS

5.1. Monthly Financial Report

The monthly financial report was presented by Airport Manager Coyle. Mr. Coyle stated that year-to-date revenue and expenses were as anticipated. There was no further discussion on this agenda item.

5.2. Hangar Construction Project Update

Mr. Coyle provided an update on the hangar construction project at the airport stating that the timeline for estimated completion has been pushed back until mid-August. Mr. Coyle stated that he would provide further updates to the AAC when available.

6. NEW BUSINESS

6.1. 224th Joint Communications Support Squadron Facility Use Agreement Review

Airport Manager Coyle presented a facility use agreement for use of the closed runway by the 224th Joint Communications Squadron from June 11, 2022 until June 22, 2022. Mr. Coyle stated that there would be no impact to airport operations from this use.

A motion was made by Member Colcord, seconded by Member Lockie, recommending that the City Commission approve the facility use agreement between the City Commission and the 224th Joint Communications Squadron as presented to the AAC. A vote upon passage was taken by ayes and nays and being all ayes, carried.

6.2. Driving Dynamics Facility Use Agreement Review

Airport Manager Coyle presented the AAC with a facility use agreement for use of the closed runway by Driving Dynamics, Inc. on October 19 and October 20, 2022 to conduct a corporate safe driving training course. Mr. Coyle stated that revenue from this use would be $1,000 per day and that there would be no impact to airport operations from the use.

A motion was made by Member Hostetter, seconded by Member Colcord, recommending that the City Commission approve the proposed facility use agreement between the City of Fernandina Beach and Driving Dynamics, Inc. for use of the closed runway on October 19 and October 20, 2022. A vote upon passage was taken by ayes and nays and being all ayes, carried.

6.3. FHB Aircraft Hangars LLC – Development Site Plan Review

Airport Manager Coyle introduced the discussion stating that FHB Hangars LLC has an existing ground lease at the airport on which the agency completed Phase 1 of planned hangar construction in 2021. Mr. Coyle introduced Mr. Brian Echard who presented the site plan for a proposed Phase 2 of hangar construction as contemplated in the original ground lease.

Member Colcord asked if the City's engineering firm, Passero Associates, had reviewed the site plan and Mr. Coyle stated that Passero Associates had provided a review of the site plan without substantial comment. Mr. Coyle stated that all of his earlier comments had been incorporated into the site plan under review by the AAC.

Member Piscitello mentioned that the area for proposed hangar construction is used annually for a temporary Air Traffic Control Tower and Mr. Coyle stated that this use would indeed require that the Temporary Tower be relocated to the site it had previously utilized next to the AWOS.

Member Haffey asked Mr. Echard when this development could likely be completed, and Mr. Echard stated that January of 2023 was the planned completion timeframe.

A motion was made by Member Colcord, seconded by Member Sell, recommending that the City accept the site plan for development of new hangars at the airport as presented to the AAC in the meeting packet. A vote upon passage was taken by ayes and nays and being all ayes, carried.

6.4. Transient Aircraft Parking Apron Rehabilitation – Bid Results Review/Discussion

Airport Manager Coyle presented the AAC with the bid submittals related to the planned project for rehabilitation of asphalt on a portion of the transient aircraft parking apron. Mr. Coyle reminded the AAC that this would be an FAA and FDOT grant funded project resulting in roughly $55,000 in total expense from the airport fund.

A motion was made by Member Lockie, seconded by Member Colcord to recommend that the City Commission award the invitation to bid to CGC Inc as presented to the AAC in the meeting packet. A vote upon passage was taken by ayes and nays and being all ayes, passed.

7. Airport Director and Staff Reports.

1. Mr. Coyle stated that a new airport sign would be erected along Amelia Parkway during the month of July to replace the aging/damaged airport sign. Mr. Coyle stated that the new sign would be much smaller that the existing ("grandfathered") sign to meet the City's sign code requirements.

2. Member Geib asked when the new Fire Station construction would be completed. Mr. Coyle stated that the estimate for completion is currently March of 2023.

3. Member Geib asked for more information regarding the upcoming Cirrus Owners/Pilots Association Migration. Mr. Coyle stated that the event is scheduled at the Omni Plantation from 4 – 9 October, and that early projections indicate that the airport would host roughly150 – 200 aircraft arriving for the event. Mr. Coyle stated that the Army National Guard would be providing a temporary tower in support of this event.

8. Commission Member Reports/ Comments

Member Colcord asked for a reminder as to when the Runway 13/31 rehabilitation project is planned to commence. Mr. Coyle stated that this project is programmed for completion in the next 2 – 3 years.

9. Next Meeting Date: Thursday, August 11, 2022

10. Adjournment: there being no further business to come before the AAC, the meeting was adjourned at 6:40 pm.

______________________________ ______________________________

Secretary Doug Geib Chairperson

AIRPORT 420

AIRPORT
420

REVENUES	BUDGET 2021-2022	YTD	Percentage
33120 FEMA GRANT	-	0.00	N/A
33220 FAA GRANT	365,125	142,500.00	39.0%
33323 FDOT GRANT	627,326	482,916.00	77.0%
33420 FEMA STATE GRANT	-	0.00	0.0%
34704 RENTALS NON-TAXABLE	-	1,103.50	100.0%
34720 RENTALS	-	7,349.24	100.0%
34970 FUEL SALES	24,800	33,968.16	137.0%
34971 LEASE PAYMENTS - LAND LEASE	52,372	49,468.60	94.5%
34973 LAND LEASE - AMELIA RIVER	205,960	185,516.95	90.1%
34974 LAND LEASE PAYMENTS - NON-TAXABLE	66,571	58,501.60	87.9%
34975 RENT/LEASE PAYMENTS - City Built	350,000	281,847.10	80.5%
34976 8 FLAGS RENT (TAXABLE)	64,080	91,928.52	79.6%
34978 8 FLAGS RENT - NON-TAXABLE	56,712	4,221.64	
34979 TRANSIENT REVENUE	-	10,127.14	100.0%
36110 INTEREST		22,255.26	100.0%
36420 INSURANCE PROCEEDS		0.00	
36800 CAPITAL CONTRIBUTION		0.00	
34972 BUILDING LEASE	-	0.00	100.0%
36990 OTHER REVENUE	69,100	51,045.87	73.9%
36991 PARKING REVENUE	2,004	6,548.76	326.8%
36995 LATE FEES	-	3,534.95	100.0%
36992 GAIN ON SALE OF ASSETS		0.00	0.0%
38101 TRANSFERS IN GENERAL FUND		0.00	
38101 FROM GENERAL FUND FOR FIRE STATION	275,000	229,166.00	83.3%
38910 CASH BALANCE FORWARD	693,302		
38410 LOAN PROCEEDS	3,991,000	4,850,000.00	121.5%
Revenue Total	6,843,352	6,511,999.29	95.2%

YTD Revenue - $6,511,999.29
YTD Grant/Loan/Transfers (Fire Station) Revenue - $5,704,582.00
YTD Revenue Less Grants/Loans/Transfers (Fire Station) - $807,417.29
Estimate/Projection of End of FY Revenue Less Grants/Loans/Transfers - ~$930,000.00

AIRPORT 420

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	BUDGET 2021-2022	YTD	Percentage
PERSONNEL SERVICES			
51200 SALARIES	139,064	109,296.09	78.59%
51300 TEMPORARY	-	0.00	
51350 PART TIME	15,080	11,779.94	78.12%
51400 OVERTIME	-	0.00	
52100 FICA	11,792	8,632.02	73.20%
52200 RETIREMENT	29,259	22,995.89	78.59%
52300 HEALTH	28,573	21,164.02	74.07%
52301 LIFE	768	664.58	86.53%
52350 OPEB COSTS	1,756	1,474.65	83.98%
52400 WORKERS' COMP	1,521	1,267.00	83.30%
52500 UNEMPLOYMENT			
TOTAL	227,813	177,274.19	77.82%
OPERATING EXPENSES			
53100 PROFESSIONAL SERVICES	25,000	22,963.58	91.85%
53200 AUDIT	7,371	6,143.00	83.34%
53400 CONTRACTUAL	56,618	24,228.26	42.79%
53900 AUTO ALLOWANCE		0.00	
53910 HOUSING ALLOWANCE	-	0.00	
54000 TRAINING/TRAVEL	3,210	1,310.13	40.81%
54100 COMMUNICATIONS	2,988	1,885.95	63.12%
54101 COMMUNICATIONS - CELL	2,000	916.74	45.84%
54103 COMMUNICATIONS - INTERNET	5,922	1,855.00	31.32%
54200 POSTAGE	100	11.71	11.71%
54300 UTILITIES - ELECTRIC	34,500	13,383.72	38.79%
54310 UTILITIES - WATER & SEWER	12,200	6,727.57	55.14%
54500 INSURANCE	66,499	55,413.00	83.33%
54610 R/M GROUNDS	222,500	70,609.49	31.73%
54620 R/M EQUIPMENT	1,500	1,495.20	99.68%
54630 R/M VEHICLES-LABOR	6,000	3,427.50	57.13%
54640 R/M VEHICLES-MATERIALS	8,000	3,533.99	44.17%
54700 PRINTING	650	14.25	2.19%
54800 PROMOTIONAL	5,250	4,820.74	91.82%
54902 BAD DEBT EXPENSE		0.00	
54910 BILLING COST	7,300	6,084.00	83.34%
55100 OFFICE SUPPLIES	2,300	-85.94	-3.74%
55200 OPERATING SUPPLIES	1,115	739.42	66.32%
55210 UNIFORMS	400	124.00	31.00%
55230 FUEL	11,000	9,183.62	83.49%

AIRPORT 420

AIRPORT
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	BUDGET 2021-2022	YTD	Percentage
55400 BOOKS/SUBS/DUES	605	605.00	100.00%
TOTAL	483,028	235,389.93	48.73%
CAPITAL OUTLAY			
56200 BUILDINGS	-	0.00	
56300 IMPROVEMENTS	5,723,441	1,143,822.13	19.98%
56400 MACH./EQUIP.	-	0.00	
56401 MACH./EQUIP. Non-CAP	1,000	0.00	0.00%
TOTAL	5,724,441	1,143,822.13	19.98%
57000 SETTLEMENT EXP		0.00	
57100 PRINCIPAL	204,000	0.00	
57200 INTEREST	135,952	29,037.34	
57300 FINANCING COSTS	50,000	18,199.50	
TOTAL	389,952	47,236.84	
Reserve	22,698		
Expense Total	6,847,932	1,603,723.1	23.42%

CITY OF FERNANDINA BEACH
FACILITIES USE AGREEMENT

This FACILITIES USE AGREEMENT (herein after called the AGREEMENT) is made and entered into this 12 day of July 2022, 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 **Southern Timing Foundation, Inc.** whose address is 8131 Vineland Ave, #122 Orlando, FL 32821 (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 to conduct participant vehicle parking and a 5K running event at the Fernandina Beach Municipal Airport on December 3, 2022.

NOW, THEREFORE, the parties agree as follows:

1. USER will be permitted to use the authorized portion of FACILITY described in Paragraph 2 for the purpose of conducting a 5K running event on December 3, 2022. Setup for this event is authorized to commence only on Closed Runway 18/36 on Friday, December 2, 2022, at 8 AM (EST). Setup for areas other than Closed Runway 18/36 is authorized to commence on Saturday, December 3, 2022, at 4 AM (EST). The 5K running event shall commence at 8 AM (EST) on December 3, 2022 and will follow the route prescribed at Exhibit 1 to this agreement. Event completion, cleanup of trash/debris, and teardown of all areas must be completed no later than 12 PM (EST) on December 3, 2022.

2. USER will set up and use a portion of the FACILITY on a continuous basis during this period utilizing **only the 5K running course areas depicted for use on Exhibit 1 to this agreement**. USER is responsible for ensuring that staff, volunteers, and participants remain within areas authorized for use as depicted on Exhibit 1 and must also ensure strict adherence to all provisions of the event safety plan, as approved by the Federal Aviation Administration. A copy of this safety plan will be provided to USER by the CITY.

3. USER will pay CITY the sum of **$1,000.00 per day** plus sales tax, if applicable, for use of the FACILITY during the period designated, payable with returning this signed AGREEMENT. If CITY terminates this agreement in accordance with the terms prescribed in Paragraph 4.k. below, USER shall not be responsible for paying this fee to CITY.

4. As condition to USER's right to use the facilities herein, USER agrees to and must comply with the following:
   a. USER will not exclude any person from its services because of race, sex, age, religion, disability, national origin or other prohibited discrimination.
   b. USER must have competent, responsible, and able supervision on the premises at all times that its service is operational.
   c. USER will not interfere with emergency operations of CITY or other authorized users of the FACILITY.
   d. USER must 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 has 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 will 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 includes 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 survive termination of this Agreement and are not limited by the amount of any insurance required to be obtained or maintained under this Agreement. Nothing contained in the foregoing indemnification is 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 will 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 15-day notice of such cancellation.
l. USER must maintain liability insurance, in amounts as deemed necessary and appropriate by the City Attorney, show the CITY as additional insured thereon, and must 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 must, 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.
n. USER must, at all times, enforce and follow current Centers for Disease Control and Prevention (CDC), local, State, and Federal COVID-19 policies and guidelines and physical distancing practices during execution of this event.

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:	Southern Timing Foundation, Inc. 8131 Vineland Ave. #122 Orlando FL 32821 ATTN: JACOB DAVIS	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: SOUTHERN TIMING FOUNDATION, INC.

By: Jacob B. Davis

CITY OF FERNANDINA BEACH

By: ______________________________
Dale L. Martin

Its:

Its: City Manager

By: ____________________________________
Caroline Best
Its: City Clerk

APPROVED AS TO FORM AND LEGALITY:

____
Tammi E. Bach
Its: City Attorney

AIRPORT SAFTEY DURING SPECIAL EVENTS PLAN

From: Fernandina Beach Municipal Airport (FHB), Fernandina Beach, FL
Sponsor: City of Fernandina Beach, FL
Proposed Event: Run the Runway 5K Event – December 3, 2022
NOTE: The airport will remain operational (to aircraft and tenants) 100% of the time, during this event.

A. Overview

1. Airport Description: Airport Type - General Aviation
2. Runways and lengths - RW 4-22 - 5,301 FT X 100 FT
   RW 9-27 - 5,000 FT X 100 FT
   RW 13-31 - 5,152 FT X 100 FT

b. Event Description: This 5 Kilometer charity running event is hosted by Southern Timing Foundation, Inc, a 501c(3) organization, which intends to contribute 100% of proceeds from the event toward a program known as "PASSAGE" which flies STEM educational resources to underprivileged children in South America. A link to the website for this program is provided below:

Passage Program Link: https://www.passageflight.org/

c. Proposed Dates/Duration: Actual dates of events - The running event will begin at 8:00 AM on Saturday, December 3, 2022 and will terminate at 10:30 AM of the same day.

d. Exhibit depicting event area of impacts (on ALP) - See Exhibit 1 to this Safety Plan ("Airport Layout" in lieu of ALP, for an overview image of the proposed event).

