

**NOTICE OF MEETING
AIRPORT ADVISORY BOARD
SHAWNEE REGIONAL AIRPORT
2202 AIRPORT DRIVE
SHAWNEE, OKLAHOMA
MARCH 20, 2019 REGULARLY SCHEDULED MEETING
RESCHEDULED TO MARCH 27, 2019**

Regular Meeting ()
Special Meeting ()
Emergency Meeting ()

Rescheduled Regular Meeting (X)
Continued or Reconvened Mtg. ()

DATE	TIME	PLACE OF MEETING
MARCH 27, 2019	5:30 P.M.	TERMINAL LOBBY SHAWNEE REGIONAL AIRPORT 2202 AIRPORT DRIVE SHAWNEE, OK 74804
MARCH 20, 2019 REGULARLY SCHEDULED MEETING RESCHEDULED TO MARCH 27, 2019 AT 5:30 P.M.		

To be completed by person filing notice:

Name: BONNIE A. WILSON, CM
Title: AIRPORT MANAGER

Address: 2202 AIRPORT DRIVE
SHAWNEE, OK 74804

Phone: 405-878-1532

Filed in the office of the municipal clerk at 9:59 a.m./p.m. on the 15th day of March 2019.

Signed: Kacie Eck
Clerk

FOR CITY CLERK'S USE ONLY

Date Notice released to news media:	<u>3/15/19</u>
Person filing Notice:	<u>Bonnie Wilson</u>
Notice Verified by:	<u>Kacie Eck</u>

AIRPORT ADVISORY BOARD MEETING

MARCH 20, 2019 REGULARLY SCHEDULED MEETING

RESCHEDULED TO MARCH 27, 2019 5:30 P.M.

SHAWNEE REGIONAL AIRPORT

2202 AIRPORT DR.

SHAWNEE, OK

AGENDA

AIRPORT ADVISORY BOARD

MARCH 20, 2019 REGULARLY SCHEDULED MEETING

RESCHEDULED TO MARCH 27, 2019

5:30 P.M.

SHAWNEE REGIONAL AIRPORT TERMINAL

2202 AIRPORT DR.

SHAWNEE, OK

CALL TO ORDER

DECLARATION OF A QUORUM

- ITEM ONE:** Consideration and Approval of Minutes from the February 20, 2019 Meeting
- ITEM TWO:** Citizen Comments
(A three-minute limit per person)
(A twelve-minute limit per topic)
- ITEM THREE:** Discussion and Consideration of Rental Rate Increases for All Properties with Consumer Price Index Inflation Escalation Clause
- ITEM FOUR:** Discussion and Consideration of Soliciting Competitive Bids for Hay Lease - North Airport
- ITEM FIVE:** Presentation of Final Draft of Minimum Standards
Public Review
Consider Recommendation for Adoption by Shawnee Airport Authority
- ITEM SIX:** Staff Report
1. Current Fuel Price Comparisons
 2. Shawnee Regional Airport Fuel Sales
 3. Other Matters
- ITEM SEVEN:** New Business
- ITEM EIGHT:** Board Comments
- ITEM NINE:** Adjournment



To: Shawnee Regional Airport Advisory Board
Kevin Huddleston, Chairman
Will Smallwood, Vice Chairman
Barry Fogerty
Donald "Andy" Freeman
Bert Humphreys
John Klaser
James Smith

From: Bonnie A. Wilson, CM
Airport Manager

A handwritten signature in blue ink, appearing to read "Bonnie A. Wilson", is written over the "From:" line.

Date: March 13, 2019

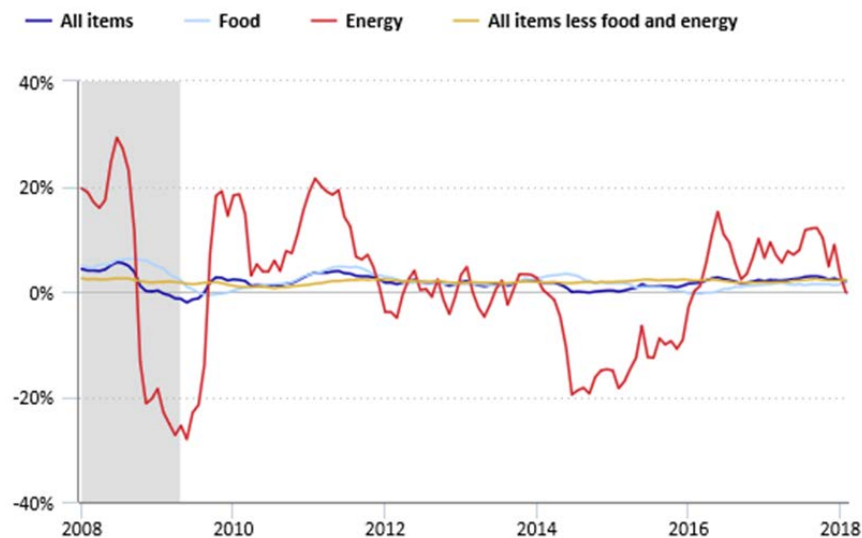
Subject: Proposed Lease Rate Adjustments

Summary

The Shawnee Airport Authority policy on rental rate increases applies a standard rate of increase to annual lease rates based on the national rate of inflation as established by the Consumer Price Index change from the prior calendar year, in each intervening year, with current pricing retained as minimums regardless of inflation activity. Rental rates are adjusted based on the rate of inflation annually at the commencement of the Fiscal Year.

