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AIRPORT COMMITTEE

Thursday, February 21, 2019
5:30 PM

COMMITTEE MEMBERS

Eric Sande
Chairman

Sean Neary
Vice Chair

Daniel Bahlman
Member

Rob Berg
Member

Kelly Coffelt
Member

Phil Henderson
Member

William Huff
Member

Justin Livingston
Member

Tim Moor
Member

Adriauna Pendergrass
Youth Ex Officio

Jay Patrick
Council Liaison

George Endicott
Alternate Council Liaison

MEETING AGENDA

- I. CALL TO ORDER/ROLL CALL**
- II. ANNOUNCEMENTS**
- III. COMMENTS FROM CITIZENS**
- IV. SWEARING IN OF NEW COMMITTEE MEMBERS**
Youth Ex Officio: Adriauna Pendergrass (Redmond)
Committee Member: William Huff (Redmond)
- V. APPROVAL OF MINUTES**
 - a) Committee Meeting Minutes November 2018-Exhibit A
 - b) Special Meeting Minutes December 2018 –Exhibit B
 - c) Amended Committee Meeting Minutes September 2018- Exhibit C
- VI. AIRPORT STAFF BRIEFINGS, REPORTS & PRESENTATIONS**
 - a) Airport Report
 - b) Construction Updates
- VII. OLD BUSINESS**
 - a) SRE Update
 - b) Transient Parking Update
 - c) New Lease Policy Approval
- VIII. NEW BUSINESS**
 - a) Noise Complaints
 - b) Contract Reversion Clause Conversation
- VIII. COMMITTEE MEMBER COMMENTS**
- IX. ADJOURN**

Anyone needing accommodation to participate in the meeting must notify the City of Redmond ADA Coordinator at least 48 hours in advance of the meeting at 541-504-3036, ada@ci.redmond.or.us or through the Telecommunications Relay Service (TRS) which enables people who have difficulty hearing or speaking in the telephone to communicate to standard voice telephone users. If anyone needs Telecommunications Device for the Deaf (TDD) or Speech To Speech (STS) assistance, please use one of the following TRS numbers: 1-800-735-2900 (voice or text), 1-877-735-7525 (STS English) or 1-800-735-3896 (STS Spanish). The City does not discriminate on the basis of disability status in the admission or access to, or treatment, or employment in, its programs or activities.



REDMOND MUNICIPAL AIRPORT ("ROBERTS FIELD")
REDMOND, OREGON

AIRPORT LEASING POLICY

EFFECTIVE _____

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City of Redmond – Airport Leasing Policy

1. General

1.1 Definitions; Laws

Defined terms contained in this City of Redmond – Airport Leasing Policy (this “policy”) have the meanings assigned to such terms in Appendix A. Any reference to a federal, state, and/or local law means the federal, state, and/or local law as now existing and/or hereafter amended.

1.2 Policy Purpose

City is the owner, operator, and sponsor of the airport. As a recipient of FAA AIP grants and the operator of a public municipal airport, the city must operate the airport for the use and benefit of the public. City must also make the airport available for all types, kinds, and classes of aeronautical and non-aeronautical activities on fair and reasonable terms and conditions without unlawful discrimination. Given these obligations, the city establishes this policy to (a) set forth a standardized system and process for leasing airport property and constructing leasehold improvements thereon for aeronautical and non-aeronautical purposes, and (b) govern the safe, orderly, and efficient use of airport property. Except as otherwise provided in this policy, this airport leasing policy applies to all airport leases, including leases for non-aeronautical purposes or activities.

1.3 General Policies

In furtherance of the objectives identified under Section 1.1, above, the city endeavors to (a) preserve airport investments and resources, (b) facilitate orderly and equitable airport management and administration, (c) ensure the provision of high-quality services and facilities, (d) provide equitable and uniform treatment of all operators, tenants, and users, (e) ensure compliance with applicable laws concerning the application and acceptance of federal funds, (f) enable conformity with the approved AMP, ASP, and ALP, (g) permit public use of the airport on reasonable terms and without unlawful discrimination, (h) maintain a fee and rental structure with the goal of airport financial self-sustainability, and (i) promote economic development and job creation.

1.4 Airport Operated for Public Benefit

City will ensure that the airport is operated for the use and benefit of the public and is made available to all types, kinds, and classes of aeronautical activities; provided, however, priority is given to such uses which further the city’s goals and the airport’s strategic business plan.

1.5 Policy Administrator; Laws

1.5.1 The airport director is designated administrator of this policy. To this end, the airport director has the authority to implement, administer, and manage all aspects of this policy, including, without limitation, the authority to (a) interpret this policy, (b) decide all questions concerning this policy, including, without limitation, tenant eligibility and qualifications, and (c) if the airport director determines necessary or appropriate, waive and/or modify procedural and/or substantive conditions and/or requirements contained in this policy.

1.5.2 The airport director will act in a manner he or she reasonably believes is in the city’s best interests and otherwise consistent with Section 1.3 and Section 1.4 of this policy. The airport director will not unreasonably withhold, condition, and/or delay his or her exercise of any consent, approval, determination, and/or similarly discretionary action under the policy. The decision of the airport director will be final and binding. The decision of the airport director on any given matter will not set any precedent or bind future decisions of the airport director.

2. Exclusive Rights

2.1 Exclusive Rights Prohibited

Subject to applicable laws, the city will not grant any exclusive rights, monopolies, and/or privileges in, to, and/or affecting the airport and/or airport facilities. For purposes of this section, an exclusive right includes, without limitation, a power, privilege, and/or other right excluding or debarring another from enjoying or exercising a similar power, privilege, and/or right.