B. Setup & Tear Down of Event

a. Schedule - include time for setup and tear down –

1. Set up on Closed Runway 18/36 begins at 9:00 on Friday December 2, 2022 (This setup on the closed runway will not impact any airport operations)
2. Set up for all other areas begins at 4:00 AM on Saturday December 3, 2022
3. The 5K run begins at 8:00 AM and ends at 10:30 AM on Saturday December 3, 2022
4. Tear down ends at 12:00 PM on Saturday December 3, 2022

b. Areas impacted on December 3, 2022 **ONLY** - including ingress and egress of take down/setup materials

1. Runway 9/27 closed 4:00 AM – 12:00 PM (Local)
2. Runway 13/31 closed 4:00 AM – 12:00 PM (Local)
3. Taxiway A, West of Taxiway D, closed 4:00 AM – 12:00 PM (Local)
4. Taxiway D, between Taxiway A and Taxiway C, closed 4:00 AM – 12:00 PM (Local)
5. Taxiway B, between Taxiway A and Taxiway C, closed 4:00 AM – 12:00 PM (Local)

Note: Runway 4/22 will remain 100% open and available during this event. The remaining open airport runways and taxiway systems will be fully capable to handle aviation demand and operations during this event.

c. Maintenance of airport operations - Appropriate notifications will be issued by the City of Fernandina Beach (Sponsor) airport staff. NOTAMs identifying the closures listed in Section b above will be published seven calendar days prior to the event.

d. Damage assessment and repairs - include how and when the airport will be reimbursed - Sponsor's airport staff will conduct a physical inspection following the event and the event sponsor will be responsible for funding any repairs, if applicable. It is anticipated that any damage from this event can be repaired immediately. The event operator shall be responsible for providing proof of a comprehensive insurance policy, listing the City of Fernandina Beach as additionally insured, prior to execution of the event.

C. Safety Plan Areas of Concern

a. Runway(s) affected

Temporary illuminated runway closure markers will be placed over the threshold numbers for Runway 9/27 and Runway 13/31.

b. Taxiway(s) affected

Low level barricades with lights and flags will be placed to identify the portions of the closed taxiways. The airport will place a continuous physical barrier to separate event participants from active airport operations.

c. Other Areas of the Airport affected

No other areas of the airport will be impacted by this event.

d. Other Areas of the Airport affected

1. Runway Safety Areas - Trained personnel will be strategically placed to prevent incursions, as indicated on the Airport Layout at Exhibit 1. Participants will be briefed prior to beginning of the event on the running route. A Photo/Diagram depicting the event boundaries will be posted at the starting line.
2. Object Free Areas- Trained personnel will be strategically placed to prevent incursions, as indicated on the Airport Layout at Exhibit 1. Participants will be briefed prior to beginning of the event on the running route. A Photo/Diagram depicting the event boundaries will be posted at the starting line.
3. Object Free Zones- Trained personnel will be strategically placed to prevent incursions, as indicated on the Airport Layout at Exhibit 1. Participants will be briefed prior to beginning of the event on the running route. A Photo/Diagram depicting the event boundaries will be posted at the starting line.
4. Threshold Siting Criteria- Trained personnel will be strategically placed to prevent incursions, as indicated on the Airport Layout at Exhibit 1. Participants will be briefed prior to beginning of the event on the running route. A Photo/Diagram depicting the event boundaries will be posted at the starting line.

e. Impacts to airport navigational aids - No impacts to NAVAIDs.

f. Methods of separating event vehicles/pedestrians from airport movement areas – Participant parking will occur adjacent to the west-side of Closed Runway 18/36 as depicted on the Airport Layout at Exhibit 1. This area will be contained with physical barricades and has direct access from the public road entrance to the airport. No vehicles will be permitted outside the contained vehicle parking area, unless accompanied by airport staff or airport tenant vehicles that are directly supporting the event. Pedestrians will be limited to the areas defined by the event boundaries.

g. Procedures and equipment to delineate closed areas from airport operational areas

- Runways and taxiways in accordance with AC 150/5340-1, Standards for Airport Markings (i.e., lighted "X") – Illuminated X closure markers will be placed on the threshold numbers of Runway 9/27 and Runway 13/31.
- Temporary lighting (to be analyzed for impacts to pilots by FAA) - No temporary

lighting will be used.

- Fencing - No temporary fencing will be required.
- Gates - One existing airport entrance gate will be utilized for entrance and exit of event participants. This gate will be managed by Sponsor's airport staff.
- Barricades - Only conforming temporary low-level barricades will be utilized.

h. Required compliance of event personnel with all airport safety and security measures Sponsor's airport staff and trained airport tenants/personnel will maintain all safety and security measures.

i. Communication methods
Only Sponsor's airport staff and trained FBO personnel will maintain communications with air and ground personnel.

j. Event vehicle identification - Event vehicles will be equipped with flashing amber beacon.

k. Emergency response plan – The Airport Sponsor shall coordinate with local authorities for these services. A City of Fernandina Beach special events permit will be required for completion of this event, and issuance of this permit provides coordination for Police/Fire/EMS services to support the associated event.

l. Foreign object debris (FOD) control provisions - Trained personnel will manage FOD control during the event. Sponsor's airport staff will conduct post-event inspection prior to re-opening closed areas.

m. HAZMAT management (if necessary) - Not necessary for this event.

n. Airport inspection requirements - Sponsor's airport staff will conduct post-event inspection prior to re-opening closed portions of the airport.

o. Procedures for locating and protecting utilities (airfield lighting lines, etc.) - No utilities will be impacted for this event.

D. Notifications

a. Notice of Proposed Construction or Alteration (7460-1 form) - See Exhibit 1 (if needed).

b. Notices to Airmen (NOTAMs) - Sponsor will issue appropriate NOTAM and ensure cancellation of these NOTAMs upon completion of post-event inspections.

c. Tenant Advisory – Sponsor shall notify tenants via email, FBO interaction, and public forums (Airport Advisory Board and City Commission Meeting).

E. Responsibilities

a. Airport Management - Sponsor's airport staff will direct all on-airfield activities.
b. Event Operator – Event operator shall provide sufficient staffing and resources to efficiently setup, operate, and clean-up this 5K event.
c. Tenants – Airport Tenants/Users will have full access to hangar storage areas, and the remaining open areas of the airport will be fully capable of supporting flight activity during the event hours.

F. Airport Revenue – The event operator shall make direct payment to the airport in the amount of **$1,000.00** for execution of this event.

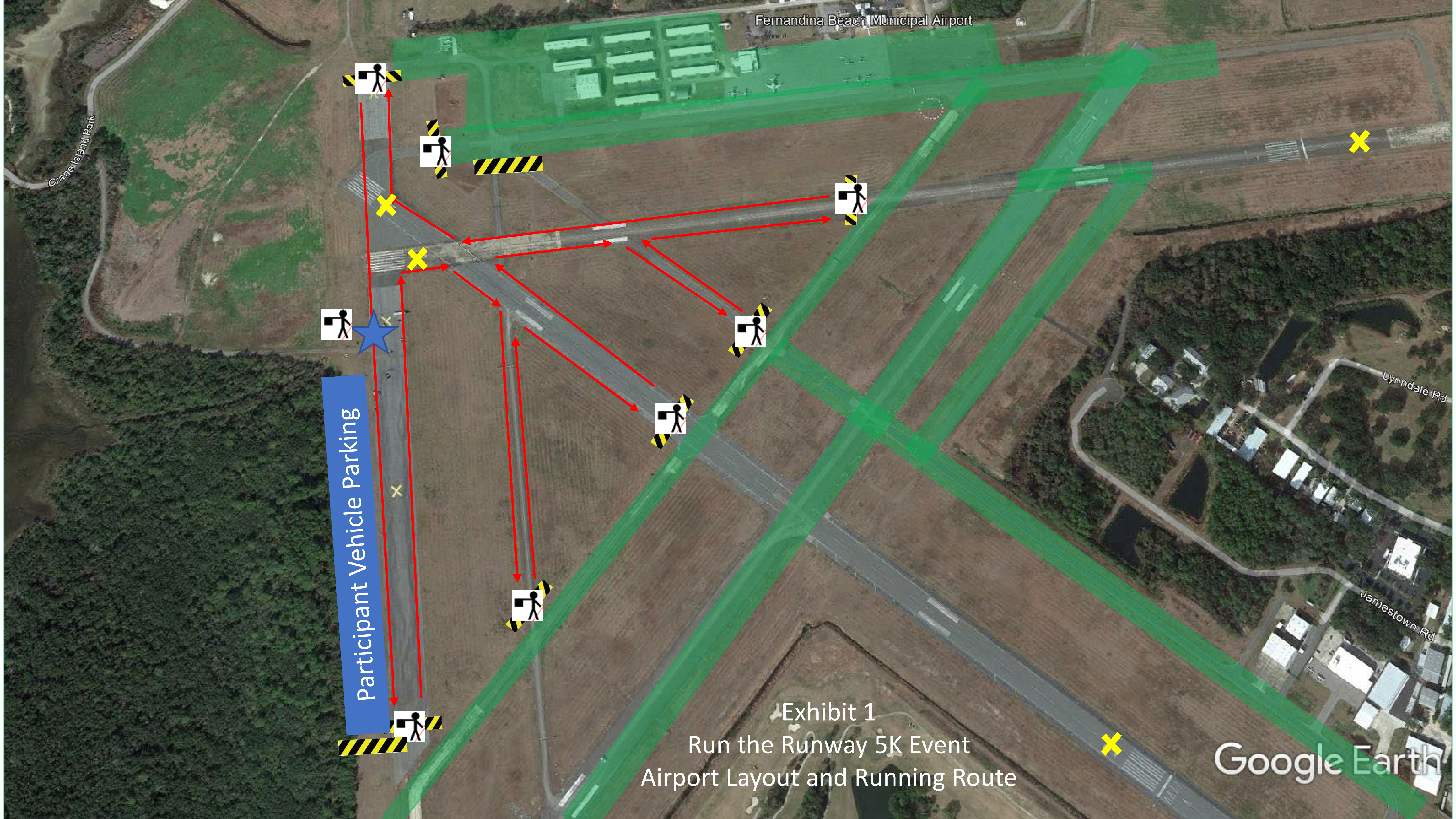

Exhibit 1
Run the Runway 5K Event
Airport Layout and Running Route

Policy Regarding the Establishment of Airport Rates and Charges

Introduction

It is the fundamental position of the Department that the issue of rates and charges is best addressed at the local level by agreement between users and airports. The Department is adopting this Policy Statement on the standards applicable to airport fees imposed for aeronautical use of the airport to provide guidance to airport proprietors and aeronautical users, to encourage direct negotiation between these parties, to minimize the need for direct Federal intervention to resolve differences over airport fees and to establish the standards which the Department will apply in addressing airport fee disputes under 49 USC § 47129 and in addressing questions of airport proprietors' compliance with Federal requirements governing airport fees.

Applicability of the Policy

A. Scope of Policy

Under the terms of grant agreements administered by the Federal Aviation Administration (FAA) for airport improvement, all aeronautical users are entitled to airport access on fair and reasonable terms without unjust discrimination. Therefore, the Department considers that the principles and guidance set forth in this policy statement apply to all aeronautical uses of the airport. The Department recognizes, however, that airport proprietors may use different mechanisms and methodologies to establish fees for different facilities, e.g., for the airfield and terminal area, and for different aeronautical users, e.g., air carriers and fixed-base operators. Various elements of the policy reflect these differences. In addition, the Department will take these differences into account if we are called upon to resolve a dispute over aeronautical fees or otherwise consider whether an airport sponsor is in compliance with its obligation to provide access on fair and reasonable terms without unjust discrimination.

B. Aeronautical Use and Users

The Department considers the aeronautical use of an airport to be any activity that involves, makes possible, is required for the safety of, or is otherwise directly related to, the operation of aircraft. Aeronautical use includes services provided by air carriers related directly and substantially to the movement of passengers, baggage, mail and cargo on the airport. Persons, whether individuals or businesses, engaged in aeronautical uses involving the operation of aircraft, or providing flight support directly related to the operation of aircraft, are considered to be aeronautical users.

Conversely, the Department considers that the operation by U.S. or foreign air carriers of facilities such as a reservations center, headquarters office, or flight kitchen on an airport does not constitute an aeronautical use subject to the principles and guidance contained in this policy statement with respect to reasonableness and unjust discrimination. Such facilities need not be located on an airport. A carrier's decision to locate such facilities is based on the negotiation of a lease or sale of property. Accordingly, the Department relies on the normal forces of competition for nonaeronautical commercial or industrial property to assure that fees for such property are not excessive.

C. Applicability of § 113 of the FAA Authorization Act of 1994

Section 113 of the Federal Aviation Authorization Act of 1994 (''Authorization Act''), 49 U.S.C. § 47129, directs the Secretary of Transportation to issue a determination on the reasonableness of certain fees imposed on air carriers in response to carrier complaints or a request for determination by an airport proprietor. Section 47129 further directs the Secretary to publish final regulations, policy statements, or guidelines establishing procedures for deciding cases under § 47129 and the standards to be used by the Secretary in determining whether a fee is reasonable. Section 47129 also provides for the issuance of credits or refunds in the event that the Secretary determines a fee is unreasonable after a complaint is filed. Section 47129(e) excludes from the applicability of § 47129 a fee imposed pursuant to a written agreement with air carriers, a fee imposed pursuant to a financing agreement or covenant entered into before the date of enactment of the statute (August 23, 1994), and an existing fee not in dispute on August 23, 1994. Section 47129(f) further provides that § 47129 shall not adversely affect the rights of any party under existing air carrier/airport agreements or the ability of an airport to meet its obligations under a financing agreement or covenant that is in effect on August 23, 1994.

The Department interprets § 47129 to apply to fees imposed on foreign as well as U.S. air carriers.

In addition, the Department does not interpret § 47129 to repeal or narrow the scope of the basic requirement that fees imposed on all aeronautical users be reasonable and not unjustly discriminatory or to narrow the obligation on the Secretary to receive satisfactory assurances that, inter alia, airport sponsors will provide access on reasonable terms before approving Airport Improvement Program (''AIP'') grants. Moreover, the Department does not interpret sections 47129(e) and (f) to preclude the Department from adopting policy guidance to carry out the Department's statutory obligation to assure that aeronautical fees are being imposed at AIP-funded airports in a manner that is consistent with the obligation to provide airport access on reasonable terms.

Therefore, the Department will apply the policy guidance in all cases in which we are called upon to determine if an airport sponsor is carrying out its obligation to make the airport available on reasonable terms. However, a dispute that is not subject to processing under the expedited procedures mandated by § 47129, including a dispute over matters described by §§ 47129 (e) and (f), will be processed by the FAA under procedures applicable to airport compliance matters in general. In considering such a dispute, the FAA's role is to determine whether the airport proprietor is in compliance with its grant obligations and statutory obligations relating to airport fees. The FAA proceeding is not intended to provide a mechanism for adjudicating the respective rights of the parties to a fee dispute.

In addition, the Department will not entertain a complaint about the reasonableness of a fee set by agreement filed by a party to the agreement setting the disputed fee. In the case of a complaint about the reasonableness of a fee set by agreement filed by an aeronautical user who is not a party to the agreement, the Department may take into account the existence of an agreement between air carriers and the airport proprietor, in making a determination on the complaint.

Further, the FAA will not ordinarily investigate the reasonableness of a general aviation airport's fees absent evidence of a progressive accumulation of surplus aeronautical revenues.

D. Components of Airfield

The Department considers the airfield assets to consist of ramps or aprons not subject to preferential or exclusive lease or use agreements, runways, taxiways, and land associated with these facilities. The Department also considers the airfield to include land acquired for the purpose of assuring land-use compatibility with the airfield, if the land is included in the rate base associated with the airfield under the provisions of this policy.