The Consumer Price Index for All Urban Consumers rose **1.9 percent** from December 2017 to December 2018.

12-month percentage change in the Consumer Price Index for All Urban Consumers



Shaded area represents a recession as determined by the National Bureau of Economic Research.

Citation: Bureau of Labor Statistics, U.S. Department of Labor, The Economics Daily, Consumer Price Index: 2018 in review on the Internet at <https://www.bls.gov/opub/ted/2019/consumer-price-index-2018-in-review.htm>

Recommendation

Staff is recommending the Airport Advisory Board recommend the Shawnee Airport Authority authorize the following action: (i) an increase to all applicable lease rates, the beginning of Fiscal Year 2020 (July 1, 2020); (ii) offering the opportunity to renew at the higher rates to all tenants in good standing; and (iii) execution by the City Manager, any renewal documents, any new agreements for t-hangar, bulk hangar, and long term tie-down leases requested throughout the course of Fiscal Year 2020.

Action Requested

Authorize staff to present a recommendation to the Shawnee Airport Authority to increase rental rates on applicable facilities and properties by annual CPI increase at the commencement of Fiscal Year 2020; and

Authorize the City Manager to:

- (i) Execute renewal documents with current tenants at the new rate; and
- (ii) Execute any new agreements for t-hangar, bulk hangar, and long term-tie down leases requested throughout the course of Fiscal Year 2020.



To: Shawnee Regional Airport Advisory Board
Kevin Huddleston, Chairman
Will Smallwood, Vice Chairman
Barry Fogerty
Donald "Andy" Freeman
Bert Humphreys
John Klaser
James Smith

From: Bonnie A. Wilson, CM
Airport Manager

Date: March 13, 2019

Subject: Soliciting Competitive Bids for Hay Lease - North Airport

Summary

The Shawnee Regional Airport owns approximately two-hundred-twenty-five (225) acres of land located on Janco Road, one-half mile west of Highway 18, in Shawnee, Oklahoma. This land has been leased for hay harvesting in prior years and is currently available for lease.

Recommendation

Staff is recommending: (i) publication of a solicitation for bids from qualified individuals for the leasing of the property for the purpose of harvesting hay; (ii) offer the lease for a period of two years, with the option to renew for two additional consecutive years; (iii) establish a rental rate at a fixed price per acre, regardless of yield; and (iv) establish a reserve or minimum acceptable bid price at not less than the rate established by the prior active lease for this property.

Action Requested

Authorize staff to present a recommendation to the Shawnee Airport Authority, to publish a solicitation for bids to lease the North Airport property for the purposes of harvesting hay.



SUMMARY OF REVISIONS TO THE MINIMUM STANDARDS AND RULES FOR SHAWNEE REGIONAL AIRPORT

PUBLICATION AND ADOPTION HISTORY

July 2000 – The City of Shawnee amended the City Code to include revised Minimum Standards. July 2013 – The City of Shawnee amended the City Code to separate the Airport Rules and Regulations from the Minimum Standards. Additional Amendments to the Rules and Regulations occurred March 2014 and July 2016

The current revised edition combines the two documents into one, to ensure consistency of terms, definitions, application of policies rules, standards provide a single document for reference. The current revised edition was prepared in compliance with Federal Aviation Administration Advisory Circulars and Policy documents that have themselves been revised since the 2000 edition of the Minimum Standards was published.

SUMMARY OF CHANGES BY SECTION

ADDITIONAL AND/OR REVISED DEFINITIONS:

Airport Layout Plan
Airport Sponsor
Amateur Built Aircraft
City
City Ordinances
Commercial Aeronautical Services
Commercial Aeronautical Services Provider
Commercial Lease Agreement
Federal Aviation Administration (FAA)
Federal Regulations
Fixed-Base Operator (FBO)
Independent Operator Agreement:
Independent Operator
Independent Operations
Master Plan
Non-Aeronautical Commercial Tenant
Non-Commercial Aeronautical Tenant
Oklahoma Aeronautics Commission (OAC)
Shawnee Airport Authority
Shawnee Regional Airport Advisory Board
Specialized Aviation Service Operations (SASO)
State Regulations

CAPITAL DEVELOPMENT-GENERAL –Establishes requirements for all construction to comply with the standards of both the City of Shawnee Planning Office and the Federal Aviation Administration and the currently approved Airport Master Plan and Airport Layout Plan. This section also affirms that aeronautical activities shall have priority in all on-airport leasing projects.

CAPITAL DEVELOPMENT PROPOSALS – Describes the specific information required for a capital development proposal to be considered including a comprehensive business plan describing the proposed use of the development and estimated revenue to the Airport.

CAPITAL DEVELOPMENT PROPOSALS NOTICE AND HEARING – Provides for public notice of the Airport Advisory Board’s intention to consider capital development project proposals with specific mention of notice to “All other persons then conducting commercial services who in the opinion of the Airport Advisory Board would be directly affected by the granting of the application in question...”

COMMERCIAL SERVICE AGREEMENTS – Requires a written request to the Airport Advisory Board to either establish new or amend exiting agreements; establishes minimum terms and conditions governing commercial agreements.

COMMERCIAL LEASE AGREEMENT RATES – Affirms that the Shawnee Airport Authority will set rates in compliance with the then current FAA Airport Compliance Manual and Rates and Charges Policy.