2.2 No Presumption of Exclusivity

Presence on the airport of only one tenant engaged in a particular aeronautical or non-aeronautical activity does not indicate that an exclusive right, privilege, and/or power has been granted. The city does not enter into and/or promote any understanding, commitment, and/or express agreement to exclude other qualified tenants. The opportunity to engage in an aeronautical or non-aeronautical activity will be made available to those satisfying qualifications and standards applicable to the activity, subject to this policy, the laws, and availability of space at the airport.

3. Lease Application

3.1 Application Required

Any person desiring to enter into a lease with the city concerning airport property must, in addition to any other requirements that the airport director may impose from time to time, submit a written application to the city on the city's then current airport lease application form (and pay the applicable application fee) and in such manner as the airport director may prescribe. Applications to lease airport property may be obtained by contacting the airport director. The application must be signed and submitted by a person with authority to sign and submit the application on the applicant's behalf. An applicant will pay the application fee and all other fees, costs, and expenses imposed by the city and/or incurred by the applicant concerning the application and lease process.

3.2 Lease Application Process

The lease application will contain all information required under this policy, the minimum standards (as applicable), rules and regulations, and such other information and/or documentation necessary for the city to determine an applicant's qualification and benefit which will accrue to the public from the applicant's proposed use of the airport, including, without limitation, the following:

3.2.1 Applicant's name, address, email address, and telephone number. The amount, size, and location of the land and/or facilities proposed to be leased.

3.2.2 Descriptions and cost estimates of any proposed leasehold improvements.

3.2.3 Applicant's most current financial statements prepared by the applicant's chief operating officer and certified by an independent certified public accountant. City may consider financial statements in evaluating the applicant's financial ability to construct any proposed leasehold improvements on the subject airport property and/or to perform the applicant's obligations under the lease.

3.2.4 For construction of proposed leasehold improvements, the city may require evidence of the applicant's financial ability to complete the improvements in one or more of the following forms: (a) performance bond in an amount equal to the cost for constructing the proposed improvements; (b) funds held

in escrow pursuant to the terms of an escrow agreement; and/or (c) an irrevocable letter of credit guaranteeing funds to complete the improvements.

3.2.5 If an applicant proposes to engage in commercial aeronautical activities, all application information and materials required by the airport minimum standards. For all other applicants, a description of the applicant's business (if applicable) and proposed aeronautical or non-aeronautical use of the land and/or facilities proposed to be leased.

3.2.6 All additional information, documentation, and materials necessary to satisfy all applicable eligibility and/or qualification requirements under this policy, the rules and regulations, and/or minimum standards (as applicable), and/or as the airport director may determine necessary.

3.3 Financing Airport Development; Performance

An applicant's failure to demonstrate adequate financial resources to pay (a) for a prospective development described in the subject application, and/or (b) the applicant's obligations under the lease will be grounds for denial of the application. Nothing contained in this policy will be construed as obligating the city to provide financing and/or to construct improvements at the airport to facilitate a proposed development. Notwithstanding the immediately preceding sentence, if an applicant demonstrates financial capacity to pay for a prospective development and the applicant's obligations under the lease, the city may pursue supplemental federal, state, and/or local funds to contribute to the development.

4. Application Review

4.1 Submittal; Preliminary Review

Completed applications must be filed with the airport director. Each application will be reviewed and processed by the airport director in order of receipt. City reserves the right to request additional documentation and information, as necessary. The airport director may conduct whatever investigation the airport director deems necessary or appropriate to determine whether the application is complete, the statements and information contained therein are true and accurate, and whether the application complies with this policy and all applicable laws.

4.2 Criteria

In addition to any other conditions and/or requirements imposed by the city, the airport director will review a completed application to determine compliance with all review criteria, including, without limitation, the following:

4.2.1 The proposed use meets the requirements of the AMP, ALP, ASP (if applicable), the city's zoning ordinance and map, and this policy.

4.2.2 The proposed use does not and will not create a safety hazard on or at the airport and/or the construction of any improvements associated with the proposed use does not and will not create a safety hazard.

4.2.3 Granting the application will not require the city to spend funds and/or supply labor and/or materials concerning the proposed activity and the activity is not expected (as determined by the city) to result in financial loss to the city.

4.2.4 Suitable space is available to accommodate the entire activity proposed in the application and/or suitable land is available to construct any buildings and/or facilities necessary to accommodate the entire activity outlined in the application.

4.2.5 In the opinion of the airport director, the proposed leasehold improvements may be constructed and the use operated without (a) unduly interfering with airport operations, and/or (b) causing undue congestion on or at the airport.

4.2.6 Applicant does not have a record of violating the rules and regulations and/or the rules and regulations of any other airport, FAA regulations, and/or the laws.

4.2.7 Applicant has not defaulted in the performance of another lease and/or any other agreement with the city and/or any other airport during the immediately preceding five years (from the date of the application).

4.2.8 In the opinion of the airport director, the applicant demonstrates adequate financial resources to undertake the proposed use (including construction of any leasehold improvements) based upon the financial information applicant provided.

4.2.9 Applicant has provided (or certifies that the applicant will provide) acceptable surety in the amount required.

4.2.10 The airport director finds that the proposed activity and/or development is in the best interest of the city, the airport, and/or the public.

4.3 Evaluation

The airport director may approve, approve with conditions, or deny an application. The airport director will provide the applicant written notice of the airport director's decision on an application. If the airport director finds that the application satisfies the criteria established in Section 4.2, the city may enter into a lease with the applicant in accordance with the application and this policy. Notwithstanding anything contained in this policy to the contrary, the lease will be in form and content satisfactory to the airport director and will be on the city's then-current form.