Principles Applicable to Airport Rates and Charges

1. In general, the Department relies upon airport proprietors, aeronautical users, and the market and institutional arrangements within which they operate, to ensure compliance with applicable legal requirements. Direct Federal intervention will be available, however, where needed.

2. Rates, fees, rentals, landing fees, and other service charges (''fees'') imposed on aeronautical users for aeronautical use of airport facilities (''aeronautical fees'') must be fair and reasonable.

3. Aeronautical fees may not unjustly discriminate against aeronautical users or user groups.

4. Airport proprietors must maintain a fee and rental structure that in the circumstances of the airport makes the airport as financially self-sustaining as possible.

5. In accordance with relevant Federal statutory provisions governing the use of airport revenue, airport proprietors may expend revenue generated by the airport only for statutorily allowable purposes.

6. Fees imposed on international operations must also comply with the international obligations of the United States, which include the requirements that the fees be just,

reasonable, not unjustly discriminatory, equitably apportioned among categories of users, no less favorable to foreign airlines than to U.S. airlines, and not in excess of the full cost to the competent charging authorities of providing the facilities and services efficiently and economically at the airport or within the airport system.

Local Negotiation and Resolution

1. In general, the Department relies upon airport proprietors, aeronautical users, and the market and institutional arrangements within which they operate, to ensure compliance with applicable legal requirements. Direct Federal intervention will be available, however, where needed.

1.1 The Department encourages direct resolution of differences at the local level between aeronautical users and the airport proprietor. Such resolution is best achieved through adequate and timely consultation between the airport proprietor and the aeronautical users about airport fees.

1.1.1 Airport proprietors should consult with aeronautical users well in advance, if practical, of introducing significant changes in charging systems and procedures or in the level of charges. The proprietor should provide adequate information to permit aeronautical users to evaluate the airport proprietor's justification for the change and to assess the reasonableness of the proposal. For consultations to be effective, airport proprietors should give due regard to the views of aeronautical users and to the effect upon them of changes in fees. Likewise, aeronautical users should give due regard to the views of the airport proprietor and the financial needs of the airport.

1.1.2 To further the goal of effective consultation, Appendix 1 of this policy statement contains a description of information that the Department considers would be useful to the U.S. and foreign air carriers and other aeronautical users to permit meaningful consultation and evaluation of a proposal to modify fees.

1.1.3 Airport proprietors should consider the public interest in establishing airport fees, and aeronautical users should consider the public interest in consulting with airports on setting such fees.

1.1.4 Airport proprietors and aeronautical users should consult and make a good-faith effort to reach agreement. Absent agreement, airport proprietors are free to act in accordance with their proposals, subject to review by the Secretary or the Administrator on complaint by the user or, in the case of fees subject to 49 U.S.C. § 47129, upon request by the airport operator, or, in unusual circumstances, on the Department's initiative.

1.1.5 To facilitate local resolution and reduce the need for direct Federal intervention to resolve differences over aeronautical fees, the Department encourages airport proprietors and aeronautical users to include alternative dispute resolution procedures in their lease and use agreements.

1.1.6 Any newly established fee or fee increase that is the subject of a complaint under 49 U.S.C. § 47129 that is not dismissed by the Secretary must be paid to the airport proprietor under protest by the complainant. Unless the airport proprietor and complainant agree otherwise, the airport proprietor will obtain a letter of credit, or surety bond, or other suitable credit instrument in accordance with the provisions of 49 U.S.C. § 47129(d). Pending issuance of a final order determining reasonableness, an airport proprietor may not deny a complainant currently providing air service at the airport reasonable access to airport facilities or services, or otherwise interfere with that complainant's prices, routes, or services, as a means of enforcing the fee, if the complainant has complied with the requirements for payment under protest.

1.2 Where airport proprietors and aeronautical users have been unable, despite all reasonable efforts, to resolve disputes between them, the Department will act to resolve the issues raised in the dispute.

1.2.1 In the case of a fee imposed on one or more U.S. air carriers or foreign air carriers, the Department will issue a determination on the reasonableness of the fee upon the filing of a written request for a determination by the airport proprietor or, if the Department determines that a significant dispute exists, upon the filing of a complaint by one or more U.S. air carriers or foreign air carriers, in accordance with 49 U.S.C. § 47129 and implementing regulations. Pursuant to the provisions of 49 U.S.C. § 47129, the Department may only determine whether a fee is reasonable or unreasonable, and may not set the level of the fee.

1.2.2 The Department will first offer its good offices to help parties reach a mutually satisfactory outcome in a timely manner. Prompt resolution of these disputes is always desirable since extensive delay can lead to uncertainty for the public and a hardening of the parties' positions. U.S. air carriers and foreign air carriers may request the assistance of the Department in advance of or in lieu of the formal complaint procedure described in 1.2.1.; however, the 60-day period for filing a complaint under § 47129 shall not be extended or tolled by such a request.

1.2.3 In the case of fees imposed on other aeronautical users, where negotiations between the parties are unsuccessful and a complaint is filed alleging that airport fees violate an airport proprietor's federal grant obligations, the Department will, where warranted, exercise the agency's broad statutory authority to review the legality of those fees and to issue such determinations and take such actions as are appropriate based on that review. Other aeronautical users may also request the assistance of the Department in advance of, or in lieu of, the filing of a formal complaint with the FAA.

1.3 Airport proprietors must retain the ability to respond to local conditions with flexibility and innovation. An airport proprietor is encouraged to achieve consensus and agreement with its aeronautical users before implementing a practice that would represent a major departure from this guidance. However, the requirements of any law, including the requirements for the use of airport revenue, may not be waived, even by agreement with the aeronautical users.

Fair and Reasonable Fees

2. Rates, fees, rentals, landing fees, and other service charges (‘‘fees’’) imposed on aeronautical users for the aeronautical use of the airport (‘‘aeronautical fees’’) must be fair and reasonable.

2.1 Federal law does not require a single approach to airport rate-setting. Fees may be set according to a ‘‘residual’’ or ‘‘compensatory’’ rate-setting methodology, or any combination of the two, or according to another rate-setting methodology, as long as the methodology used is applied consistently to similarly situated aeronautical users and conforms with the requirements of this policy. Airport proprietors may set fees for aeronautical use of airport facilities by ordinance, statute or resolution, regulation, or agreement.

2.1.1 Aeronautical users may receive a cross-credit of nonaeronautical revenues only if the airport proprietor agrees. Agreements providing for such cross-crediting are commonly referred to as ‘‘residual agreements’’ and generally provide a sharing of nonaeronautical revenues with aeronautical users. The aeronautical users may in turn agree to assume part or all of the liability for non-aeronautical costs. An airport proprietor may cross-credit nonaeronautical revenues to aeronautical users even in the absence of such an agreement, but an airport proprietor may not require aeronautical users to cover losses generated by nonaeronautical facilities except by agreement.

2.1.2 In other situations, an airport proprietor assumes all liability for airport costs and retains all airport revenues for its own use in accordance with Federal requirements. This approach to airport rate-setting is generally referred to as the compensatory approach.

2.1.3 Airports frequently adopt rate-setting systems that employ elements of both approaches.

2.1.4 An airport proprietor may impose a two-part landing fee consisting of a combination of a per-operation charge and a weight-based charge provided that (1) the two-part fee reasonably allocates costs to users on a rational and economically justified basis; and (2) the total revenues from the two-part landing fee do not exceed the allowable costs of the airfield.

(a) The proportionately higher costs per passenger for aircraft with fewer seats that will result from the per-operation component of a two-part fee may be justified by the effect of the fee on congestion and operating delays and the total number of passengers accommodated during congested hours.

(b) An airport proprietor may exempt flights subsidized under the Essential Air Service Program from the general application of a 2-part landing fee, and instead charge those flights a landing fee that would have been charged if a conventional weight-based fee was in effect. To the extent an exemption reduces total airfield fees recovered, the difference may not be recovered by increasing charges to other operators currently operating at the airport.

2.2 Revenues from fees imposed for use of the airfield (``airfield revenues") may not exceed the costs to the airport proprietor of providing airfield services and airfield assets currently in aeronautical use unless:

(a) Otherwise agreed to by the affected aeronautical users; or

(b) The fee includes charges in accordance with paragraph 2.5.3 or paragraph 2.5.4(a), and there is a corresponding reduction in fees for users that would otherwise have paid those charges.

2.3 The ‘‘rate base’’ is the total of all costs of providing airfield facilities and services to aeronautical users (which may include a share of public-use roadway costs allocated to the airfield in accordance with this policy) that may be recovered from aeronautical users through fees charged for providing airfield aeronautical services and facilities (‘‘airfield fees’’). Airport proprietors must employ a reasonable, consistent, and ‘‘transparent’’ (i.e., clear and fully justified) method of establishing the rate base and adjusting the rate base on a timely and predictable schedule.

[NOTE: 2.4, 2.4.1, and 2.4.1(a) vacated]

2.4.2 Airport proprietors may include reasonable environmental costs in the rate base to the extent that the airport proprietor incurs a corresponding actual expense. All revenues received based on the inclusion of these costs in the rate base are subject to Federal requirements on the use of airport revenue. Reasonable environmental costs include, but are not necessarily limited to, the following:

(a) the costs of investigating and remediating environmental contamination caused by airfield operations at the airport at least to the extent that such investigation or remediation is required by or consistent with local, state or federal environmental law, and to the extent such requirements are applied to other similarly situated enterprises.

(b) the cost of mitigating the environmental impact of an airport development project (if the development project is one for which costs may be included in the rate base), at least to the extent that these costs are incurred in order to secure necessary approvals for such projects, including but not limited to approvals under the National Environmental Policy Act and similar state statutes;

(c) the costs of aircraft noise abatement and mitigation measures, both on and off the airport, including but not limited to land acquisition and acoustical insulation expenses, to the extent that such measures are undertaken as part of a comprehensive and publicly-disclosed airport noise compatibility program; and

(d) the costs of insuring against future liability for environmental contamination caused by current airfield activities. Under this provision, the costs of self-insurance may be included in the rate base only to the extent that they are incurred pursuant to a self-insurance program that conforms to applicable standards for self-insurance practices.

2.4.3 Airport proprietors are encouraged to establish fees with due regard for economy and efficiency.

2.4.4 The airport proprietor may include in the rate base amounts needed to fund debt service and other reserves and to meet cash flow requirements as specified in financing agreements or covenants (for facilities in use or in accordance with paragraph 2.5.3), including, but not limited to, reasonable amounts to meet debt-service coverage requirements; to fund cash reserves to protect against the risks of cash-flow fluctuations associated with normal airfield operations; and to fund reasonable cash reserves to protect against other contingencies.

2.4.5 Unless otherwise agreed by aeronautical users, the airport proprietor must allocate capital and operating costs among cost centers in accordance with the following guidance, which is based on the principle of cost causation:

(a) Costs of airfield facilities and services directly used by the aeronautical users may be fully included in the rate base, in a manner consistent with this policy. For example, the capital cost of a runway may be included in the rate base used to establish landing fees.

(b) Costs of airport facilities and services used for both aeronautical and non-aeronautical uses (shared costs) may be included in the rate base if the facility or service in question supports the airfield activity reflected in that rate base. The portion of shared costs allocated to aeronautical users and among aeronautical uses should not exceed an amount that reflects the respective aeronautical purposes and proportionate aeronautical uses of the facility in relation to each other and in relation to the nonaeronautical use of the facility, and must be allocated by a reasonable, ‘‘transparent’’ and not unjustly discriminatory methodology. Aeronautical users may not be allocated all costs of facilities or services that are used by both aeronautical and nonaeronautical users unless they agree to that allocation. Likewise, the airfield may not be allocated all of the aeronautical share of commonly-used facilities or services, unless the airfield is the only aeronautical use the facility or service supports.

2.5 Airport proprietors must comply with the following practices in establishing the rate base, provided, however, that one or more aeronautical users may agree to a rate base that deviates from these practices in the establishment of those users’ fees.

[NOTE: 2.5.1, 2.5.1(a) through (e) vacated]

2.5.2 When assets in the rate-base have different costs, the airport proprietor may combine the costs of comparable assets to develop a single cost basis for those assets.

[NOTE: Original 2.5.3 and 2.5.3(a) vacated]

2.5.3. The proprietor of a congested airport may include in the rate-base used to determine airfield charges during congested hours a portion of the costs of an airfield project under construction so long as (1) all planning and environmental approvals have been obtained for the project; (2) the proprietor has obtained financing for the project; (3) construction has commenced on the project; and (4) the added costs for current operators would have the effect of reducing or preventing congestion and operating delays at that airport.

(a) The airport proprietor must deduct from the total costs of the projects any principal and interest collected during the period of construction in determining the amount of project costs to be capitalized and amortized once the project is commissioned and put in service.

(b) The amount of project costs included in current charges may not exceed an amount corresponding to costs actually incurred during the construction period, calculated in accordance with a commercially reasonable amortization period based on the expected term for the permanent financing of the project.

2.5.4 The rate base of an airport may include costs associated with another airport currently in use only if: (1) The proprietor of the first airport is also the proprietor of the other airport; (2) the other airport is currently in use; and (3) the costs of the other airport to be included in the first airport's rate base are reasonably related to the aviation benefits that the other airport provides or is expected to provide to the aeronautical users of the first airport.

(a) Element no. 3 above will be presumed to be satisfied if:

(1) The other airport is designated as a reliever airport for the first airport in the FAA's National Plan of Integrated Airport Systems (``NPIAS"); or

(2) The first airport is a congested airport; the other airport has been designated by the FAA as a secondary airport serving the community, metropolitan area or region served by the first airport; and adding airfield costs of the second airport to the rate base of the first airport during congested hours would have the effect of reducing or preventing congestion and operating delays at that airport in those hours.

(b) In the case of a methodology of charging for a system of airports that is in place on the effective date of this policy, the Department will consider an airport proprietor's claim that the methodology is reasonable, even if all three elements are not satisfied.

(c) If an airport proprietor closes an operating airport as part of an approved plan for the construction and opening of a new airport, reasonable costs of disposition of the closed airport facility may be included in the rate base of the new airport, to the extent that such costs exceed the proceeds from the disposition. The Department would not ordinarily consider redevelopment costs to be a reasonable cost of disposition.

(d) Pending reasonable disposition of the closed airport, the airport proprietor may charge airfield users at the new airport for reasonable maintenance costs of the old airport, provided that those costs are refunded or credited-back to those users upon the receipt of the proceeds from a whole or partial disposition.

(e) Costs of the second airport that may be included in the rate base of the first airport are limited to customary airfield cost center charges. The total airfield revenue recovered from the users of both airports cannot exceed the total allowable costs of the two airports combined.

[NOTE: 2.6 vacated]

2.6.1 Reasonable methodologies may include, but are not limited to, historic cost valuation, direct negotiation with aeronautical users, or objective determinations of fair market value.

2.6.2 If an airport proprietor determines fees for such other facilities on the basis of HCA costs, the airport proprietor must follow the guidance set forth in paragraph 2.4.5 for the allocation of shared costs.

2.7 At all times, airport proprietors must comply with the following practices:

2.7.1 Indirect costs may not be included in the fees charged for aeronautical use of the airport unless they are based on a reasonable, ''transparent'' cost allocation formula calculated consistently for other units or cost centers within the control of the airport sponsor.