COMMERCIAL AERONAUTICAL SERVICES STANDARDS – Sets standards for the various types of commercial services provided or proposed to be provided at the Airport either under a Commercial Aeronautical Services agreement or and Independent Operator agreement including:

- Aircraft Engine, Airframe and Accessory Maintenance
- Aircraft Rental and Sales
- Flight Training
- Crop Dusting and Spraying
- Skydiving

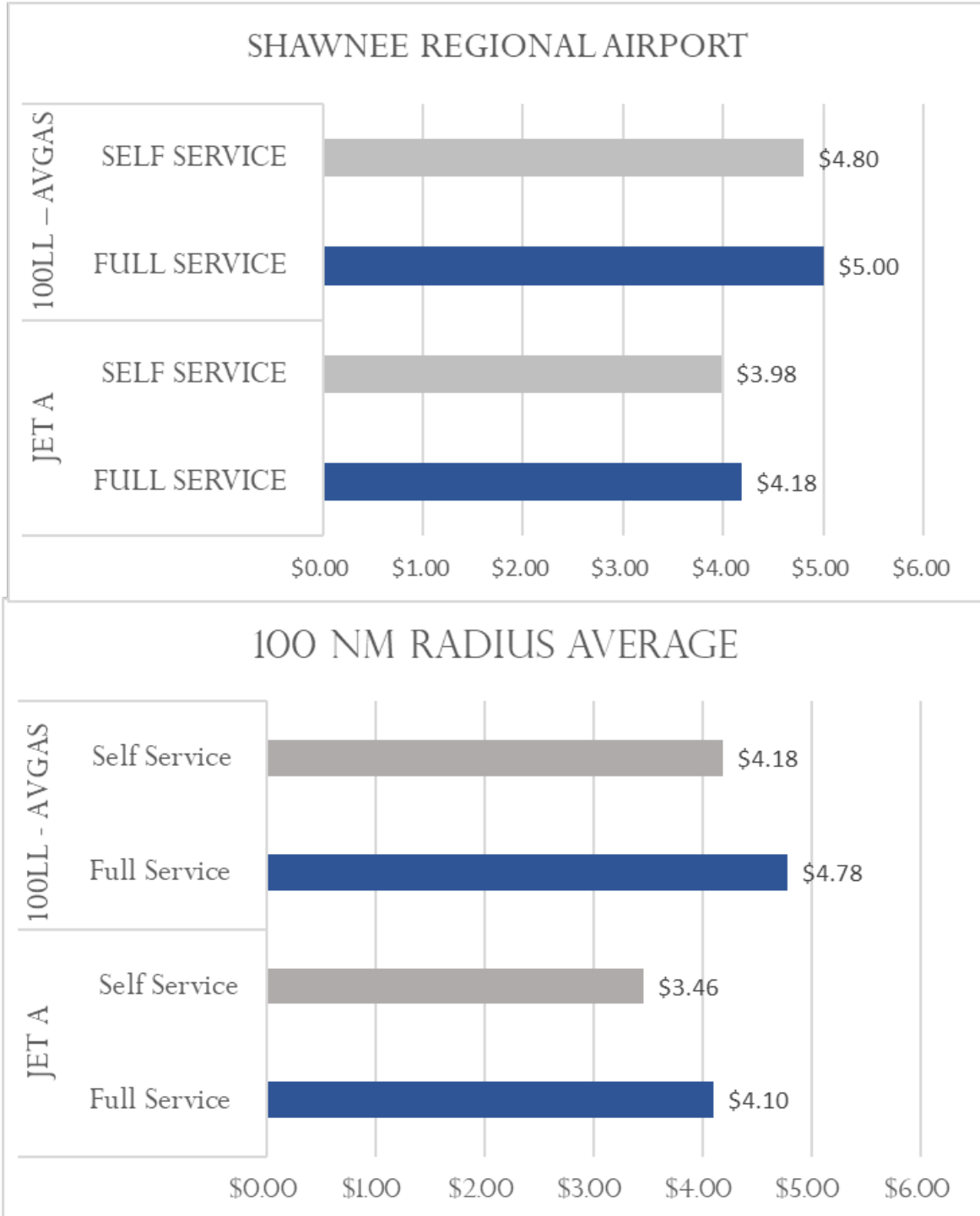
COMMERCIAL SERVICE FEES – Amends the current standard to exclude leaseholders in good standing, authorized to conduct activities and / or provide commercial services under a Commercial Lease Agreement. Further amends the current standard to apply these fees to Independent Operators.