4.4 Grounds for Denial

The airport director may deny an application for any one or more of the following reasons: (a) the application is incomplete; (b) fraud, misrepresentation, and/or false statement(s) contained in the application and/or willful withholding of information or incomplete disclosure concerning any matter required to be furnished in connection with the application; (c) failure to satisfy the criteria or policy requirements under this policy; and/or (d) failure to comply with any applicable law. If the airport director determines that an application is incomplete and/or the criteria has not been met, the airport director may deny the application and notify the applicant, in writing, of the deficiencies (the "deficiency notice"). If the applicant provides the information identified in the deficiency notice within the time period identified in the deficiency notice, the application will be considered timely and the airport director will evaluate the application. If the applicant does not timely provide the information identified in the deficiency notice, the application will be deemed withdrawn without further act of the city and/or applicant. Notwithstanding anything contained in this policy to the contrary, if the airport director determines that an applicant cannot satisfy any criteria under Section 4.2 and/or the application is denied under Section 4.2.2-4.2.5, the airport director may deny the application without providing the applicant an opportunity to cure the deficiencies.

5. Leases (General)

5.1 General Rights and Privileges Granted

Leases are designed to provide the tenant one or more of the following rights or privileges: (a) use of the landing area and other public airport facilities in common with other authorized persons; (b) right to occupy (e.g., as an operator, tenant, etc.) and use the subject premises; and/or (c) the right to offer goods and/or services to the public who use the airport. Notwithstanding anything contained in this policy to the contrary, the city will not enter into any lease without written receipt of adequate consideration. City will not enter into any lease that requires it to (a) waive any sovereign, governmental, and/or other immunity to which it may be entitled, and/or (b) submit to the laws of any state other than those of the State of Oregon. City will not enter into any lease prohibited by the laws.

5.2 Lease Required

5.2.1 Prior to commencing construction of leasehold improvements and/or operation of an aeronautical or non-aeronautical activity on or at the airport, an approved applicant must enter into a lease with the city setting forth the terms and conditions under which the person will be permitted to occupy and use the airport property, subject to the provisions of this policy. Airport leases are designed to protect the public interest and may contain more restrictive clauses than private sector leases. Notwithstanding the immediately preceding sentence, each lease will be in form and content satisfactory to the city and city's legal counsel, and will, at a minimum, conform to local/regional standards of airport tenant responsibility and liability.

5.2.2 Each Lease will include all provisions required under the laws and obligations placed upon the city. In addition, each lease will contain, in addition to all other provisions contemplated under this policy, terms and conditions concerning the following: (a) description of leasehold and premises; (b) term; (c) fees, charges, rents, and other costs and expenses concerning occupying and operating on airport premises; (d) payment procedures; (e) permitted uses; (f) prohibited uses; (g) insurance; (h) assignment; (i) fire prevention; (j) hazardous substances and environmental liability; (k) the city's right to access the premises; (l) compliance with laws; (m) airport security programs, if applicable; (n) default and termination; (o) sale or transfer of improvements; (p) bankruptcy; (q) renewal; (r) subordination to the city's federal obligations, if applicable; and (s) such other terms and conditions the city determines necessary and/or appropriate. Notwithstanding anything contained in this policy to the contrary, the lease may be updated from time to time to reflect changes in FAA regulations and/or the laws (including real estate law) and/or to meet changing economic and other conditions.

5.3 Control Over Operations

Any lease granting the right to serve the public at the airport will be subject to terms and conditions reserving the city sufficient control over all tenant operations to ensure that patrons will be treated fairly by the tenant. By entering into a lease, the tenant will covenant to comply with all applicable laws.

5.4 Control Over Aeronautical Activity and Development

City will not enter into any lease that would require it to divest itself of the right to take any action it considers necessary and/or appropriate to (a) protect the airport's aerial approaches against obstruction, and/or (b) prevent a tenant from erecting, or permitting to be erected, any building, structure, or other improvement which might limit the usefulness of the airport and/or constitute a hazard to aircraft. City will not enter into any lease requiring the city to divest itself of and/or limit its right to develop and/or improve the airport. City will not enter into any lease granting access to the airport ramps, taxiways, and/or landing areas by aircraft normally stored and/or serviced on land adjacent to, but not a part of, the airport.

5.5 Minimum Standards

Each tenant desiring to conduct aeronautical activities at the airport must satisfy all applicable minimum standards. The minimum standards establish a basis for practical negotiations between the city and potential tenants; provided, however, if presented with a choice between multiple potential tenants for a single space or facility, the city may give preference to the tenant who can offer the city and public the highest quality and standard of service, which may well exceed the minimum standards for the proposed activity. City may amend and/or modify the minimum standards, from time to time, to ensure the highest quality and standard of service to the public. City may grant a temporary waiver of the minimum standards under limited circumstances including, without limitation, if the aviation community at the airport has encountered difficulty in attracting a competent service provider. Except as expressly provided otherwise in this policy and/or in the minimum standards, the city will not enter into a lease with an operator who cannot meet the applicable minimum standards.

5.6 Non-Aeronautical Activities

Availability of building sites and leaseable space to accommodate aeronautical activities at the airport is limited. Therefore, subject to applicable laws, the city will not approve any proposed lease of aeronautical property for non-aeronautical activities for longer than a brief, interim period (generally five or fewer years), and provided the activity does not violate the laws, including, without limitation, the grant assurances. In addition, the city may require that the subject lease contain a provision permitting the city to terminate the lease upon reasonable advance notice if the subject premises is needed for aeronautical activities. City may condition any lease of aeronautical property for non-aeronautical activities on FAA approval.