2.7.2 The costs of airport development or planning projects paid for with federal government grants and contributions or passenger facility charges (PFCs) may not be included in the fees charged for aeronautical use of the airport.

(a) In the case of a PFC-funded project for terminal development, for gates and related areas, or for a facility that is occupied by one or more carriers on an exclusive or preferential use basis, the fees paid to use those facilities shall be no less than the fees charged for similar facilities that were not financed with PFC revenue.

Prohibition on Unjust Discrimination

3. Aeronautical fees may not unjustly discriminate against aeronautical users or user groups.

3.1 The airport proprietor must apply a consistent methodology in establishing fees for comparable aeronautical users of the airport. When the airport proprietor uses a cost-based methodology, aeronautical fees imposed on any aeronautical user or group of aeronautical users may not exceed the costs allocated to that user or user group under a cost allocation methodology adopted by the airport proprietor that is consistent with this guidance, unless aeronautical users otherwise agree.

3.1.1 The prohibition on unjust discrimination does not prevent an airport proprietor from making reasonable distinctions among aeronautical users (such as signatory and non-signatory carriers) and assessing higher fees on certain categories of aeronautical users based on those distinctions (such as higher fees for non-signatory carriers, as compared to signatory carriers).

3.2 A properly structured peak pricing system that allocates limited resources using price during periods of congestion will not be considered to be unjustly discriminatory. An airport proprietor may, consistent with the policies expressed in this policy statement, establish fees that enhance the efficient utilization of the airport.

3.3 Relevant provisions of the Convention on International Civil Aviation (Chicago Convention) and many bilateral aviation agreements specify, inter alia, that charges imposed on foreign airlines must not be unjustly discriminatory, must not be higher than those imposed on domestic airlines engaged in similar international air services and must be equitably apportioned among categories of users. Charges to foreign air carriers for aeronautical use that are inconsistent with these principles will be considered unjustly discriminatory or unfair and unreasonable.

3.4 Allowable costs—costs properly included in the rate base—must be allocated to aeronautical users by a transparent, reasonable, and not unjustly discriminatory rate-setting methodology. The methodology must be applied consistently and cost differences must be determined quantitatively, when practical.

3.4.1 Common costs (costs not directly attributable to a specific user group or cost center) must be allocated according to a reasonable, transparent and not unjustly discriminatory cost allocation methodology that is applied consistently, and does not require any aeronautical user or user group to pay costs properly allocable to other users or user groups.

Requirement To Be Financially Self-Sustaining

4. Airport proprietors must maintain a fee and rental structure that in the circumstances of the airport makes the airport as financially self-sustaining as possible.

4.1 If market conditions or demand for air service do not permit the airport to be financially self-sustaining, the airport proprietor should establish long-term goals and targets to make the airport as financially self-sustaining as possible.

4.1.1 Airport proprietors are encouraged, when entering into new or revised agreements or otherwise establishing rates, charges, and fees, to undertake reasonable efforts to make their particular airports as self sustaining as possible in the circumstances existing at such airports.

(a) Absent agreement with aeronautical users, the obligation to make the airport as self-sustaining as possible does not permit the airport proprietor to establish fees for the use of the airfield that exceed the airport proprietor's airfield costs.

(b) For those facilities for which this policy permits the use of fair market value, the Department does not construe the obligation on self-sustainability to compel the use of fair market value to establish fees.

4.1.2 At some airports, market conditions may not permit an airport proprietor to establish fees that are sufficiently high to recover aeronautical costs and sufficiently low to attract and retain commercial aeronautical services. In such circumstances, an airport proprietor's decision to charge rates that are below those needed to achieve self-sustainability in order to assure that services are provided to the public is not inherently inconsistent with the obligation to make the airport as self-sustaining as possible in the circumstances.

4.2 In establishing new fees, and generating revenues from all sources, airport owners and operators should not seek to create revenue surpluses that exceed the amounts to be used for airport system purposes and for other purposes for which airport revenues may be spent under 49 U.S.C. § 47107(b)(1), including reasonable reserves and other funds to facilitate financing and to cover contingencies. While fees charged to nonaeronautical users may exceed the costs of service to those users, the surplus funds accumulated from those fees must be used in accordance with § 47107(b).

4.2.1 The Department assumes that the limitation on the use of airport revenue and effective market discipline for aeronautical services and facilities other than the airfield will be effective in holding aeronautical revenues, over time, to the airport proprietor's costs of providing aeronautical services and facilities, including reasonable capital costs. However, the progressive accumulation of substantial amounts of surplus aeronautical revenue may warrant an FAA inquiry into whether aeronautical fees are consistent with the airport proprietor's obligations to make the airport available on fair and reasonable terms.

Requirements Governing Revenue
Application and Use

5. In accordance with relevant Federal statutory provisions governing the use of airport revenue, airport proprietors may expend revenue generated by the airport only for statutorily allowable purposes.

5.1 Additional information on the statutorily allowed uses of airport revenue is contained in separate guidance published by the FAA pursuant to § 112 of the FAA Authorization Act of 1994, which is codified at 49 U.S.C. § 47107(l).

5.2. The progressive accumulation of substantial amounts of airport revenues may warrant an FAA inquiry into the airport proprietor's application of revenues to the local airport system.

Congested Airports

6. Congested Airports

(a) The Department considers a currently congested airport to be--

(1) An airport at which the number of operating delays is one per cent or more of the total operating delays at the 55 airports with the highest number of operating delays; or

(2) An airport identified as congested by the Federal Aviation Administration listed in table 1 of the FAA's Airport Capacity Benchmark Report 2004, or the most recent version of the Airport Capacity Benchmark Report.

(b) The Department considers an airport to be a future congested airport if an airport is forecasted to meet a defined threshold level of congestion reported in the Future Airport Capacity Task 2 study entitled Capacity Needs in the National Airspace System 2007-2025: An analysis of Airports and Metropolitan Area Demand and Operational Capacity in the Future (FACT 2 Report), or any update to that report that the FAA may publish from time-to-time.

(c) A congested hour is an hour during which demand exceeds average runway capacity resulting in volume-related delays, or is anticipated to do so.

6.1. Because charges provided in paragraphs 2.1.4, 2.5.3 and 2.5.4 to address congestion can result in higher fees for some or all operators, it is especially important for airport operators proposing such charges to provide carriers in advance the information listed in Appendix 1, with special emphasis on data, analysis and forecasts used to justify the charges.

6.2. The proprietor of a future congested airport may adopt measures to address congestion in accordance with paragraphs 2.1.4, 2.5.3 and 2.5.4 of this policy, if the measures will not take effect or have any effect on airfield charges until a time when the airport meets the definition of a congested airport in paragraph 6 (a) or is anticipated to do so. This kind of measure would typically identify the specific condition, e.g., operating delays that regularly exceed a certain level at the airport that would trigger the implementation of the special charges to address congestion.

6.3 An airport proprietor may exempt flights subsidized under the Essential Air Service Program from charges imposed under paragraphs 2.5.3 and 2.5.4 of this policy.

Issued in Washington, DC on July 8, 2008.

Mary E. Peters,
Secretary of Transportation.

Robert A. Sturgell,
Acting Administrator, Federal Aviation Administration.

Appendix 1—Information for Aeronautical User Charges Consultations

The Department of Transportation ordinarily expects the following information to be available to aeronautical users in connection with consultations over changes in airport rates and charges:

1. Historic Financial Information covering two fiscal years prior to the current year including, at minimum, a profit and loss statement, balance sheet and cash flow statement for the airport implementing the charges, and any financial reports prepared by the airport proprietor to satisfy the provisions of 49 USC §§ 47107(a)(19) and 47107(k).

2. Justification. Economic, financial and/or legal justification for changes in the charging methodology or in the level of aeronautical rates and charges at the airport. Airports should provide information on the aeronautical costs they are including in the rate base.

3. Traffic Information. Annual numbers of terminal passengers and aircraft movements for each of the two preceding years.

4. Planning and Forecasting Information.

(a) To the extent applicable to current or proposed fees, the long-term airport strategy setting out long-term financial and traffic forecasts, major capital projects and capital expenditure, and particular areas requiring strategic action. This material should include any material provided for public or government reviews of major airport developments, including analyses of demand and capacity and expenditure estimates.

(b) Accurate, complete information specific to the airport for the current and the forecast year, including the current and proposed budgets, forecasts of airport charges revenue, the projected number of landings and passengers, expected operating and capital expenditures, debt service payments, contributions to restricted funds, or other required accounts or reserves.

(c) To the extent the airport uses a residual or hybrid charging methodology, a description of key factors expected to affect commercial or other nonaeronautical revenues and operating costs in the current and following years.

FAA
Airports

ASSURANCES

AIRPORT SPONSORS

A. General.

1. These assurances shall be complied with in the performance of grant agreements for airport development, airport planning, and noise compatibility program grants for airport sponsors.
2. These assurances are required to be submitted as part of the project application by sponsors requesting funds under the provisions of Title 49, U.S.C., subtitle VII, as amended. As used herein, the term "public agency sponsor" means a public agency with control of a public-use airport; the term "private sponsor" means a private owner of a public-use airport; and the term "sponsor" includes both public agency sponsors and private sponsors.
3. Upon acceptance of this grant offer by the sponsor, these assurances are incorporated in and become part of this Grant Agreement.

B. Duration and Applicability.

1. **Airport development or Noise Compatibility Program Projects Undertaken by a Public Agency Sponsor.**

   The terms, conditions and assurances of this Grant Agreement shall remain in full force and effect throughout the useful life of the facilities developed or equipment acquired for an airport development or noise compatibility program project, or throughout the useful life of the project items installed within a facility under a noise compatibility program project, but in any event not to exceed twenty (20) years from the date of acceptance of a grant offer of Federal funds for the project. However, there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport. There shall be no limit on the duration of the terms, conditions, and assurances with respect to real property acquired with federal funds. Furthermore, the duration of the Civil Rights assurance shall be specified in the assurances.

2. **Airport Development or Noise Compatibility Projects Undertaken by a Private Sponsor.**

   The preceding paragraph (1) also applies to a private sponsor except that the useful life of project items installed within a facility or the useful life of the facilities developed or equipment acquired under an airport development or noise compatibility program project shall be no less than ten (10) years from the date of acceptance of Federal aid for the project.

3. **Airport Planning Undertaken by a Sponsor.**

   Unless otherwise specified in this Grant Agreement, only Assurances 1, 2, 3, 5, 6, 13, 18, 23, 25, 30, 32, 33, 34, and 37 in Section C apply to planning projects. The terms, conditions, and assurances of this Grant Agreement shall remain in full force and effect during the life of the project; there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport.

C. Sponsor Certification.

The sponsor hereby assures and certifies, with respect to this grant that:

1. General Federal Requirements

It will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance, and use of Federal funds for this Grant including but not limited to the following:

FEDERAL LEGISLATION

a. 49 U.S.C. subtitle VII, as amended.

b. Davis-Bacon Act, as amended — 40 U.S.C. §§ 3141-3144, 3146, and 3147, et seq.[1]

c. Federal Fair Labor Standards Act – 29 U.S.C. § 201, et seq.

d. Hatch Act – 5 U.S.C. § 1501, et seq.[2]

e. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C. § 4601, et seq.[1, 2]

f. National Historic Preservation Act of 1966 – Section 106 – 54 U.S.C. § 306108.[1]

g. Archeological and Historic Preservation Act of 1974 – 54 U.S.C. § 312501, et seq.[1]

h. Native Americans Grave Repatriation Act – 25 U.S.C. § 3001, et seq.

i. Clean Air Act, P.L. 90-148, as amended – 42 U.S.C. § 7401, et seq.

j. Coastal Zone Management Act, P.L. 92-583, as amended – 16 U.S.C. § 1451, et seq.

k. Flood Disaster Protection Act of 1973 – Section 102(a) - 42 U.S.C. § 4012a.[1]

l. 49 U.S.C. § 303, (formerly known as Section 4(f)).

m. Rehabilitation Act of 1973 – 29 U.S.C. § 794.

n. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin).

o. Americans with Disabilities Act of 1990, as amended, (42 U.S.C. § 12101 et seq.) (prohibits discrimination on the basis of disability).

p. Age Discrimination Act of 1975 – 42 U.S.C. § 6101, et seq.

q. American Indian Religious Freedom Act, P.L. 95-341, as amended.

r. Architectural Barriers Act of 1968, as amended – 42 U.S.C. § 4151, et seq.[1]

s. Powerplant and Industrial Fuel Use Act of 1978 – Section 403 – 42 U.S.C. § 8373.[1]

t. Contract Work Hours and Safety Standards Act – 40 U.S.C. § 3701, et seq.[1]

u. Copeland Anti-kickback Act – 18 U.S.C. § 874.[1]

v. National Environmental Policy Act of 1969 – 42 U.S.C. § 4321, et seq.[1]

w. Wild and Scenic Rivers Act, P.L. 90-542, as amended – 16 U.S.C. § 1271, et seq.

x. Single Audit Act of 1984 – 31 U.S.C. § 7501, et seq.[2]

y. Drug-Free Workplace Act of 1988 – 41 U.S.C. §§ 8101 through 8105.

z. The Federal Funding Accountability and Transparency Act of 2006, as amended (P.L. 109-282, as amended by section 6202 of P.L. 110-252).

aa. Civil Rights Restoration Act of 1987, P.L. 100-259.

bb. Build America, Buy America Act, P.L. 117-58, Title IX.

EXECUTIVE ORDERS

a. Executive Order 11246 – Equal Employment Opportunity[1]

b. Executive Order 11990 – Protection of Wetlands

c. Executive Order 11998 – Flood Plain Management

d. Executive Order 12372 – Intergovernmental Review of Federal Programs

e. Executive Order 12699 – Seismic Safety of Federal and Federally Assisted New Building Construction[1]

f. Executive Order 12898 – Environmental Justice

g. Executive Order 13166 – Improving Access to Services for Persons with Limited English Proficiency

h. Executive Order 13985 – Executive Order on Advancing Racial Equity and Support for Underserved Communities Through the Federal Government

i. Executive Order 13988 – Preventing and Combating Discrimination on the Basis of Gender Identity or Sexual Orientation

j. Executive Order 14005 – Ensuring the Future is Made in all of America by All of America's Workers

k. Executive Order 14008 – Tackling the Climate Crisis at Home and Abroad

FEDERAL REGULATIONS

a. 2 CFR Part 180 – OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement).

b. 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. [4, 5]

c. 2 CFR Part 1200 – Nonprocurement Suspension and Debarment.

d. 14 CFR Part 13 – Investigative and Enforcement Procedures.

e. 14 CFR Part 16 – Rules of Practice for Federally-Assisted Airport Enforcement Proceedings.

f. 14 CFR Part 150 – Airport Noise Compatibility Planning.

g. 28 CFR Part 35 – Nondiscrimination on the Basis of Disability in State and Local Government Services.

h. 28 CFR § 50.3 – U.S. Department of Justice Guidelines for the Enforcement of Title VI of the Civil Rights Act of 1964.

i. 29 CFR Part 1 – Procedures for Predetermination of Wage Rates.[1]

j. 29 CFR Part 3 – Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States.[1]

k. 29 CFR Part 5 – Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction (Also Labor Standards Provisions Applicable to Nonconstruction Contracts Subject to the Contract Work Hours and Safety Standards Act).[1]

l. 41 CFR Part 60 – Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor (Federal and Federally-assisted contracting requirements).[1]

m. 49 CFR Part 20 – New Restrictions on Lobbying.

n. 49 CFR Part 21 – Nondiscrimination in Federally-Assisted Programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964.

o. 49 CFR Part 23 – Participation by Disadvantage Business Enterprise in Airport Concessions.

p. 49 CFR Part 24 – Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally-Assisted Programs.[1, 2]

q. 49 CFR Part 26 – Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs.

r. 49 CFR Part 27 – Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance.[1]

s. 49 CFR Part 28 – Enforcement of Nondiscrimination on the Basis of Handicap in Programs or Activities Conducted by the Department of Transportation.

t. 49 CFR Part 30 – Denial of Public Works Contracts to Suppliers of Goods and Services of Countries That Deny Procurement Market Access to U.S. Contractors.

u. 49 CFR Part 32 – Governmentwide Requirements for Drug-Free Workplace (Financial Assistance).

v. 49 CFR Part 37 – Transportation Services for Individuals with Disabilities (ADA).

w. 49 CFR Part 38 – Americans with Disabilities Act (ADA) Accessibility Specifications for Transportation Vehicles.

x. 49 CFR Part 41 – Seismic Safety.