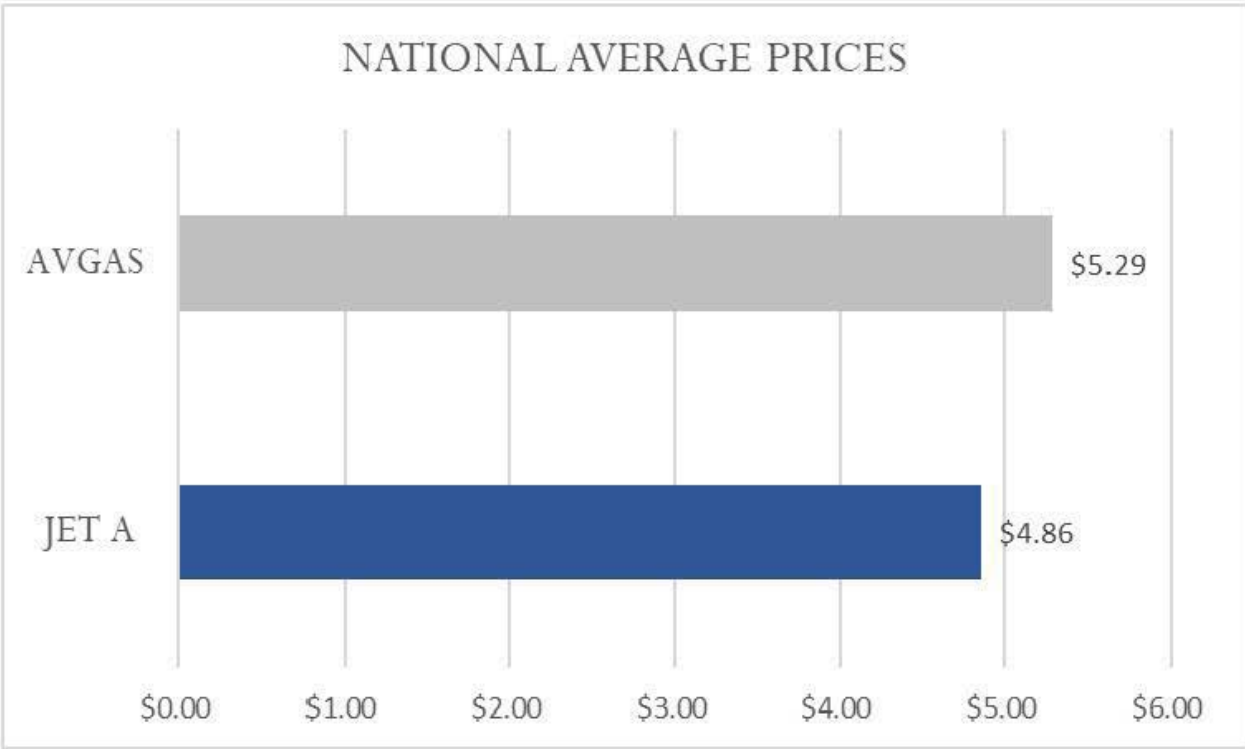
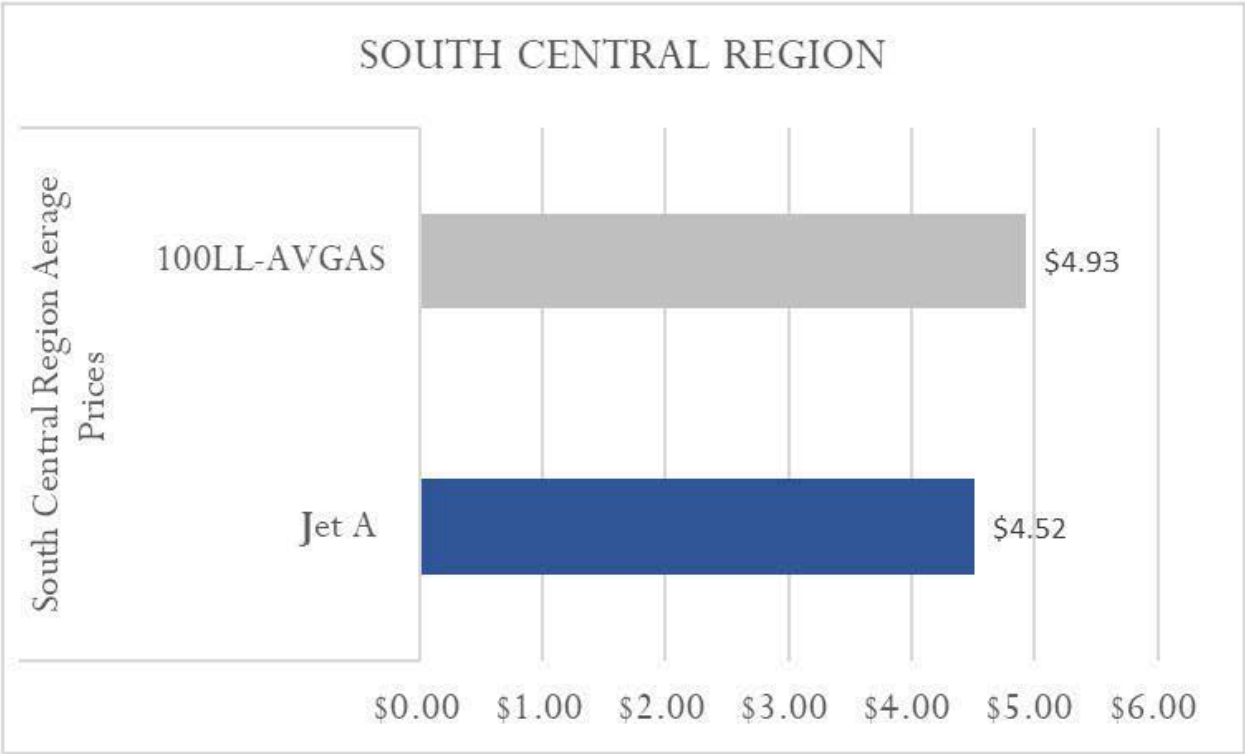
NON-COMMERCIAL AIRCRAFT STORAGE LEASE AGREEMENTS – amended to include lease rate policies adopted by the Shawnee Airport Authority.