5.7 Private Aeronautical Uses

City is required to operate the airport for the maximum use and benefit of the public. To this end, the city must retain the ability to make reasonable provision for essential support services for those who use the airport. City acknowledges that some private aeronautical uses may be beneficial to the city (e.g., a private flying club may be a desirable and compatible operator). Proposed leases for private aeronautical uses will be evaluated on a case by case basis, taking into account the strategic business plan of the airport, benefits which may be derived from the proposed lease, potential costs of the proposed lease to the city, availability of suitable space, potential for conflict or interference with public uses of the airport, and all other factors the city determines applicable.

5.8 Development of Vacant Property

City's approval of any request to construct facilities at the airport will be subject to availability of vacant, appropriate space, as determined by the airport director. Each application to develop a facility to accommodate aeronautical activities will include, in addition to all other requirements under this policy, a site plan depicting the location and nature of the proposed development.

6. Leased Premises

6.1 Demonstrated Need

A lease for a single aeronautical activity, although meeting all reasonable standards and qualifications under this policy, will be limited to space necessary for the aeronautical activity. When an applicant seeks to lease property from the city, in addition to all other requirements under this policy, the applicant must provide evidence of demonstrated need for the space. If an application involves a request to occupy existing airport facilities, "demonstrated need" means the ability of the tenant to occupy premises leased from the city as of the effective date of the lease; if an application involves construction of facilities and/or alterations to an

existing facility(ies), “demonstrated need” means the ability to obtain a certificate of occupancy from the city for the proposed facility(ies) within one hundred eighty (180) days after the effective date of the lease, unless the city determines, in the city’s sole discretion, a longer period of time is warranted due to the scope of construction.

6.2 Requests for Additional Space

If an existing tenant requires additional airport space to accommodate increased demand for its existing services and/or to expand an existing service, the tenant must provide the city written notice of a demonstrated need for additional space (the term “demonstrated need” for this purpose means the ability of the tenant to occupy the proposed additional space as of the effective date of the expansion). The written notice must sufficiently detail the demonstrated need for the additional space requested. City may grant the tenant the additional space requested (or a portion thereof) if and to the extent the tenant has a demonstrated need for the additional space. If, prior to the receipt of the tenant’s notice, the city has received an application from another qualified applicant with a demonstrated need for the subject space, the city may negotiate with one or more applicants who have expressed an interest in the space in question to determine which alternative is most advantageous to the city. If the need for additional space concerns a new proposed aeronautical activity, one not permitted under the tenant’s lease, the request for additional space will be treated by the city as one for a new lease and will be subject to the provisions of this policy. Notwithstanding anything contained in this policy to the contrary, the city will not grant, award, and/or provide any options and/or preferences (including, without limitation, the right of first refusal) on future sites or space to any tenant.

7. Lease Term; Extensions

7.1 Lease Term

City will enter into leases that balance the needs of a prospective tenant and the city, which may be accomplished through a standard term only, or a standard term plus one or more extension periods. City will determine the length of the lease based on factors which include, without limitation, the following: (a) whether the tenant is seeking to obtain space in an existing building or whether a long-term land lease is being sought for construction of improvements; (b) designation of the facility or proposed property on the ALP; (c) the tenant’s proposed use of the property; (d) the tenant’s proposed capital investment in the subject facilities; (e) the tenant’s potential to attract other new aviation or non-aviation business or development; and/or (f) whether the tenant’s activity will result in significant job creation.

7.2 Lease Term Provisions

Each lease will generally contain (or be subject to) the following terms and conditions:

7.2.1 The initial lease term of a lease for existing aeronautical or non-aeronautical facilities requiring no additional capital investment or improvements will not exceed five years; provided, however, the city may offer the tenant an option to extend the lease term for one additional term of five years.

7.2.2 The initial term of a lease pursuant to which the tenant will construct a hangar will not exceed twenty (20) years; provided, however, the city may offer the tenant an option to extend the lease term for two consecutive additional terms of five years each.

7.2.3 The initial term of a lease pursuant to which facilities supporting aeronautical activities will be constructed (other than a hangar under Section 7.2.2 or facilities constituting a significant investment of capital under Section 7.2.5) will not exceed twenty-five (25) years; provided, however, the city may offer the tenant an option to extend the lease term for two consecutive additional terms of five years each.

7.2.4 The initial term of a lease pursuant to which facilities not supporting aeronautical activities will be constructed (other than facilities constituting a significant investment of capital under Section 7.2.5) will not exceed twenty-five (25) years; provided, however, the city may offer the tenant an option to extend the lease term for two consecutive additional terms of five years each.

7.2.5 The initial term of a lease pursuant to which the tenant will construct aeronautical or non-aeronautical facilities requiring a significant investment in capital, which may involve the development of a larger tract of airport property, will not exceed fifty (50) years without the FAA's prior approval, if necessary. In determining whether to grant a lease for a term pursuant to this subsection, the city will consider factors, including, without limitation, the following: (a) whether the tenant will invest significant capital in leasehold improvements; (b) whether the tenant will invest significant capital in existing leasehold improvements; (c) the services provided to other airport tenants and users, if any; (d) whether the lease will result in significant job creation; (e) whether the lease will benefit the airport (generally); (f) whether the lease will provide a public infrastructure extension which will benefit other parcels (i.e., roads, water, and sewer); (g) potential to attract new aviation businesses or expand existing aviation businesses; (h) potential to attract other businesses in and/or around the airport; and/or (i) potential to generate additional airport related revenue.

7.3 Extension Options

Upon expiration of the initial term, the city may extend the term of an existing lease; provided, however, in no event may a lease be extended for a period exceeding fifty (50) years (which includes applicable extension periods). Subject to the provisions of this policy (and the terms and conditions of the lease), in general a lease may be extended if the following minimum conditions are satisfied: (a) the leased premises are not required for other airport uses according to the ALP; (b) the tenant is not then in default; (c) the lease is updated consistent with the city's then-current lease; (d) the rental to be paid during the extended term equals fair market value of the leased premises with increases to the rent over the term that is substantially similar to other city airport leases over the extended term; and (e) the subject facilities are in a condition to last for the extended term (the city may require the tenant to provide the city a facility condition assessment report, prepared by an independent, qualified contractor attesting to the condition of the leasehold improvements).