FOOTNOTES TO ASSURANCE (C)(1)

[1] These laws do not apply to airport planning sponsors.
[2] These laws do not apply to private sponsors.
[3] 2 CFR Part 200 contains requirements for State and Local Governments receiving Federal assistance. Any requirement levied upon State and Local Governments by this regulation shall

apply where applicable to private sponsors receiving Federal assistance under Title 49, United States Code.

[4] Cost principles established in 2 CFR part 200 subpart E must be used as guidelines for determining the eligibility of specific types of expenses.

[5] Audit requirements established in 2 CFR part 200 subpart F are the guidelines for audits.

SPECIFIC ASSURANCES

Specific assurances required to be included in grant agreements by any of the above laws, regulations or circulars are incorporated by reference in this Grant Agreement.

2. Responsibility and Authority of the Sponsor.

a. Public Agency Sponsor:

It has legal authority to apply for this Grant, and to finance and carry out the proposed project; that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.

b. Private Sponsor:

It has legal authority to apply for this Grant and to finance and carry out the proposed project and comply with all terms, conditions, and assurances of this Grant Agreement. It shall designate an official representative and shall in writing direct and authorize that person to file this application, including all understandings and assurances contained therein; to act in connection with this application; and to provide such additional information as may be required.

3. Sponsor Fund Availability.

It has sufficient funds available for that portion of the project costs which are not to be paid by the United States. It has sufficient funds available to assure operation and maintenance of items funded under this Grant Agreement which it will own or control.

4. Good Title.

a. It, a public agency or the Federal government, holds good title, satisfactory to the Secretary, to the landing area of the airport or site thereof, or will give assurance satisfactory to the Secretary that good title will be acquired.

b. For noise compatibility program projects to be carried out on the property of the sponsor, it holds good title satisfactory to the Secretary to that portion of the property upon which Federal funds will be expended or will give assurance to the Secretary that good title will be obtained.

5. Preserving Rights and Powers.

a. It will not take or permit any action which would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms, conditions, and assurances in this Grant Agreement without the written approval of the Secretary, and will act promptly to acquire, extinguish or modify any outstanding rights or claims of right of others which would interfere with such performance by the sponsor. This shall be done in a manner acceptable to the Secretary.

b. Subject to the FAA Act of 2018, Public Law 115-254, Section 163, it will not sell, lease, encumber, or otherwise transfer or dispose of any part of its title or other interests in the property shown on Exhibit A to this application or, for a noise compatibility program project, that portion of the property upon which Federal funds have been expended, for the duration of the terms, conditions, and assurances in this Grant Agreement without approval by the Secretary. If the transferee is found by the Secretary to be eligible under Title 49, United States Code, to assume the obligations of this Grant Agreement and to have the power, authority, and financial resources to carry out all such obligations, the sponsor shall insert in the contract or document transferring or disposing of the sponsor's interest, and make binding upon the transferee all of the terms, conditions, and assurances contained in this Grant Agreement.

c. For all noise compatibility program projects which are to be carried out by another unit of local government or are on property owned by a unit of local government other than the sponsor, it will enter into an agreement with that government. Except as otherwise specified by the Secretary, that agreement shall obligate that government to the same terms, conditions, and assurances that would be applicable to it if it applied directly to the FAA for a grant to undertake the noise compatibility program project. That agreement and changes thereto must be satisfactory to the Secretary. It will take steps to enforce this agreement against the local government if there is substantial non-compliance with the terms of the agreement.

d. For noise compatibility program projects to be carried out on privately owned property, it will enter into an agreement with the owner of that property which includes provisions specified by the Secretary. It will take steps to enforce this agreement against the property owner whenever there is substantial non-compliance with the terms of the agreement.

e. If the sponsor is a private sponsor, it will take steps satisfactory to the Secretary to ensure that the airport will continue to function as a public-use airport in accordance with these assurances for the duration of these assurances.

f. If an arrangement is made for management and operation of the airport by any agency or person other than the sponsor or an employee of the sponsor, the sponsor will reserve sufficient rights and authority to ensure that the airport will be operated and maintained in accordance with Title 49, United States Code, the regulations and the terms, conditions and assurances in this Grant Agreement and shall ensure that such arrangement also requires compliance therewith.

g. Sponsors of commercial service airports will not permit or enter into any arrangement that results in permission for the owner or tenant of a property used as a residence, or zoned for residential use, to taxi an aircraft between that property and any location on airport. Sponsors of general aviation airports entering into any arrangement that results in permission for the owner of residential real property adjacent to or near the airport must comply with the requirements of Sec. 136 of Public Law 112-95 and the sponsor assurances.

6. Consistency with Local Plans.

The project is reasonably consistent with plans (existing at the time of submission of this application) of public agencies that are authorized by the State in which the project is located to plan for the development of the area surrounding the airport.

7. **Consideration of Local Interest.**

   It has given fair consideration to the interest of communities in or near where the project may be located.

8. **Consultation with Users.**

   In making a decision to undertake any airport development project under Title 49, United States Code, it has undertaken reasonable consultations with affected parties using the airport at which project is proposed.

9. **Public Hearings.**

   In projects involving the location of an airport, an airport runway, or a major runway extension, it has afforded the opportunity for public hearings for the purpose of considering the economic, social, and environmental effects of the airport or runway location and its consistency with goals and objectives of such planning as has been carried out by the community and it shall, when requested by the Secretary, submit a copy of the transcript of such hearings to the Secretary. Further, for such projects, it has on its management board either voting representation from the communities where the project is located or has advised the communities that they have the right to petition the Secretary concerning a proposed project.

10. **Metropolitan Planning Organization.**

    In projects involving the location of an airport, an airport runway, or a major runway extension at a medium or large hub airport, the sponsor has made available to and has provided upon request to the metropolitan planning organization in the area in which the airport is located, if any, a copy of the proposed amendment to the airport layout plan to depict the project and a copy of any airport master plan in which the project is described or depicted.

11. **Pavement Preventive Maintenance-Management.**

    With respect to a project approved after January 1, 1995, for the replacement or reconstruction of pavement at the airport, it assures or certifies that it has implemented an effective airport pavement maintenance-management program and it assures that it will use such program for the useful life of any pavement constructed, reconstructed or repaired with Federal financial assistance at the airport. It will provide such reports on pavement condition and pavement management programs as the Secretary determines may be useful.

12. **Terminal Development Prerequisites.**

    For projects which include terminal development at a public use airport, as defined in Title 49, it has, on the date of submittal of the project grant application, all the safety equipment required for certification of such airport under 49 U.S.C. § 44706, and all the security equipment required by rule or regulation, and has provided for access to the passenger enplaning and deplaning area of such airport to passengers enplaning and deplaning from aircraft other than air carrier aircraft.

13. **Accounting System, Audit, and Record Keeping Requirements.**

    a. It shall keep all project accounts and records which fully disclose the amount and disposition by the recipient of the proceeds of this Grant, the total cost of the project in connection with which this Grant is given or used, and the amount or nature of that portion of the cost of the project supplied by other sources, and such other financial records pertinent to the project. The accounts and records shall be kept in accordance with an accounting system that will facilitate an effective audit in accordance with the Single Audit Act of 1984.

b. It shall make available to the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, for the purpose of audit and examination, any books, documents, papers, and records of the recipient that are pertinent to this Grant. The Secretary may require that an appropriate audit be conducted by a recipient. In any case in which an independent audit is made of the accounts of a sponsor relating to the disposition of the proceeds of a grant or relating to the project in connection with which this Grant was given or used, it shall file a certified copy of such audit with the Comptroller General of the United States not later than six (6) months following the close of the fiscal year for which the audit was made.

14. Minimum Wage Rates.

It shall include, in all contracts in excess of $2,000 for work on any projects funded under this Grant Agreement which involve labor, provisions establishing minimum rates of wages, to be predetermined by the Secretary of Labor under 40 U.S.C. §§ 3141-3144, 3146, and 3147, Public Building, Property, and Works), which contractors shall pay to skilled and unskilled labor, and such minimum rates shall be stated in the invitation for bids and shall be included in proposals or bids for the work.

15. Veteran's Preference.

It shall include in all contracts for work on any project funded under this Grant Agreement which involve labor, such provisions as are necessary to insure that, in the employment of labor (except in executive, administrative, and supervisory positions), preference shall be given to Vietnam era veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small business concerns owned and controlled by disabled veterans as defined in 49 U.S.C. § 47112. However, this preference shall apply only where the individuals are available and qualified to perform the work to which the employment relates.

16. Conformity to Plans and Specifications.

It will execute the project subject to plans, specifications, and schedules approved by the Secretary. Such plans, specifications, and schedules shall be submitted to the Secretary prior to commencement of site preparation, construction, or other performance under this Grant Agreement, and, upon approval of the Secretary, shall be incorporated into this Grant Agreement. Any modification to the approved plans, specifications, and schedules shall also be subject to approval of the Secretary, and incorporated into this Grant Agreement.

17. Construction Inspection and Approval.

It will provide and maintain competent technical supervision at the construction site throughout the project to assure that the work conforms to the plans, specifications, and schedules approved by the Secretary for the project. It shall subject the construction work on any project contained in an approved project application to inspection and approval by the Secretary and such work shall be in accordance with regulations and procedures prescribed by the Secretary. Such regulations and procedures shall require such cost and progress reporting by the sponsor or sponsors of such project as the Secretary shall deem necessary.

18. Planning Projects.

In carrying out planning projects:

a. It will execute the project in accordance with the approved program narrative contained in the project application or with the modifications similarly approved.

b. It will furnish the Secretary with such periodic reports as required pertaining to the planning project and planning work activities.

c. It will include in all published material prepared in connection with the planning project a notice that the material was prepared under a grant provided by the United States.

d. It will make such material available for examination by the public, and agrees that no material prepared with funds under this project shall be subject to copyright in the United States or any other country.

e. It will give the Secretary unrestricted authority to publish, disclose, distribute, and otherwise use any of the material prepared in connection with this grant.

f. It will grant the Secretary the right to disapprove the sponsor's employment of specific consultants and their subcontractors to do all or any part of this project as well as the right to disapprove the proposed scope and cost of professional services.

g. It will grant the Secretary the right to disapprove the use of the sponsor's employees to do all or any part of the project.

h. It understands and agrees that the Secretary's approval of this project grant or the Secretary's approval of any planning material developed as part of this grant does not constitute or imply any assurance or commitment on the part of the Secretary to approve any pending or future application for a Federal airport grant.

19. Operation and Maintenance.

a. The airport and all facilities which are necessary to serve the aeronautical users of the airport, other than facilities owned or controlled by the United States, shall be operated at all times in a safe and serviceable condition and in accordance with the minimum standards as may be required or prescribed by applicable Federal, state, and local agencies for maintenance and operation. It will not cause or permit any activity or action thereon which would interfere with its use for airport purposes. It will suitably operate and maintain the airport and all facilities thereon or connected therewith, with due regard to climatic and flood conditions. Any proposal to temporarily close the airport for non-aeronautical purposes must first be approved by the Secretary. In furtherance of this assurance, the sponsor will have in effect arrangements for:

   1. Operating the airport's aeronautical facilities whenever required;

   2. Promptly marking and lighting hazards resulting from airport conditions, including temporary conditions; and

   3. Promptly notifying pilots of any condition affecting aeronautical use of the airport. Nothing contained herein shall be construed to require that the airport be operated for aeronautical use during temporary periods when snow, flood, or other climatic conditions interfere with such operation and maintenance. Further, nothing herein shall be construed as requiring the maintenance, repair, restoration, or replacement of any structure or

facility which is substantially damaged or destroyed due to an act of God or other condition or circumstance beyond the control of the sponsor.

b. It will suitably operate and maintain noise compatibility program items that it owns or controls upon which Federal funds have been expended.

20. Hazard Removal and Mitigation.

It will take appropriate action to assure that such terminal airspace as is required to protect instrument and visual operations to the airport (including established minimum flight altitudes) will be adequately cleared and protected by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards.

21. Compatible Land Use.

It will take appropriate action, to the extent reasonable, including the adoption of zoning laws, to restrict the use of land adjacent to or in the immediate vicinity of the airport to activities and purposes compatible with normal airport operations, including landing and takeoff of aircraft. In addition, if the project is for noise compatibility program implementation, it will not cause or permit any change in land use, within its jurisdiction, that will reduce its compatibility, with respect to the airport, of the noise compatibility program measures upon which Federal funds have been expended.

22. Economic Nondiscrimination.

a. It will make the airport available as an airport for public use on reasonable terms and without unjust discrimination to all types, kinds and classes of aeronautical activities, including commercial aeronautical activities offering services to the public at the airport.

b. 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 sponsor will insert and enforce provisions requiring the contractor 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 contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

c. Each fixed-based operator at the airport shall be subject to the same rates, fees, rentals, and other charges as are uniformly applicable to all other fixed-based operators making the same or similar uses of such airport and utilizing the same or similar facilities.

d. Each air carrier using such airport shall have the right to service itself or to use any fixed-based operator that is authorized or permitted by the airport to serve any air carrier at such airport.

e. Each air carrier using such airport (whether as a tenant, non-tenant, or subtenant of another air carrier tenant) shall be subject to such nondiscriminatory and substantially comparable rules, regulations, conditions, rates, fees, rentals, and other charges with respect to facilities directly and substantially related to providing air transportation as are applicable to all such air carriers which make similar use of such airport and utilize similar facilities, subject to reasonable classifications such as tenants or non-tenants and signatory carriers and non-signatory carriers. Classification or status as tenant or signatory shall not be unreasonably withheld by any airport provided an air carrier assumes obligations substantially similar to those already imposed on air carriers in such classification or status.

f. It will not exercise or grant any right or privilege which operates to prevent any person, firm, or corporation operating aircraft on the airport from performing any services on its own aircraft with its own employees (including, but not limited to maintenance, repair, and fueling) that it may choose to perform.

g. In the event the sponsor itself exercises any of the rights and privileges referred to in this assurance, the services involved will be provided on the same conditions as would apply to the furnishing of such services by commercial aeronautical service providers authorized by the sponsor under these provisions.

h. The sponsor may establish such reasonable, and not unjustly discriminatory, conditions to be met by all users of the airport as may be necessary for the safe and efficient operation of the airport.

i. The sponsor may prohibit or limit any given type, kind or class of aeronautical use of the airport if such action is necessary for the safe operation of the airport or necessary to serve the civil aviation needs of the public.