GENERAL OPERATING PROCEDURES AND RULES – AIRFIELD AND AVIATION SUPPORT FACILITIES - Amended to provide for single seat ultralight aircraft operations; allow for skydiving; establish the parameters for storage of non-airworthy aircraft; establish rules for Small Unmanned Aircraft Systems; comply with the City of Shawnee ordinances related to the carriage of firearms and other weapons.

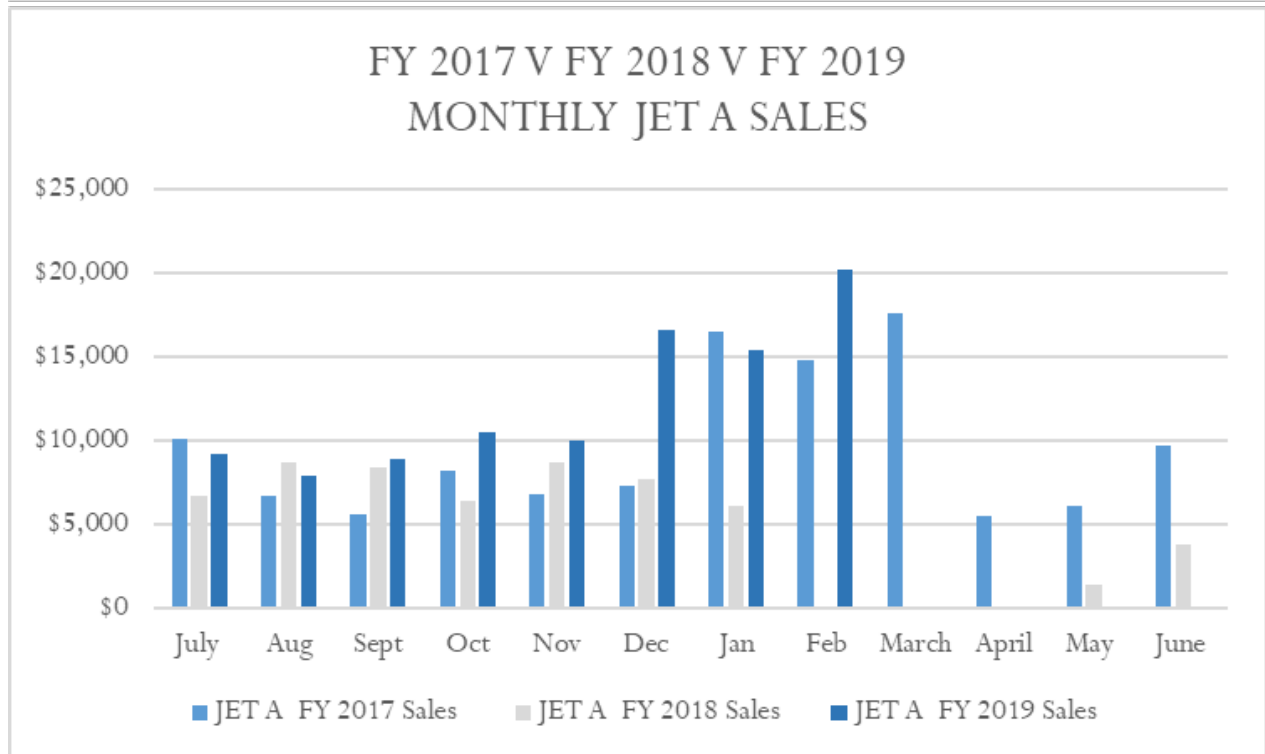
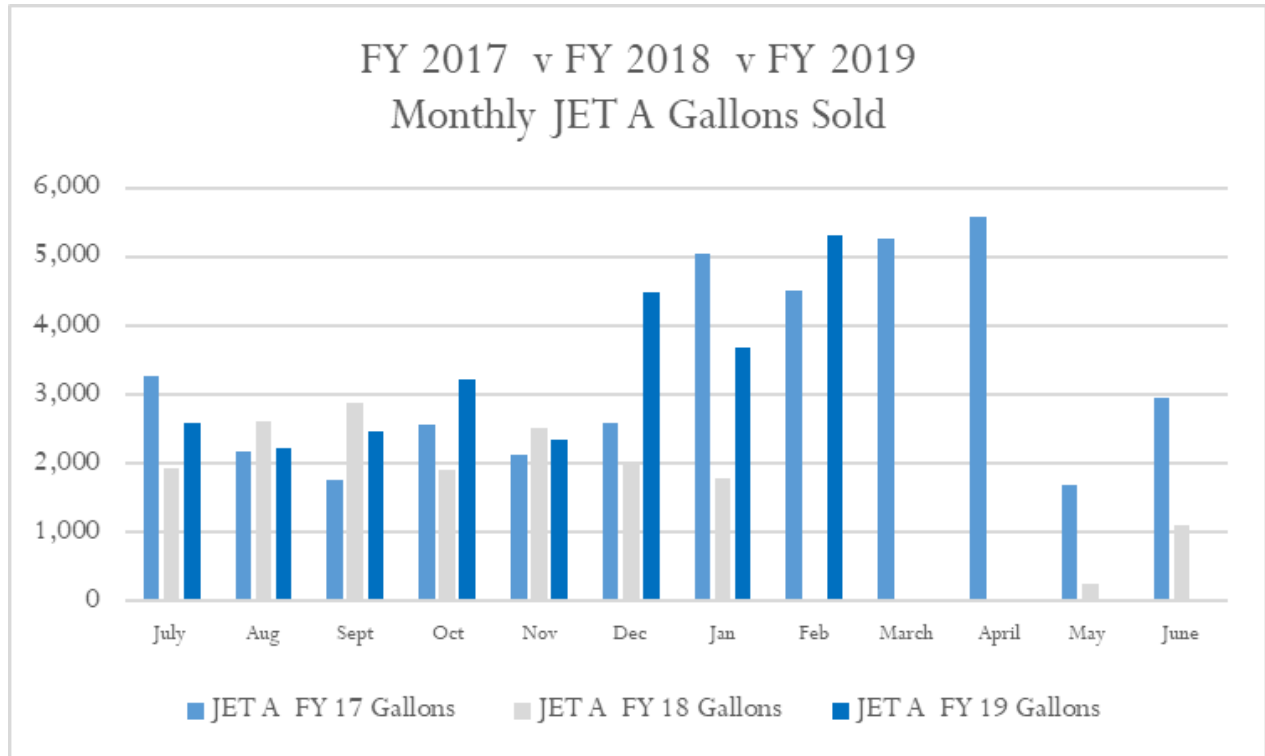
Staff Report
27 March 2019