8. Transfers; Encumbrances; Hazardous Substances

8.1 Assignment and Sublease

A tenant will not be permitted to transfer the tenant's rights and/or interests in or to the lease, airport property subject to the lease, and/or any improvements on the airport property (including, without limitation, any hangar constructed on the property) without the city's prior written consent, which consent the city will not unreasonably withhold, condition, and/or delay. City may require the tenant to pay a transfer fee as a condition to consenting to the proposed transfer.

8.2 Transfer Notice

A tenant will provide the city no less than thirty (30) days' prior written notice of a proposed transfer, which transfer notice must include the name and address of the proposed transferee and a true and complete copy of the proposed transfer documentation; provided, however, the city may require additional advance notice if the city determines necessary or appropriate under the particular facts and circumstances (e.g., a lease concerning a significant investment of capital). City's consent to any proposed transfer will be conditioned on, among other things the city may reasonably impose, the tenant demonstrating (to the city's reasonable satisfaction) that the proposed transferee's condition (financial and otherwise), style of operation, business reputation, and use of the airport property and improvements thereon (if any) is consistent with the terms of the subject lease and that the city's interests in the subject property, airport, and improvements (if any) will not be adversely affected in any material respect. If the city consents to a transfer, the terms and conditions of the subject lease

will in no way be deemed waived or modified and the transfer will not modify, relieve, and/or eliminate any liabilities and/or obligations the tenant and/or any guarantor of the subject lease may have under the lease.

8.3 No Encumbrances

Each tenant and tenant contractor will pay when due all charges and expenses for labor and materials used or furnished for construction and/or services rendered to or concerning the subject airport property and will keep all airport property free from all encumbrances. Without otherwise limiting the immediately preceding sentence, each tenant will pay as and when due all claims for materials furnished and construction work performed concerning the tenant's construction of any improvements on the subject airport property and will keep such airport property and improvements free from encumbrances. Notwithstanding anything contained in this policy providing otherwise, under certain limited circumstances (e.g., a lease concerning a significant investment of capital), the city may subordinate its rights under a lease to a first mortgage, first deed of trust, and/or other first position lien or encumbrance concerning a loan made to the tenant for the purpose of constructing improvements on the subject airport property provided the subordination does not materially and adversely affect the city's rights and interests in and to the subject airport property, improvements, and/or airport.

8.4 Hazardous Substances

The tenant will not cause and/or permit any hazardous substances to be spilled, leaked, disposed of, and/or otherwise released on, under, and/or about airport property and/or improvements located thereon. Upon the earlier termination or expiration of the lease, the tenant will properly remove and dispose of all hazardous substances.

9. Termination – Ownership of Improvements

9.1 Airport Hangars

Upon the earlier termination or expiration of a lease concerning a hangar on airport property, the tenant will, at the tenant's cost and expense, pay and perform the following: (a) perform all property and hangar maintenance and repairs for which the tenant is responsible under the lease; and (b) surrender the subject property and hangar to the city in good condition, repair, working order, and appearance, free of waste and debris.

9.2 Non-Hangar Improvements

Upon the earlier termination or expiration of a lease concerning non-hangar improvements on airport property, the tenant will, at the tenant's cost and expense, pay and perform the following: (a) perform all property and improvement maintenance and repairs for which the tenant is responsible under the lease; and (b) surrender the subject property and improvements to the city in good condition, repair, working order, and appearance, free of waste and debris.

9.3 Personal Property

Prior to the earlier termination or expiration of a lease, the tenant will remove from the subject property and all improvements, including, without limitation, a hangar, all aircraft, vehicles, furnishings, furniture, equipment, tools, trade fixtures, and personal property which remain the tenant's property, including all resulting waste and/or debris.

9.4 Hangar and Improvement Removal and Ownership

Upon the earlier termination or expiration of a lease, the city may (a) require the tenant to remove any non-city owned hangar, leasehold improvements, and/or alterations from the subject property (and surrender the property to the city in good condition, repair, working order, and appearance, free of waste and debris), at the tenant's cost and expense, or (b) accept ownership of the tenant's hangar, leasehold improvements, and/or alterations (without payment of any consideration) then located on the subject property free from all claims, rights, encumbrances, and/or interests of the tenant and/or any third party (if the city accepts ownership of the tenant's hangar, leasehold improvements, and/or alterations, no additional conveyance document will be needed to effectuate the transfer of ownership unless requested by the city, in which case the tenant will execute all reasonably requested city documents).

10. FAA Required Provisions

10.1 Subordination

In addition to any other term or condition required under this policy, each lease will contain a subordination provision substantially as follows:

"Subordination – United States. Notwithstanding anything contained in this Lease to the contrary, (a) this Lease is subordinate to the terms of any agreement between Landlord (City) and the United States concerning Airport operations and/or maintenance (the terms of such agreement will supersede the terms of this Lease), and (b) during times of war or national emergency, Landlord may lease the Airport's landing area (or any part thereof) to the United States for military or naval use (and, in connection therewith, the provisions of this Lease will be suspended to the extent inconsistent with Landlord's lease with the United States)."