23. Exclusive Rights.

It will permit no exclusive right for the use of the airport by any person providing, or intending to provide, aeronautical services to the public. For purposes of this paragraph, the providing of the services at an airport by a single fixed-based operator shall not be construed as an exclusive right if both of the following apply:

a. It would be unreasonably costly, burdensome, or impractical for more than one fixed-based operator to provide such services, and

b. If allowing more than one fixed-based operator to provide such services would require the reduction of space leased pursuant to an existing agreement between such single fixed-based operator and such airport. It further agrees that it will not, either directly or indirectly, grant or permit any person, firm, or corporation, the exclusive right at the airport to conduct any aeronautical activities, including, but not limited to charter flights, pilot training, aircraft rental and sightseeing, aerial photography, crop dusting, aerial advertising and surveying, air carrier operations, aircraft sales and services, sale of aviation petroleum products whether or not conducted in conjunction with other aeronautical activity, repair and maintenance of aircraft, sale of aircraft parts, and any other activities which because of their direct relationship to the operation of aircraft can be regarded as an aeronautical activity, and that it will terminate any exclusive right to conduct an aeronautical activity now existing at such an airport before the grant of any assistance under Title 49, United States Code.

24. Fee and Rental Structure.

It will maintain a fee and rental structure for the facilities and services at the airport which will make the airport as self-sustaining as possible under the circumstances existing at the particular airport, taking into account such factors as the volume of traffic and economy of collection. No part of the Federal share of an airport development, airport planning or noise compatibility project for which a Grant is made under Title 49, United States Code, the Airport and Airway Improvement Act of 1982, the Federal Airport Act or the Airport and Airway Development Act of 1970 shall be included in the rate basis in establishing fees, rates, and charges for users of that airport.

25. Airport Revenues.

a. All revenues generated by the airport and any local taxes on aviation fuel established after December 30, 1987, will be expended by it for the capital or operating costs of the airport; the local airport system; or other local facilities which are owned or operated by the owner or operator of the airport and which are directly and substantially related to the actual air transportation of passengers or property; or for noise mitigation purposes on or off the airport. The following exceptions apply to this paragraph:

   1. If covenants or assurances in debt obligations issued before September 3, 1982, by the owner or operator of the airport, or provisions enacted before September 3, 1982, in governing statutes controlling the owner or operator's financing, provide for the use of the revenues from any of the airport owner or operator's facilities, including the airport, to support not only the airport but also the airport owner or operator's general debt obligations or other facilities, then this limitation on the use of all revenues generated by the airport (and, in the case of a public airport, local taxes on aviation fuel) shall not apply.
   2. If the Secretary approves the sale of a privately owned airport to a public sponsor and provides funding for any portion of the public sponsor's acquisition of land, this limitation on the use of all revenues generated by the sale shall not apply to certain proceeds from the sale. This is conditioned on repayment to the Secretary by the private owner of an amount equal to the remaining unamortized portion (amortized over a 20-year period) of any airport improvement grant made to the private owner for any purpose other than land acquisition on or after October 1, 1996, plus an amount equal to the federal share of the current fair market value of any land acquired with an airport improvement grant made to that airport on or after October 1, 1996.
   3. Certain revenue derived from or generated by mineral extraction, production, lease, or other means at a general aviation airport (as defined at 49 U.S.C. § 47102), if the FAA determines the airport sponsor meets the requirements set forth in Section 813 of Public Law 112-95.

b. As part of the annual audit required under the Single Audit Act of 1984, the sponsor will direct that the audit will review, and the resulting audit report will provide an opinion concerning, the use of airport revenue and taxes in paragraph (a), and indicating whether funds paid or transferred to the owner or operator are paid or transferred in a manner consistent with Title 49, United States Code and any other applicable provision of law, including any regulation promulgated by the Secretary or Administrator.

c. Any civil penalties or other sanctions will be imposed for violation of this assurance in accordance with the provisions of 49 U.S.C. § 47107.

26. Reports and Inspections.

It will:

a. submit to the Secretary such annual or special financial and operations reports as the Secretary may reasonably request and make such reports available to the public; make available to the public at reasonable times and places a report of the airport budget in a format prescribed by the Secretary;

b. for airport development projects, make the airport and all airport records and documents affecting the airport, including deeds, leases, operation and use agreements, regulations and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request;

c. for noise compatibility program projects, make records and documents relating to the project and continued compliance with the terms, conditions, and assurances of this Grant Agreement including deeds, leases, agreements, regulations, and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request; and

d. in a format and time prescribed by the Secretary, provide to the Secretary and make available to the public following each of its fiscal years, an annual report listing in detail:

    1. all amounts paid by the airport to any other unit of government and the purposes for which each such payment was made; and

    2. all services and property provided by the airport to other units of government and the amount of compensation received for provision of each such service and property.

27. Use by Government Aircraft.

It will make available all of the facilities of the airport developed with Federal financial assistance and all those usable for landing and takeoff of aircraft to the United States for use by Government aircraft in common with other aircraft at all times without charge, except, if the use by Government aircraft is substantial, charge may be made for a reasonable share, proportional to such use, for the cost of operating and maintaining the facilities used. Unless otherwise determined by the Secretary, or otherwise agreed to by the sponsor and the using agency, substantial use of an airport by Government aircraft will be considered to exist when operations of such aircraft are in excess of those which, in the opinion of the Secretary, would unduly interfere with use of the landing areas by other authorized aircraft, or during any calendar month that:

a. Five (5) or more Government aircraft are regularly based at the airport or on land adjacent thereto; or

b. The total number of movements (counting each landing as a movement) of Government aircraft is 300 or more, or the gross accumulative weight of Government aircraft using the airport (the total movement of Government aircraft multiplied by gross weights of such aircraft) is in excess of five million pounds.

28. Land for Federal Facilities.

It will furnish without cost to the Federal Government for use in connection with any air traffic control or air navigation activities, or weather-reporting and communication activities related to air traffic control, any areas of land or water, or estate therein as the Secretary considers necessary or desirable for construction, operation, and maintenance at Federal expense of space or facilities for such purposes. Such areas or any portion thereof will be made available as provided herein within four months after receipt of a written request from the Secretary.

29. Airport Layout Plan.

a. Subject to the FAA Reauthorization Act of 2018, Public Law 115-254, Section 163, it will keep up to date at all times an airport layout plan of the airport showing:

1. boundaries of the airport and all proposed additions thereto, together with the boundaries of all offsite areas owned or controlled by the sponsor for airport purposes and proposed additions thereto;
2. the location and nature of all existing and proposed airport facilities and structures (such as runways, taxiways, aprons, terminal buildings, hangars and roads), including all proposed extensions and reductions of existing airport facilities;
3. the location of all existing and proposed non-aviation areas and of all existing improvements thereon; and
4. all proposed and existing access points used to taxi aircraft across the airport's property boundary.

Such airport layout plans and each amendment, revision, or modification thereof, shall be subject to the approval of the Secretary which approval shall be evidenced by the signature of a duly authorized representative of the Secretary on the face of the airport layout plan. The sponsor will not make or permit any changes or alterations in the airport or any of its facilities which are not in conformity with the airport layout plan as approved by the Secretary and which might, in the opinion of the Secretary, adversely affect the safety, utility or efficiency of the airport.

b. Subject to the FAA Reauthorization Act of 2018, Public Law 115-254, Section 163, if a change or alteration in the airport or the facilities is made which the Secretary determines adversely affects the safety, utility, or efficiency of any federally owned, leased, or funded property on or off the airport and which is not in conformity with the airport layout plan as approved by the Secretary, the owner or operator will, if requested, by the Secretary:

1. eliminate such adverse effect in a manner approved by the Secretary; or
2. bear all costs of relocating such property (or replacement thereof) to a site acceptable to the Secretary and all costs of restoring such property (or replacement thereof) to the level of safety, utility, efficiency, and cost of operation existing before the unapproved change in the airport or its facilities except in the case of a relocation or replacement of an existing airport facility due to a change in the Secretary's design standards beyond the control of the airport sponsor.

30. Civil Rights.

It will promptly take any measures necessary to ensure that no person in the United States shall, on the grounds of race, color, and national origin (including limited English proficiency) in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4); creed and sex (including sexual orientation and gender identity) per 49 U.S.C. § 47123 and related requirements; age per the Age Discrimination Act of 1975 and related requirements; or disability per the Americans with Disabilities Act of 1990 and related requirements, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in any program and activity conducted with, or benefiting from, funds received from this Grant.

a. Using the definitions of activity, facility, and program as found and defined in 49 CFR §§ 21.23(b) and 21.23(e), the sponsor will facilitate all programs, operate all facilities, or conduct all programs in compliance with all non-discrimination requirements imposed by or pursuant to these assurances.

b. Applicability

   1. Programs and Activities. If the sponsor has received a grant (or other federal assistance) for any of the sponsor's program or activities, these requirements extend to all of the sponsor's programs and activities.

   2. Facilities. Where it receives a grant or other federal financial assistance to construct, expand, renovate, remodel, alter, or acquire a facility, or part of a facility, the assurance extends to the entire facility and facilities operated in connection therewith.

   3. Real Property. Where the sponsor receives a grant or other Federal financial assistance in the form of, or for the acquisition of real property or an interest in real property, the assurance will extend to rights to space on, over, or under such property.

c. Duration.

   The sponsor agrees that it is obligated to this assurance for the period during which Federal financial assistance is extended to the program, except where the Federal financial assistance is to provide, or is in the form of, personal property, or real property, or interest therein, or structures or improvements thereon, in which case the assurance obligates the sponsor, or any transferee for the longer of the following periods:

   1. So long as the airport is used as an airport, or for another purpose involving the provision of similar services or benefits; or

   2. So long as the sponsor retains ownership or possession of the property.

d. Required Solicitation Language. It will include the following notification in all solicitations for bids, Requests For Proposals for work, or material under this Grant Agreement and in all proposals for agreements, including airport concessions, regardless of funding source:

   "The (**[Selection Criteria: Sponsor Name]**), in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders or offerors that it will affirmatively ensure that for any contract entered into pursuant to this advertisement, [select businesses, or disadvantaged business enterprises or airport concession disadvantaged business enterprises] will be afforded full and fair opportunity to submit bids in response to this invitation and no businesses will be discriminated against on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in consideration for an award."

e. Required Contract Provisions.

   1. It will insert the non-discrimination contract clauses requiring compliance with the acts and regulations relative to non-discrimination in Federally-assisted programs of the Department of Transportation (DOT), and incorporating the acts and regulations into the contracts by reference in every contract or agreement subject to the non-discrimination in Federally-assisted programs of the DOT acts and regulations.

2. It will include a list of the pertinent non-discrimination authorities in every contract that is subject to the non-discrimination acts and regulations.
3. It will insert non-discrimination contract clauses as a covenant running with the land, in any deed from the United States effecting or recording a transfer of real property, structures, use, or improvements thereon or interest therein to a sponsor.
4. It will insert non-discrimination contract clauses prohibiting discrimination on the basis of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability as a covenant running with the land, in any future deeds, leases, license, permits, or similar instruments entered into by the sponsor with other parties:
    a. For the subsequent transfer of real property acquired or improved under the applicable activity, project, or program; and
    b. For the construction or use of, or access to, space on, over, or under real property acquired or improved under the applicable activity, project, or program.

f. It will provide for such methods of administration for the program as are found by the Secretary to give reasonable guarantee that it, other recipients, sub-recipients, sub-grantees, contractors, subcontractors, consultants, transferees, successors in interest, and other participants of Federal financial assistance under such program will comply with all requirements imposed or pursuant to the acts, the regulations, and this assurance.

g. It agrees that the United States has a right to seek judicial enforcement with regard to any matter arising under the acts, the regulations, and this assurance.

31. Disposal of Land.

a. For land purchased under a grant for airport noise compatibility purposes, including land serving as a noise buffer, it will dispose of the land, when the land is no longer needed for such purposes, at fair market value, at the earliest practicable time. That portion of the proceeds of such disposition which is proportionate to the United States' share of acquisition of such land will be, at the discretion of the Secretary, (1) reinvested in another project at the airport, or (2) transferred to another eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order:

1. Reinvestment in an approved noise compatibility project;
2. Reinvestment in an approved project that is eligible for grant funding under 49 U.S.C. § 47117(e);
3. Reinvestment in an approved airport development project that is eligible for grant funding under 49 U.S.C. §§ 47114, 47115, or 47117;
4. Transfer to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport; or
5. Payment to the Secretary for deposit in the Airport and Airway Trust Fund.

If land acquired under a grant for noise compatibility purposes is leased at fair market value and consistent with noise buffering purposes, the lease will not be considered a disposal of the land. Revenues derived from such a lease may be used for an approved airport development project that would otherwise be eligible for grant funding or any permitted use of airport revenue.

b. For land purchased under a grant for airport development purposes (other than noise compatibility), it will, when the land is no longer needed for airport purposes, dispose of such land at fair market value or make available to the Secretary an amount equal to the United States' proportionate share of the fair market value of the land. That portion of the proceeds of such disposition which is proportionate to the United States' share of the cost of acquisition of such land will, upon application to the Secretary, be reinvested or transferred to another eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order:

    1. Reinvestment in an approved noise compatibility project;
    2. Reinvestment in an approved project that is eligible for grant funding under 49 U.S.C. § 47117(e);
    3. Reinvestment in an approved airport development project that is eligible for grant funding under 49 U.S.C. §§ 47114, 47115, or 47117;
    4. Transfer to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport; or
    5. Payment to the Secretary for deposit in the Airport and Airway Trust Fund.

c. Land shall be considered to be needed for airport purposes under this assurance if (1) it may be needed for aeronautical purposes (including runway protection zones) or serve as noise buffer land, and (2) the revenue from interim uses of such land contributes to the financial self-sufficiency of the airport. Further, land purchased with a grant received by an airport operator or owner before December 31, 1987, will be considered to be needed for airport purposes if the Secretary or Federal agency making such grant before December 31, 1987, was notified by the operator or owner of the uses of such land, did not object to such use, and the land continues to be used for that purpose, such use having commenced no later than December 15, 1989.

d. Disposition of such land under (a), (b), or (c) will be subject to the retention or reservation of any interest or right therein necessary to ensure that such land will only be used for purposes which are compatible with noise levels associated with operation of the airport.

32. Engineering and Design Services.

If any phase of such project has received Federal funds under Chapter 471 subchapter 1 of Title 49 U.S.C., it will award each contract, or sub-contract for program management, construction management, planning studies, feasibility studies, architectural services, preliminary engineering, design, engineering, surveying, mapping or related services in the same manner as a contract for architectural and engineering services is negotiated under Chapter 11 of Title 40 U S.C., or an equivalent qualifications-based requirement prescribed for or by the sponsor of the airport.

33. Foreign Market Restrictions.

It will not allow funds provided under this Grant to be used to fund any project which uses any product or service of a foreign country during the period in which such foreign country is listed by the United States Trade Representative as denying fair and equitable market opportunities for products and suppliers of the United States in procurement and construction.

34. Policies, Standards, and Specifications.

It will carry out any project funded under an Airport Improvement Program Grant in accordance with policies, standards, and specifications approved by the Secretary including, but not limited to, current FAA Advisory Circulars (https://www.faa.gov/airports/aip/media/aip-pfc-checklist.pdf) for AIP projects as of [Selection Criteria: Project Application Date].