1. Current Fuel Price Comparisons (*Data Reported on 100LL.COM*)

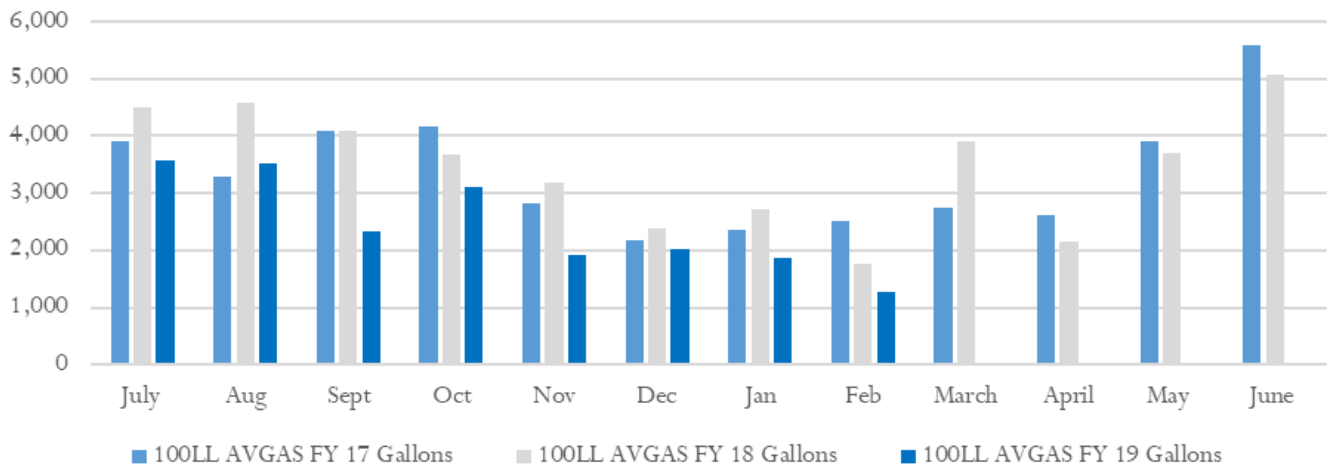




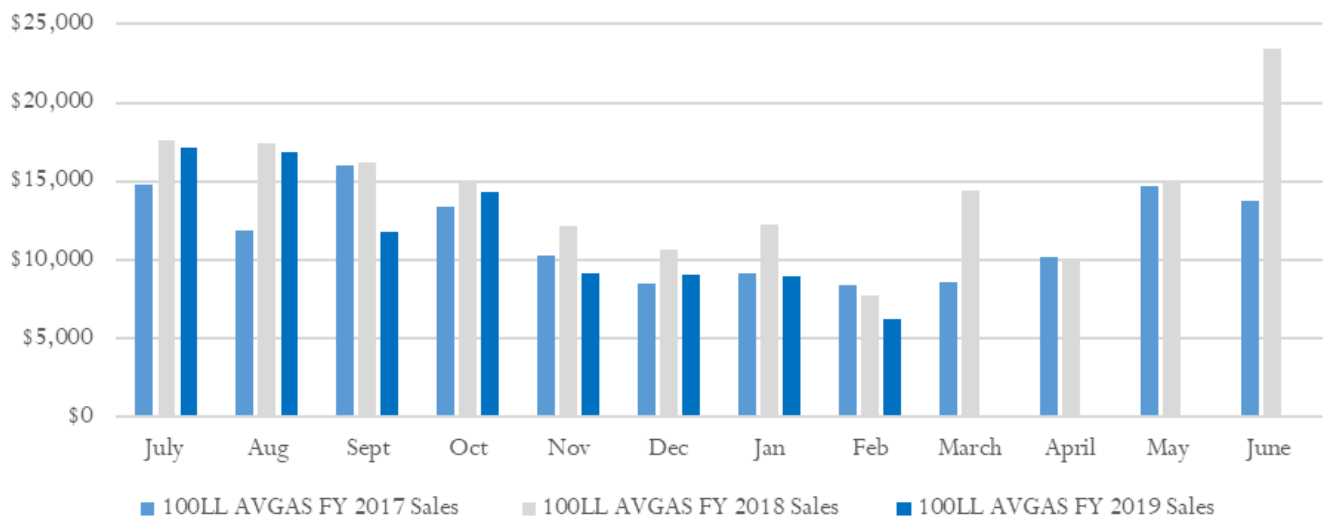
2. Shawnee Regional Airport Fuel Sales



FY 2017 v FY 2018 v FY 2019
Monthly 100LL AVGAS Gallons Sold



FY 2017 v FY 2018 v FY2019 100LL AVGAS Sales



3. Other Matters

3.1. Sale of Surplus Property

The Shawnee Airport Authority and the City of Shawnee Commissioners approved the sale of 2.48 acres of surplus property via sealed bids. The property is bounded to the north and east by US Highway 270/Oklahoma State Highway 177, to the south by Independence Street, and to the west by Leo Street, effectively cut off from the remainder of the airport. The current lease value of the land is \$10,540, per year. The money from the sale will be used to help construct the new t-hangars. Annual rental from the t-hangars will be at least \$18,600 for the first year, increasing annually based on the rate of inflation established by the Consumer Price Index.

3.2. Amendment to Airport Budget

The Director of Finance / Assistant City Manager will be seeking authority from the Shawnee Airport Authority and the City of Shawnee Commissioners to amend to the Fiscal Year 2019 Airport Operating Budget to allow for the purchase of an upgrade to the self-service fuel station and supporting software programs. The vendor is offering a rebate of \$1,995 against the estimated cost of the upgrade of +/- \$17,000, for any purchases completed prior to April 30, 2019. The amendment to the budget will be required to complete the order and sale during the current fiscal year.

3.3. RFQ For Engineering Services –

The deadline for questions was 20 March, the deadline for submissions of Statements of Qualifications is 29 March.



Frequently Asked Questions & Answers On FAA Policy on Use of Hangars at Obligated Airports

Updated: 6/9/2016

1. Why are hangars limited to certain kinds of use?

Airport sponsors that have accepted FAA grants or deeds of federal surplus property are obligated to use dedicated aviation facilities for aeronautical use. If hangars are not reserved for aeronautical use, federal airport grant funds could inadvertently subsidize non-aeronautical users, and aeronautical users could be denied access to needed airport facilities.

Conditions in AIP grant assurances that can apply to hangar use include:

- preserving rights and powers (Grant Assurance 5);
- making the airport available for aviation use on certain terms (Grant Assurance 22);
- not granting exclusive rights (Grant Assurance 23);
- ensuring safe operations (Grant Assurance 19); and
- complying with the ALP (Airport Layout Plan) process and requirements (Grant Assurance 29).

2. What is an airport sponsor's responsibility for hangar use?

To assure appropriate use of hangars, an airport sponsor should:

- manage the use of hangars through an airport leasing program that requires a written lease agreement or permit;
- monitor the use of hangars on the airport and take steps to prevent unapproved non-aeronautical use;
- ensure that the length of time on a waiting list of those in need of a hangar for aircraft storage is minimized; and