10.2 Non-Discrimination; Unfair Practices

In addition to any other term or condition required under this policy, each lease will contain a non-discrimination and unfair practices provision substantially as follows:

"Non-Discrimination; Unfair Practices. Tenant covenants and agrees as follows: (a) if any facilities and/or improvements (including, without limitation, any hangar and/or improvements) are constructed, maintained, and/or otherwise operated on Airport property and/or such hangar for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, Tenant will maintain and operate such facilities and services in compliance with all requirements imposed under 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, as amended; (b) no person on the grounds of race, color, national origin, and/or other protected classification will be excluded from participation in, denied the benefits of, and/or otherwise subjected to discrimination in the use of any facilities located on the Airport property and/or such hangar; and (c) in the construction of any hangar and/or any improvements on, over, and/or under Airport property and/or hangar and the furnishing of services thereon, no person on the grounds of race, color, national origin, and/or other protected classification will be excluded from participation in, denied the benefits of, and/or otherwise subjected to discrimination."

10.3 Aviation Easement; Aeronautical Uses

Each tenant's use of the airport property, leasehold improvements, and/or hangar is secondary and subordinate to the operation of the airport and laws. City reserves for itself, and for the public, a right of flight for the passage of aircraft in the airspace above the subject airport property and improvements together with

the right to cause noise, vibration, dust, fumes, smoke, vapor, and other effects inherent in the navigation or flight of aircraft and/or operation of the Airport. Each tenant will protect the airport and airport property for aeronautical and related uses, will not interfere or impede, and will conduct all activities in a manner that will not adversely affect or interfere with, the city's operations and/or those of other tenants and authorized users of the airport or general public. Any tenant activities that the city determines interfere or impede with the operation, use, and/or maintenance of the airport, airport property, and/or aeronautical activities is specifically prohibited and will constitute an event of default under the lease.

10.4 Indemnification

Each tenant will release and defend, indemnify, and hold the city harmless for, from, and against all claims, demands, charges, proceedings, costs, expenses, losses, damages, and/or liabilities, including, without limitation, attorney fees and costs, resulting from or arising out of the following: (a) damage, loss, and/or injury to person or property in, on, and/or about the airport; (b) the tenant's acts and/or omissions, including, without limitation, the tenant's operations at the airport; (c) the tenant's use of airport property, improvements (e.g., a hangar) on such property, and/or airport; (d) the tenant's construction, maintenance, repair, ownership, use, and/or occupancy of the leasehold improvements and/or any condition of the airport property and/or improvements; (e) the use, storage, treatment, transportation, presence, release, and/or disposal of hazardous substances in, on, under, and/or about the airport and/or any airport property; and/or (f) the tenant's breach and/or failure to perform any tenant representation, warranty, covenant, and/or obligation under the lease.

11. Rentals, Rates, Fees, and Charges

11.1 Airport Sustainability

City has an obligation to make the airport self-sustainable. Each lease will provide adequate consideration for the lease of the subject premises, which in no event will be less than fair market value. City's contractual terms and conditions, while fair and nondiscriminatory, will provide the most advantageous returns to the city and will ensure the provision of essential aviation services to the community.

11.2 No Unjustifiably Discriminatory Rates

Each tenant will be subject to all applicable rates, fees, rents, and other charges (e.g., fuel flowage fees, hangar rentals, and percentages of gross volume of business). City will establish rates, fees, and charges as the city determines necessary and appropriate for the leases. City may charge different rates to similar users of the airport if such rates are nondiscriminatory in purpose.

11.3 Periodic Adjustment of Rates

Adjustments to rental rates and airport user fees (e.g., percentages of an operator's gross revenues) provides parity of rates and charges between new and long-standing operators and assists the airport in achieving self-sustainability. Leases will contain an annual escalation provision applicable to rents or user fees, as applicable. In addition to and not in lieu of the annual escalation, rents and user fees will be adjusted every five years (or at such other period determined by the city) to equal or exceed the then applicable fair market rental rate. For purposes of this Section 11.3, the term "user fees," does not include landing fees and/or passenger facility charges.

12. Construction of Leasehold Improvements

12.1 General Policy

City seeks to promote consistent, attractive, and compatible high-quality development at the airport. City desires to encourage private sector investment in airport facilities and develop and maintain aesthetic excellence and high standards of environmental protection. City desires to create standards of development that maintain the character of the airport, are consistent with the city's policies, and ensure all construction meets and exceeds applicable safety standards and requirements. City prohibits any use, occupancy, construction, modification, and/or improvement that is inconsistent with the ALP.

12.2 Development Requirements

If applicable, a lease will include, without limitation, specific development requirements for construction of leasehold improvements on the airport. Prior to commencing construction of any leasehold improvements and before any building materials have been delivered to the airport, the tenant will comply with each of the following conditions (and all other conditions the city may reasonably impose):

12.2.1 Each tenant will timely make application for, and obtain, all necessary construction, building, and other permits, approvals, authorizations, and consents, including, without limitation, all necessary approvals from the FAA, the city, and Deschutes County. If applicable, construction of leasehold improvements must be approved (i.e., must receive a "no objection" determination) by the FAA through the notice of proposed construction review process, submittal of FAA Form 7460-1, and will be subject to all applicable laws. In connection therewith, the tenant will pay all applicable required application, permit, and processing fees. No leasehold improvements will be designed, planned, constructed, reconstructed, and/or remodeled without the airport director's prior written consent.

12.2.2 Each tenant will submit a site plan application and pay the applicable fee to the city for the city's land use approval process. The tenant will follow the conditions of approval from the site plan decision. As part of a design review process, the tenant will submit to the city three sets of preliminary construction plans and specifications prepared by an architect or engineer licensed in the State of Oregon which are sufficient to enable the city to make an informed judgment about the design and quality of the leasehold improvements.