35. Relocation and Real Property Acquisition.

a. It will be guided in acquiring real property, to the greatest extent practicable under State law, by the land acquisition policies in Subpart B of 49 CFR Part 24 and will pay or reimburse property owners for necessary expenses as specified in Subpart B.

b. It will provide a relocation assistance program offering the services described in Subpart C of 49 CFR Part 24 and fair and reasonable relocation payments and assistance to displaced persons as required in Subpart D and E of 49 CFR Part 24.

c. It will make available within a reasonable period of time prior to displacement, comparable replacement dwellings to displaced persons in accordance with Subpart E of 49 CFR Part 24.

36. Access By Intercity Buses.

The airport owner or operator will permit, to the maximum extent practicable, intercity buses or other modes of transportation to have access to the airport; however, it has no obligation to fund special facilities for intercity buses or for other modes of transportation.

37. Disadvantaged Business Enterprises.

The sponsor shall not discriminate on the basis of race, color, national origin, or sex, in the award and performance of any DOT-assisted contract covered by 49 CFR Part 26, or in the award and performance of any concession activity contract covered by 49 CFR Part 23. In addition, the sponsor shall not discriminate on the basis of race, color, national origin or sex in the administration of its Disadvantaged Business Enterprise (DBE) and Airport Concessions Disadvantaged Business Enterprise (ACDBE) programs or the requirements of 49 CFR Parts 23 and 26. The sponsor shall take all necessary and reasonable steps under 49 CFR Parts 23 and 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts, and/or concession contracts. The sponsor's DBE and ACDBE programs, as required by 49 CFR Parts 26 and 23, and as approved by DOT, are incorporated by reference in this agreement. Implementation of these programs is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the sponsor of its failure to carry out its approved program, the Department may impose sanctions as provided for under Parts 26 and 23 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. § 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. §§ 3801-3809, 3812).

38. Hangar Construction.

If the airport owner or operator and a person who owns an aircraft agree that a hangar is to be constructed at the airport for the aircraft at the aircraft owner's expense, the airport owner or operator will grant to the aircraft owner for the hangar a long term lease that is subject to such terms and conditions on the hangar as the airport owner or operator may impose.

39. Competitive Access.

a. If the airport owner or operator of a medium or large hub airport (as defined in 49 U.S.C. § 47102) has been unable to accommodate one or more requests by an air carrier for access to gates or other facilities at that airport in order to allow the air carrier to provide service to the airport or to expand service at the airport, the airport owner or operator shall transmit a report to the Secretary that:

   1. Describes the requests;
   2. Provides an explanation as to why the requests could not be accommodated; and
   3. Provides a time frame within which, if any, the airport will be able to accommodate the requests.

b. Such report shall be due on either February 1 or August 1 of each year if the airport has been unable to accommodate the request(s) in the six month period prior to the applicable due date.

CPI Adjustment Discussion

1. The majority of ground leases and rental agreements at FHB include an annual adjustment of lease/rental rates. This adjustment is calculated by the difference in SE Urban CPI from July of the previous year to July in the current year. By the August AAC packet publication date, the July 2022 CPI will not yet be released however the CPI increase percentage has been averaging between 7.5% and 8.9% over the past few months. Normally, this CPI adjustment is made without discussion, however staff believes the current CPI increase warrants discussion.
2. Airport staff budgeted a 1.5% CPI adjustment within the proposed budget for the next fiscal year.
3. This discussion seeks recommendation from the AAC for CPI adjustment in the coming year.
4. This same discussion was held last year, and the CPI was capped at a 3% increase.
5. The following are financial considerations related to this discussion:

Estimated Total Revenue Increase to Airport for each adjustment level:

1.5% Increase - $8,600 annual revenue increase
3% Increase - $17,224 annual revenue increase
7.5% Increase - $43,048 annual revenue increase

Examples of Impact(s) to Tenants

$313.41 (pre-tax) Per Month - Current Basic T-Hangar Pricing

- 1.5% Increase – $318.11 Per Month
- 3% Increase – $322.81 Per Month
- 7.5% Increase – $336.92 Per Month

$500 (per-tax) Per Month

- 1.5% Increase - $507 Per Month
- 3% Increase - $515 Per Month
- 7.5% Increase - $537

$2,500 (pre-tax) Per Month

- 1.5% Increase - $2,537
- 3% Increase - $2,575 Per Month
- 7.5% Increase - $2,687 Per Month

$5,000 (pre-tax) Per Month

- 1.5% Increase - $5,075 Per Month
- 3% Increase - $5,150 Per Month
- 7.5% Increase - $5,375 Per Month

AAC Meeting Schedule Follow-up Discussion

1. In a previous discussion AAC members and staff agreed to shifting the recurrence of Regular Airport Advisory Commission meetings to a bi-monthly schedule with meetings every other month. At the time, AAC members and staff decided to try the new bi-monthly schedule for a period of time and follow-up for discussion again in the future.

2. This agenda is a follow-up discussion to determine if this recurrence is agreeable for use in the future. If it is, staff recommends providing the City Commission with a Resolution to request consideration of formalizing this new meeting recurrence for AAC meetings.

   Note: This meeting schedule would not prevent scheduling of a special meeting if deemed necessary by the AAC or if requested by the City Commission.

3. A proposed schedule of bi-monthly meetings for discussion could be as follows:
   February
   April
   June
   August
   October
   December

Ground Operations Plan:
Safety and Phasing Plan (2023 only)

for

The Amelia Auto Show
And
Bonhams and Butterfields Auction

Prepared by

City of Fernandina Beach

Safety and Phasing Plan (2023 only)

The Amelia Auto Show and Bonhams & Butterfields Auction at the Fernandina Beach Municipal Airport (FHB)

Events: The Amelia (automotive event) and Bonhams (automobile auction event) at The Golf Club of Amelia Island & Fernandina Beach Municipal Airport(FHB)

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Events: **The Amelia Auto Events and Bonhams Auction**

The Golf Club of Amelia Island & Fernandina Beach Municipal Airport (FHB)

1. Preface

Airport Operators and Sponsor:	**City of Fernandina Beach at Fernandina Beach Municipal Airport (FHB)**
Event Operators:	**Hagerty Events LLC (The Amelia Auto Event) and Bonhams & Butterfields Auctioneer Corporation (Auto Auction)**

This proposed plan provides the airport sponsor (City of Fernandina Beach) and the event operators (Bonhams & Butterfields and Hagerty Events LLC) with a general safety plan for The Amelia Auto Events and Bonhams Auction scheduled to occur in March of 2023. This plan ensures that: proper Notice to Airmen (NOTAM) are issued, tenants/users of the Fernandina Beach Municipal Airport (Airport) are accommodated, Runway 9/27 is properly marked and closed, the runway lighting for the closed runway is turned off, and security is provided to exclude event participants from the active part of the airfield. This one-year plan relates to unique airport/site conditions associated with the proposed event in 2023.

This safety plan includes:

(1) Automobile/spectator event parking at Bailey Road (North) Parking area on the Airport for the Amelia Auto Events held at the Ritz Carlton, Amelia Island;

(2) Runway 9/27 (East) Parking area for spectators and required American Disabilities Act (ADA) parking for the Bonhams Auction site;

(3) Bonhams Auction tent on the Golf Club of Amelia Island (within the RPZ for RWY 27);

(4) Parking along TWY E for the automobile haulers (trailers) for The Amelia Event being conducted at the Ritz Carlton, Amelia Island.

This document will be readily available to personnel engaged in the event work, including Airport Operations Staff, FBO Staff, the Event Operators, Event Workers and Event Volunteers.

Definitions

Movement vs. Non-Movement Areas:

Movement areas are defined as runways, taxiways and other areas of an airport used for taxiing, air taxiing, takeoff, and landing aircraft, exclusive of loading aprons and aircraft parking areas. Non-movement areas are inside the airport security fence where aircraft and ground vehicles are not controlled by airport operations.

It is important to note that the non-movement area includes pavement traversed by aircraft. Runways or taxiways temporarily closed to aircraft become non-movement areas throughout the closure duration.

Runway and Taxiway Safety Areas:

Safety areas are a defined surface surrounding the runway or taxiway environment prepared or suitable for reducing the risk of damage to airplanes in the event of an aircraft unintentionally exiting the runway or taxiway pavement. Safety areas must be kept clear of any objects except objects on frangible couplings whose location is fixed by function. Occupancy of a safety area by any event activity requires closure of that runway or taxiway until the safety area can be cleared.

2. Overview

a) Airport Description: Airport Type - General Aviation
- Runways and lengths RW 4/22 - 5,301 FT X 100 FT
  RW 9/27 - 5,000 FT X 100 FT
  RW 13/31 - 5,152 FT X 100 FT

b) Event Descriptions: For many years, the Amelia Island Concours d'Elegance Foundation, Inc. (Concours d'Elegance), a public charity organization, hosted the Amelia Island Concours d'Elegance at the Ritz Carlton on Amelia Island Florida. In 2022, Hagerty Events LLC[1] took ownership of this event and will continue the legacy of hosting this prestigious auto event which remains one of the top automotive events in the world. The event draws nearly 250 rare vehicles from collections around the world to the Golf Club of Amelia Island and The Ritz-Carton, Amelia Island.

   Bonhams & Butterfields Auctioneer Corporation[2], one of the world's premier auction houses, will host an automobile auction to take place at the City of Fernandina Beach Municipal Golf Course which is located across the Amelia Parkway Road from Fernandina Municipal Airport (FHB) Runway 9/27. The auction support involves three parking areas (Bailey Road, Jamestown Road, and East Parking) as indicated on the site plan at Attachment 1.

[1] https://www.ameliaconcours.com/
[2] https://www.bonhams.com

c) Proposed Dates/Duration:

Preparation (set-up) for the Bonhams event will begin on Monday, February 20, 2023.

The actual events will begin at 8:00 AM on Wednesday, March 1, 2023 and continue until 8:00 PM on Sunday, March 5, 2023. Event teardown will last approximately 48 hours after completion of events on Sunday, March 5, 2023.

Post-event clean-up and inspection will end at 9:00 AM on Wednesday, March 8, 2023.

d) The exhibit depicting event area of impacts (on ALP): See Attachment 1 for Phasing Layout Plan, instead of full ALP for clarity.

Runway 13/31 and RWY 4/22 will remain open and **fully functional** throughout the duration of events.

Runway 9/27 will be **completely closed** throughout the duration of this event. Runway 9/27 will be utilized for aircraft parking and for the placement of an event tent provided by Bonhams to be placed on Golf Club of Amelia Island in the RPZ for RWY 9/27.

Taxiway E will be **closed** between TWY B and RWY 9/27 throughout the duration of the event for the storage of automobile trailers for The Amelia Auto Event. This activity will be under the supervision of an airport-tenant non-profit agency known as The Friends of Fernandina Aviation (FOFA) as well as members of the local Chapter of the Experimental Aircraft Association (EAA).

Taxiway D, North of Taxiway A, will be **closed** from 5:00 PM on Friday March 3, 2023 until 5:00 PM on Sunday March 5, 2023.

e) As in previous years, the 2-111th Regiment, Airfield Operations Battalion, Florida Army National Guard, plans to provide Temporary Tower Air Traffic Control services at the Airport during The Amelia Auto Events weekend via procedures outlined within a Letter of Agreement between Jacksonville ATC Tower/Approach (JAX) and the 2-111th Regiment, Airfield Operations Battalion. These services, as well as appropriate Tower frequencies, will be published via NOTAM.

This aviation support has **not** been confirmed for 2023 at the time of drafting this plan.

3. Set-up & Teardown Event Schedule:

Monday February 20, 2023

a) NOTAM RWY 9/27 closed in advance to commence at 8:00 AM.
b) Place light X's at both ends of RWY 9/27.
c) RWY 9/27 runway lighting turned off and issue NOTAMs related to lighting outage(s) for closed runway in advance to commence at 8:00 AM.
d) Bonhams setup begins on Golf Course property. Only staff required for setup of tent authorized on-site at the Golf Course, and personnel operating in this area will be monitored by airport staff.

Sunday February 26, 2023

a) Issue NOTAM in advance for closure of TWY E between TWY B and RWY 9/27 to commence at 8:00 AM.
b) Barricade TWY E North TWY B.
c) Barricade TWY E, South of RWY 9/27.

Monday February 27, 2023

a) Bonhams tent construction continues
b) String rope for pedestrian crossing from the RWY 9/27 (East Parking) to the Bonham auction tent site at the Golf Club of Amelia Island.
c) Complete rope stringing for the RWY 9/27 (East Parking).

Wednesday March 1, 2023 thru Saturday March 4, 2023

a) Trailers arrive on Jamestown Road to park along TWY E.
b) Bonhams Auction held Wednesday March 1 and Thursday March 2.
c) Bonhams auction tent teardown begins Saturday March 4, 2023.

a. Issue NOTAMs in advance for closure of TWY D, North of TWY A, to commence on Friday March 3, 2023 at 8:00 AM.
b. String rope for Bailey Road (north) parking area and barricade along TWY A and across TWY D (North of TWY A) and closed RWY 18/36 on Friday March 3, 2023.
c. The Amelia event parking uses Bailey Road (north parking) area on Saturday March 4, 2023 and Sunday March 5, 2023.
d. Security and volunteer staffing are responsible for redirecting and regulating pedestrian and any automobile parking within prescribed contained areas away from runways, taxiways, and all safety areas.
e. Airfield inspection will be conducted each morning before event activities and each evening after activities conclude for the day. Airport staff are on-duty each day to monitor event activities and conduct routine airfield checks.

Sunday, March 5, 2023 – Monday, March 6 2023

a) The Amelia parking using Bailey Road (north parking) area used for event parking.
b) Bonhams auction tent is fully dismantled.
c) Escort trailers off of Twy E at conclusion of The Amelia Auto Events on Sunday March 5, 2023.
d) Remove ropes along the Bailey Road (North) Parking area and Runway 9/27 (East) Parking area after completion of The Amelia event in the evening of Sunday March 5, 2023.
e) Remove barricades along TWY A, across TWY D, and across north-section of closed RWY 18/36.
f) Inspect and complete FOD check on TWY D, north of TWY A.
g) Cancel TWY D, North of TWY A, closure-NOTAM at 7:00 PM.

Tuesday, March 7, 2023

a) Tents and all other equipment are removed from Golf Course property by 5 PM on Tuesday March 7, 2023.

Wednesday, March 8, 2023

a) Inspect and complete FOD check on RWY 9/27.
b) Turn on runway lights.
c) Cancel NOTAM for closure of RWY 9/27 and NOTAM(s) for associated lighting outages on RWY 9/27 at 10:00 AM.

d) Remove barricades along TWY E; Inspect and complete FOD check on TWY E; Cancel TWY E closure NOTAM at 10:00 AM.

Airport Operations

a) Areas Impacted

The staging area for The Amelia automobile trailer parking will be located on TWY E. The trailers will enter the Airport at the Jamestown Road entrance to TWY E. There is an extension from Jamestown Road to Taxiway E which allows for this direct access. Access is controlled and monitored by airport tenant volunteers at all times. All airfield operational areas impacted by the event shall be closed throughout theduration of the scheduled event, including set-up and tear down phases of the event. The event operators for the Runway 9/27 (East) parking shall be required to place barricades and provide security staffing where event operation borders airport operational areas. Safety and security will direct pedestrian and automobile parking away from runways, taxiways, and all safety areas to areas identified for this purpose. Runway 9/27 will be NOTAM'd closed with lights turned off for the duration of this event. TWY D, North of TWY A, will be closed for the duration outlined in the section above.

b) Maintenance of Airport Operations

Appropriate notifications will be issued by the City of Fernandina Beach (Sponsor), airport staff with coordination assistance by the FBO and the event operators.

c) Damage Assessment and Repairs

Sponsors' staff and airport staff will conduct a detailed physical inspection of the airport area, prior to and following the event, with the event operators.