- in cases where temporary non-aeronautical use of a vacant hangar is permitted, ensure that non-aviation users pay a fair market rental for the use of the hangar, and that the hangar can be returned to aviation use when needed.

3. What is the primary purpose of an aircraft hangar?

The primary purpose of an aircraft hangar is aircraft storage. If a hangar is serving its primary purpose, the storage of aircraft, then storage of non-aeronautical items in the hangar does not violate the airport sponsor's federal obligations.

4. Why is the FAA issuing a separate policy statement on hangar use?

The FAA had received a number of questions from airport sponsors and airport tenants about the possible uses of hangars, and about how rigidly the aeronautical use requirement should be applied. In developing the policy statement, the FAA focused on giving discretion to the local airport sponsor and allowing reasonable accommodation of activities that do not impact other aeronautical uses and do not create unjustly discriminatory conditions at the airport.

5. To what airport facilities does the policy apply?

The policy applies to all aircraft storage areas or facilities on a federally obligated airport that are designated for aeronautical use on an FAA-approved Airport Layout Plan (ALP). The policy does not apply to property designated for non-aeronautical use on an approved ALP or otherwise approved for non-aeronautical use by the FAA.

6. Does the policy apply to airports that have never received federal assistance in the form of AIP grants or federal surplus or non-surplus property conveyances?

No, it does not. An airport operator-owner of a non-federally obligated airport may impose any restrictions the owner-operator deems necessary. FAA standards and policies are acceptable guidance for non-obligated airports.

7. Does the policy apply to privately owned hangars on private property?

The policy does not apply to privately owned facilities located off the airport.

8. What aeronautical uses of a hangar does the FAA permit?

Permitted uses include:

storing active aircraft;

sheltering aircraft for maintenance, repair, or refurbishment, but not indefinitely storing non-operational aircraft;

constructing amateur-built or kit-built aircraft provided that activities are conducted safely;

storing aircraft handling equipment, e.g., tow bar, glider tow equipment, workbenches, and tools and materials used to service, maintain, repair or outfit aircraft; items related to ancillary or incidental uses that do not affect the hangars' primary use;

storing materials related to an aeronautical activity, e.g., balloon and skydiving equipment, office equipment, teaching tools, and materials related to ancillary or incidental uses that do not affect the hangars' primary use;

storing non-aeronautical items that do not interfere with the primary aeronautical purpose of the hangar, e.g., televisions and furniture; or parking a vehicle at the hangar while the aircraft usually stored in that hangar is flying, subject to local airport rules and regulations.