12.2.3 Approval or disapproval will be communicated to the tenant in the manner provided for notices within a reasonable period of time after receipt of complete plans and specifications by the city. Any disapproval will be accompanied by a statement of the reasons for such disapproval. Tenant will revise plans and specifications to address the city's review comments. Final working drawings and the construction work will conform in all respects with the site plan decision, plan review comments, and building department requirements. City will not be obligated to approve or agree with any item, specification, or document contained in or related to the plans and specifications not reasonably acceptable to the city. City's review of the plans and specifications will be completed solely to protect the city's interests in the subject property and Airport; the city will not be a guarantor of, or responsible for, the correctness or accuracy of the plans and specifications or their compliance with the laws. No tenant will modify, improve, alter, add, and/or delete facilities without the airport director's prior written consent.

12.2.4 Each tenant will deliver to the city true copies of the commitments for both interim and permanent financing for any leasehold improvement construction together with written approval of the plans and specifications by the financial institution issuing the interim loan commitment. The tenant is not required to provide copies of the financial institution's commitment if the tenant will pay for construction without third party financing.

12.2.5 Each tenant will deliver to the city such other documents, proofs, and copies as the city may reasonably request, including, without limitation, proof that workers' compensation insurance has been procured to cover all persons employed in connection with the construction, proof of issuance of all building and other permits required for the construction, and copies of the tenant's contract with the general contractor or with subcontractors for the leasehold improvement's construction. Each tenant will obtain builder's risk insurance.

12.3 Construction

12.3.1 Any structure or facility constructed or placed upon the airport will be constructed in a manner to conform to all safety and environmental regulations and will be in compliance with the city's current site development requirements, building codes, and fire regulations, and all FAA design standards. Each tenant will obtain, at the tenant's cost and expense, all site plans, permits, and licenses required to construct the leasehold improvements and will pay all applicable taxes, permits, inspection fees, and/or licenses required for construction and operation of the tenant's leasehold improvements and business.

12.3.2 Except as expressly provided otherwise by the city, each tenant will be solely responsible for connecting the leasehold improvements to utilities and other facilities, at the tenant's cost and expense, including, without limitation, public roadways, aprons, taxiways, electrical power, communications, water, sewer, and natural gas. Once construction has commenced, the tenant will prosecute construction of the leasehold improvements expeditiously, with diligence, and in accordance with the construction scheduled approved by the city. The tenant will suppress, at the tenant's cost and expense and to the satisfaction of FAA, all electromagnetic interference with radio guidance, safety devices, and/or with any electric or electronic equipment or installations on or associated with the airport.

12.3.3 Construction will be performed in a good and workmanlike manner and will comply with all applicable laws. The tenant will timely pay, or cause to be paid, all costs, expenses, and charges related to or concerning the leasehold improvements, including, without limitation, costs of construction and installation. Each tenant will conduct its operations and construction in a safe, neat, and orderly fashion and in a manner that minimizes dust, noise, odors, stormwater detention, pollution, and smoke generation.

Appendix A
Definitions

“AIP” means the city’s then current Airport Improvement Program.

“Airport” means the Redmond Municipal Airport (a/k/a “Roberts Field”), a public municipal airport located in Redmond, Oregon, including, without limitation, all areas, buildings, facilities, and improvements within the exterior boundaries of the airport as it now exists or as it may hereafter be extended or enlarged.

“Aeronautical Activity(ies)” means any activity and/or service conducted at the airport that involves, makes possible, and/or is required for operation of aircraft, or that contributes to or is required for the safety of such operations, including, without limitation, the following services and/or activities commonly conducted on airports: charter operations; pilot training; aircraft rental and sightseeing; aerial photography; crop dusting; aerial advertising; surveying; air- carrier operations; aircraft sales and services; sale of aviation petroleum products; repair and maintenance of aircraft; sale of aircraft parts; and/or any other activities that, because of their direct relationship to the operation of an aircraft, can appropriately be regarded as an “aeronautical activity.”

“Airport director” means the individual employed and authorized by the city to be the chief administrative officer of the airport (or his or her designee).

“ALP” means the FAA approved and the city adopted drawing, as may be amended from time to time, which reflects an agreement between the FAA and airport, depicting the physical layout of the airport, identifying city-owned property at the airport to be utilized for aeronautical activities, and identifying the location and configuration of current and proposed runways, taxiways, buildings, roadways, utilities, navigational aids, facilities, plans, and other airport uses and proposed allocation of airport land and/or improvements to specific uses, operations, and/or development.

“AMP” means the city’s the current Airport Master Plan.

“Applicant” means a person submitting an application to the city to enter into a lease concerning the use and/or occupancy of airport property.

“ASP” means the city’s then current airport strategic plan.

“City” means City of Redmond, an Oregon municipal corporation.

“Commercial Aeronautical Activity” means an aeronautical activity for commercial purposes as defined in the minimum standards.

“Deficiency Notice” has the meaning assigned to such term in Section 4.4.

“Encumbrance(s)” means any lien, mortgage, pledge, security interest, reservation, restriction, adverse claim, and/or other encumbrance.

“Environmental Law(s)” means any federal, state, and/or local statute, regulation, and/or ordinance, or any judicial or other governmental order, pertaining to the protection of health, safety, and/or environment.

“FAA” means the Federal Aviation Administration.

“General Aviation” means all phases of aviation, excluding military aviation and scheduled or non-scheduled commercial air carrier operations.

“Grant Assurance(s)” means the various continuing commitments airport owners make to the United States as a condition for receipt of grants from the federal government or as a condition of the conveyance of federal property for airport uses.

“Hazardous Substance(s)” means any hazardous, toxic, infectious, and/or radioactive substance, waste, and/or material as defined or listed by any environmental law, including, without limitation, pesticides, aviation fuel, paint, petroleum oil, and their fractions.