The event operators will completely (and immediately) fund the cost to repair any damage caused by the event, within 48 hours of the event.

It is anticipated that any damage will be repaired immediately (within 48 hours), at a direct cost to the event operators (not the city).

Safety Plan and Areas of Concern

a) Runway(s) Affected

Temporary runway closure markers, lighted "Xs" will be utilized to identify the closureof RWY 9/27.

Runway	Aircraft Approach Category* A, B, C, or D	Airplane Design Group* I, II, III, or IV	RSA Width in Feet Divided by 2*	Lengths	Status During Event
4/22	D	II	250 feet	5,301'x100'	Active
9/27	D	II	250 feet	5,000'x100'	Closed
13/31	D	II	250 feet	5,152'x100'	Active

*See AC 150/5300-13a, *Airport Design,* to complete the chart for a specific runway.

b) Taxiway(s) Affected
Taxiway E will be closed during the event. Barricades will be placed across Taxiway E northwest edge to prevent the trailers from pulling across the taxiway edge while the trucks straighten the trailers prior to backing them into parking on the TWY E. Barricades will be placed along Taxiway B and south of RWY 9/27 to contain activity on the closed taxiway.

Taxiway D, North of TWY A, will be closed during this event to provide parking within the Bailey Road (North) Parking area. Barricades will be placed across TWY D, North of TWY A, to contain vehicle parking in this location.

c) Other Airport Operating Areas Affected
Physical barricades will be placed on the north side of TWY A (outside of the TOFA for TWY A) across TWY D and across the deactivated/closed RWY 18/36. Unauthorized pedestrians or vehicles are not allowed at **ANY-TIME** to access or cross active runways, runway safety areas, and aircraft movement areas.

d) Special Emergency Response
Sponsor and event operator will coordinate with local authorities for these services. A special event permit is issued by the City of Fernandina Beach which aligns appropriate medical and police support service during events.

Protection of Runway and Taxiway Safety Areas

a) Runway and Taxiway Safety Areas – Event operators and volunteers will be strategically placed to prevent crossing on open runways, runway safety areas, and aircraft movement areas. Trained personnel (flagmen/safety/security) will be placed along TWY A (Bailey Road), TWY E (Trailer Parking), on TWY E at TWY B (Trailer Parking), on TWY E south of RWY 9/27 (Trailer Parking).

b) Participants will be informed prior to beginning of the event with Photos/Diagrams/Barriers depicting the event boundaries that will be in place.

c) Object Free Areas- Trained personnel (flagmen/safety/security) will be strategically placed to prevent incursions at Runway 13/31 and Runway 4/22. Spectators/Participants will be informed prior to beginning of the event. Photos/Diagrams/Barriers depicting the event boundaries will be in place.

d) Object Free Zones- Trained personnel (flagmen/safety/security) will be strategically placed to prevent incursions at Runway 13/31 and Runway 4/22. Spectators/Participants will be briefed prior to beginning of the event. Photos/Diagrams/Barriers depicting the event boundaries will be in place.

e) Threshold Criteria- Trained personnel (flagmen/safety/security) will be strategically placed at closed Runway 9/27. Spectators/Participants will be briefed prior to beginning of the event. Photos/Diagrams/Barriers depicting the event boundaries will be in place.

Navigation Aid (NAVAID) Protection

RWY 9/27 lighting will be turned off. Other NAVAID equipment will not be impacted during the course of these events.

Pedestrian Access

a) Separating Event Vehicles/Pedestrians from Airport Movement Areas: Trained personnel (flagmen/safety/security) will be strategically placed to prevent incursions at the following access points: Runway 13/31 and TWY A; the approach end of closed RWY 9/27, along TWY A and RWY 9/27, and along TWY E. Spectators/Participants will be briefed prior to entry to the event. Barriers will be in place, and photos/diagrams will be posted to depict event boundaries.

b) Procedures and Equipment to Delineate Closed Areas from Airport Operational Areas:
   - Runways and Taxiways in accordance with AC 150/5340-1, Standards for Airport Markings: Lighted "X"s will be used on Runway 9/27 to identify the runway as closed.
   - Temporary lighting (to be analyzed for impacts to pilots by FAA): No temporary lighting will be used.

c) Barricades: Barricades will be utilized for taxiway access closures, the RWY 9/27 closure, the TWY E closure, the TWY D (north of TWY A) closure, and entry point from the Bailey (North) parking to TWY A.

d) Required compliance of event personnel with all airport safety and security measures: Sponsor's airport staff, FBO personnel and operators' staff will maintain safety and security measures.

e) Radio Communications:
Only Sponsor's airport staff, FBO personnel and trained event operators' staff will maintain communications with air and ground personnel.

f) Event vehicle identification: Event vehicles will be equipped with flashing amber beacons.

g) Emergency response plan: Sponsor and event operators will coordinate with local authorities for these services.

h) Foreign object debris (FOD) control provisions: Trained personnel will manage FOD control during the event. The Sponsor's airport staff will conduct post-event inspection prior to re-opening airfield areas.

i) HAZMAT management (if necessary): Not expected to be necessary for this event. Event operators to coordinate with local fire and emergency officials during planning and operation of the event.

j) Airport inspection requirements: Sponsor's airport staff will conduct post-event inspection prior to re-opening closed areas. (*See AC 150/5320-12C, Chapter 4*)

k) Procedures for locating and protecting utilities (airfield lighting lines, etc.): Safety and

Security staffing will assist to protect these assets.

l) Notices to Airmen (NOTAMs): The City/Airport Manager or his assigned official will issue appropriate NOTAMs seven days prior to the event and cancel the NOTAMs after completion of events and appropriate inspections.

m) Tenant Advisory: Sponsor has notified tenants about the event via email, FBO interaction and public forums (Airport Advisory Board and City Commission Meeting). There were no objections or complaints from tenants or airport users following last year's events. Many local airport tenants participate as volunteers in support of this event.

Responsibilities

a) Airport Management: Sponsor's airport staff, FBO staff and event operators' staff will monitor and direct on-airfield activities.

b) Event Operators: Event operators will be responsible to recruit and train volunteers from the local aviation community (FBO, EAA, CAP) to work on-site for the event.

c) Tenants: Tenants in the North terminal area will use caution during this event. Tenants will be able to access parking aprons, hangars, Runway 13/31, and Runway 4/22. No other operational/mitigation plan will be necessary during the event.

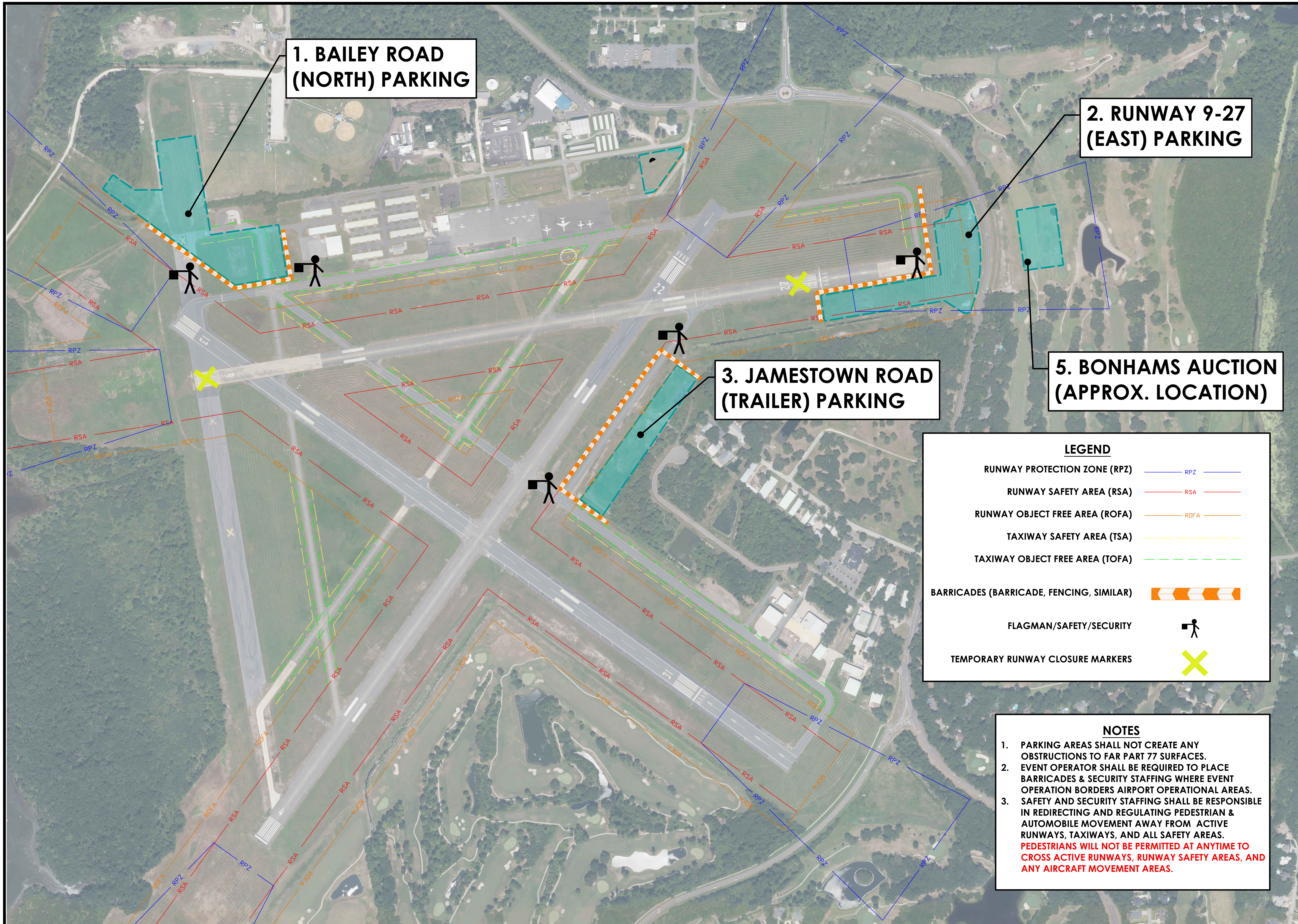
Airport Revenue

a) The event operators will provide a direct payment to the City of Fernandina Beach Airport Department for the area of the airport utilized during these events in 2023. The direct payment will be made to the Airport Fund in the total amount of **$31,000.00.**

b) The operators also will be fully responsible to provide comprehensive insurance for the event.

c) The operators will be fully responsible for immediate repairs of any damage caused by the event, within 48 hours of completion of the event (*see AC 150/5320-12C, Chapter4*).

Airport Safety Plan Layout (Attachment 1)



NOTES

1. PARKING AREAS SHALL NOT CREATE ANY OBSTRUCTIONS TO FAR PART 77 SURFACES.
2. EVENT OPERATOR SHALL BE REQUIRED TO PLACE BARRICADES & SECURITY STAFFING WHERE EVENT OPERATION BORDERS AIRPORT OPERATIONAL AREAS.
3. SAFETY AND SECURITY STAFFING SHALL BE RESPONSIBLE IN REDIRECTING AND REGULATING PEDESTRIAN & AUTOMOBILE MOVEMENT AWAY FROM ACTIVE RUNWAYS, TAXIWAYS, AND ALL SAFETY AREAS. **PEDESTRIANS WILL NOT BE PERMITTED AT ANYTIME TO CROSS ACTIVE RUNWAYS, RUNWAY SAFETY AREAS, AND ANY AIRCRAFT MOVEMENT AREAS.**

PASSERO ASSOCIATES
Engineering • Architecture
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City of Fernandina Beach
Fernandina Beach Municipal Airport
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Fernandina Beach, Florida 32034

Tenant / Client:

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Principal-in-Charge Andrew M. Holesko, C.M.
Project Architect
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Project Engineer

Revisions

No.	Date	By	Description

The Amelia and Bonhams Auctions

Town/City: Fernandina Beach
County: Nassau State: Florida

Project No.
99047.0066P1

Drawing No.
1

Date
June 2023

MEMORANDUM

TO: AIRPORT ADVISORY COMMISSION

FROM: AIRPORT MANAGER

DATE: August 11, 2022

RE: MONTHLY REPORT

- Construction of six new hangar units at the airport is nearing completion. Completion of this project is now expected to occur within the month of August, 2022 with occupancy commencing on 1 September.

- The City Commission has accepted FAA/FDOT grants in support of a project to rehabilitation a portion of the transient aircraft parking apron. The City Commission has also awarded this project to the low-bidder, CGC Inc. Following award, staff has communicated with the contractor and the estimated 1 November start-date of this project has been moved up to mid-October. The construction contract authorizes 105 calendar days for completion of the project.

- The construction of a new public/airport fire station has commenced. At this time, the estimated project completion is anticipated in March of 2023. Staff will provide further updates to the AAC when they become available.

- The City Commission approved a grant from FDOT to design and construct new hangars with a total allowable project cost of $1.8M, with a 50% matching requirement from the airport. Discussions for design of this project will commence with the AAC this Fall after entering the new fiscal year on 1 October.

- As previously mentioned, the airport will be hosting arriving aircraft for participants attending the Cirrus Owner/Pilot Association (COPA) Annual Migration in early October. I have confirmed that the Army National Guard will return with its temporary tower to provide services during this event. A proposed agreement with the ANG will be routed for review/approval in the coming weeks.

- A pre-application to the Technical Review Committee has been made by FHB Hangars LLC to construct hangars on the airport. FHB Aircraft Hangars LLC has an existing ground lease with two separate parcels. Three small box hangar units have been constructed on one of the leased parcels and the proposed development is intended to be constructed on the additional parcel leased by FHB Aircraft Hangars LLC. The AAC reviewed this site plan and recommended acceptance during its

June meeting. FHB Aircraft Hangars LLC is now working toward final submittal to the City's TRC process before moving forward in the project.

- The FDOT Statewide Airfield Pavement Managed Program provides pavement condition reports for associated airports every three years. The last pavement condition report for FHB was provided through this program in 2019. Consultants visited the airport in July to provide revised assessments of pavement conditions and an updated pavement condition report is expected in January of 2023. This revised report will be shared with the AAC when received.

- FHB has been selected by FDOT as one of 30 airports in FL for Phase 1 of its Advanced Air Mobility (AAM) Study reviewing compatibility of future AAM operations within the State of Florida. Phase 1 of this study is expected to be complete by November of this year, and this information will be shared with the AAC when available.

- The EAA is planning its next Young Eagles Day with a tentative event date of Saturday/15 October. Airport staff is coordinating to have food trucks on-site for this event as well.

- During the month of July, 2022, there were a total of 4,222 aircraft operations (landings/takeoffs) at FHB reported using ADS-B and transponders. The breakdown for use of runways during this month is as follows:

- Runway 27: 16%
- Runway 9: 3.6%
- Runway 13: 25%
- Runway 31: 2.6%
- Runway 4: 2.8%
- Runway 22: 50%