9. What uses are not permissible under the policy?

Uses not permitted include:

- use as a residence;
- operation of a non-aeronautical business, e.g., limo service, car and motorcycle storage, storage of inventory, and non-aeronautical business office;
- activities that impede the movement of the aircraft in and out of the hangar or other aeronautical contents of the hangar;
- activities that displace the aeronautical contents of the hangar or impede access to aircraft or other aeronautical contents of the hangar;
- storage of household items that could be stored in commercial storage facilities;
- long-term storage of derelict aircraft and parts;
- storage of items or activities prohibited by local or state law;
- storage of fuel and other dangerous and Hazmat materials; or
- storage of inventory or equipment supporting a municipal agency function unrelated to the aeronautical use.

10. What discretion does the policy allow the airport sponsor?

The policy:

- preserves the airport sponsor's discretion to manage or address issues including:
- adopting rules covering the different uses of hangars;
- mitigating related safety concerns (e.g., emergency access, fire codes, insurance, and the impact of vehicular traffic);
- managing airport planning;
- preserving airport efficiency; and
- managing funding aspects of airport management;
- provides protection against claims of discrimination by imposing consistent rules for incidental storage in all similar facilities at the airport;
- provides airport sponsors with the ability to permit certain non-aeronautical items to be stored in hangars provided the items do not interfere with the aeronautical use of the hangar;
- allows an airport sponsor to request FAA approval of an interim use of a hangar for non-aeronautical purposes for a period of 3 to 5 years; and
- allows an airport sponsor to request FAA approval of a leasing plan for the lease of vacant hangars for non-aeronautical use on a month-to-month basis.

11. What are the policy changes for homebuilders?

The FAA understands the substantial convenience to aircraft builders of locating the entire aircraft construction process at the same location, specifically in an

airport hangar. The new policy offers protections that never existed in the FAA's prior policy. First, the FAA recognizes amateur-built aircraft construction as an aeronautical activity to be accommodated at airports on reasonable terms, without unjust discrimination and without granting an exclusive right. Second, the new policy provides for the safe construction of amateur-built aircraft in hangars (see Question 8). As an airport asset management tool, an airport sponsor leasing a vacant hangar for amateur-built aircraft construction may incorporate progress benchmarks in the lease to ensure the construction project proceeds to completion in a reasonable time.

12. Is it possible that some aspects of aircraft construction may not be permissible in all hangars?

Some hangars may not have been designed to accommodate aircraft construction or all phases of aircraft construction. Airport sponsors have an obligation to mitigate inherent hazards in the operation, and to prevent unsafe conditions or practices. For example, a sponsor could prohibit painting or other use of volatile or highly flammable materials in a hangar.

13. Does the policy apply to privately constructed hangars on federally obligated airports?

An airport sponsor's permission to lease aeronautical land on the airport for construction of a hangar accepts the sponsor's conditions that come with that land, in return for the special benefits of the location. The fact that the tenant uses the land through a ground lease with the airport sponsor and constructs the hangar using tenant funds does not affect the airport sponsor's agreement with the FAA. That agreement requires the airport land and facilities, including aircraft hangars, to be used for aeronautical purposes.

14. May hangars be used for aviation museums or non-profit organizations' activities encouraging aviation?

An airport sponsor, at its discretion, may provide access to airport property at less than fair market rent to aviation museums and other non-profit, aviation-related organizations (including aviation-focused community-based organizations). However, there is no reason for such activities to displace aircraft owners seeking hangar space for storage of operating aircraft, unless the non-profit or community activity itself involves use and storage of operating aircraft. Accordingly, aviation museums and non-profit organizations have the same access to vacant hangar space as other activities that do not actually require a hangar for aviation use.

15. How does the use of a hangar affect the rent charged?

If a hangar is being used for an aeronautical use, the airport sponsor will generally charge the tenant the airport's standard rate for aeronautical leases, which should recover the airport's costs but which may be less than fair market rent. If the hangar is used for an interim non-aeronautical purpose, the sponsor must charge a fair market rent for the hangar. Please consult the Airport Compliance Handbook for the application of below-market rent for aviation museums and other aviation related non-profit organizations.

16. If there is no unsatisfied aviation demand for hangars, can they be leased to generate revenue from non-aeronautical uses?

If a sponsor has empty aeronautical use hangars for which it has no current aeronautical demand, it may seek FAA approval to lease those hangars to non-aeronautical tenants in one of two ways.

Option 1. When a sponsor wants to lease aeronautical hangars to a tenant for an extended time period (usually 3 to 5 years), it can request FAA approval for interim non-aeronautical use of a hangar until there is demand for an aeronautical purpose. The sponsor must charge a fair market commercial rental rate for any hangar rental or use for non-aeronautical purposes.

Option 2. A sponsor may also request FAA approval of a leasing plan for the lease of vacant hangars for non-aeronautical use on a month-to-month basis. Once the sponsor receives initial FAA approval, it may lease the open space for consecutive 30-day periods without further approval. The sponsor must charge a fair market commercial rental rate for any hangar rental or use for non-aeronautical purposes.

Aeronautical use must receive priority and accommodation over non-aeronautical use, even if the rental rate would be higher for the non-aeronautical use.