“Law(s)” means all policies, rules, leases, covenants, conditions, restrictions, easements, declarations, laws, statutes, liens, ordinances, orders, codes, and regulations directly or indirectly affecting a Lease, the airport, and/or permitted airport uses, including, without limitation, the Americans with Disabilities Act of 1990 (and the rules and regulations promulgated thereunder), environmental laws, any rules or regulations promulgated by the FAA or any other federal airport authority (including, without limitation, grant assurances and requirements under 14 CFR Part 77), Chapter 10 of the city’s municipal code, this policy, and the rules and regulations, all as now in force and/or which may hereafter be amended, modified, enacted, and/or promulgated.

“Lease” means any agreement between the city and a person pursuant to which the city grants the person permission to use and occupy airport property in conformance with certain leasehold interests for a specified period of time in exchange for specified rent.

“Minimum standards” means those certain Airport Minimum Standards for Commercial Aeronautical Service Providers at the Redmond Municipal Airport – Roberts Field, codified at chapter 10 of the city’s municipal code, as amended by the city from time to time.

“Operator” means either a fixed base operator and/or a specialized aviation service operator when performing a commercial aeronautical activity.

“Person” means any natural person, corporation, limited liability company, partnership, joint venture, firm, association, trust, unincorporated organization, government or governmental agency or political subdivision, or any other entity.

“Rules and Regulations” means those Rules and Regulations Redmond Municipal Airport – Roberts Field adopted June 28, 2016, as amended from time to time, and such other city policies, procedures, and/or regulations governing the safe, orderly, and efficient use of the airport as established and amended from time to time.

“State” means the State of Oregon.

“Tenant” means a person authorized to use and/or occupy certain airport property and holding certain leasehold interests in and to airport property subject to and in accordance with the terms and provisions of a lease with the city.

“Tenant’s agent(s)” means a tenant’s directors, officers, shareholders, members, managers, employees, agents, representatives, invitees, and/or contractors.

“Transfer” means any sale, assignment, mortgage, sublet, lien, conveyance, encumbrance, and/or other transfer (whether directly, indirectly, voluntarily, involuntarily, and/or by operation of law); provided, however, the term “transfer” includes the sale, assignment, encumbrance, and/or transfer - or series of related sales, assignments, encumbrances, and/or transfers of the shares, membership, and/or other ownership interests of the tenant.



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EXHIBIT A

REDMOND MUNICIPAL AIRPORT ADVISORY COMMITTEE MINUTES

November 8, 2018

2522 SE Jesse Butler Circle, Suite 17 – Airport Event Conference Room, Redmond, Oregon

Committee Members Present: Chair Eric Sande, Vice-Chair Sean Neary, Daniel Bahlman, Ross Centers, Kelly Coffelt, Phil Henderson, Justin Livingston, Tim Moor (*absent: Rob Berg*)

Youth Ex Officio: Vacant

City Staff: Zachary Bass, *Airport Director*; Erinn Shaw, *Office Assistant III*; Fred LeLacheur, *Airport Engineer*; Tammy Rohach, *Office Assistant III*; Jeremy Green, *City Attorney-Airport*; Jason Neff, *Budget Director*; Cameron Prow, *TYPE-Write II*

City Council Liaison: Jay Patrick, George Endicott

Visitors: Christy Smith; Doug Denneson; Drew Sims; Eric Danfelt; Jessie Caton; Joe Roshak, *Century West Engineering*; Loritta Coffelt; Matthew Brawn, *Aviano Redmond LLC*; Radley Clothier; Scott Gendron; Sean Killion; Shawn Chesley; William Huff

Media: None

(Agenda items appear in discussion order. The 3 digits after a motion title show the number of committee members voting in favor/opposed/abstaining.)

I. CALL TO ORDER – ROLL CALL

Chair Sande called the regular meeting of the Redmond Municipal Airport Advisory Committee to order at 5:30 p.m., Thursday, November 8, 2018.

Ms. Prow called the roll and confirmed the presence of a quorum (5 of 9 members). Mr. Centers arrived at 5:31 p.m. and Mr. Henderson at 5:33 p.m. prior to approval of the minutes, increasing the quorum to 7 of 9 members. Mr. Livingston arrived at 5:40 p.m. after approval of the minutes, increasing the quorum to 8 of 9 members.

II. ANNOUNCEMENTS

None.

III. SWEARING IN NEW COMMITTEE MEMBER

Councilor Patrick administered the oath of office to new member Daniel Bahlman.

Mr. Bahlman introduced himself, summarizing his employment and airport experience.

IV. COMMENTS FROM CITIZENS

None.

V. APPROVAL OF MINUTES

Motion 1 (7/0/0): Mr. Centers moved to approve the minutes of September 20, 2018, as presented. Mr. Coffelt seconded the motion which passed unanimously.

VI. AIRPORT STAFF BRIEFINGS, REPORTS & PRESENTATIONS

A. Airport Report

Mr. Bass provided Airport Performance Metrics Reports for August and September 2018 and made a PowerPoint presentation, summarizing activities since the September 2018 meeting.

Quick Updates: Year-over-year enplanements showed a 16% increase. Hotel negotiations are ongoing. Redmond Fire Department and DPSST (Department of Public Safety Standards and Training for Oregon) are using the old Public Works building for a training center and seeking a longer lease on the building.

Mayor Endicott requested a status report on a feasibility study about using the old golf course property for a regional emergency operations training center. Mr. Bass said the regional partners indicated their willingness to help, but the study was not yet fully funded. He will check with Scott Aycock, Central Oregon Intergovernmental Council, who is managing the study. Mr. LeLacheur said Mr. Aycock, when he spoke with him this afternoon, promised to e-mail information by the end of this week.

B. Construction Updates

Mr. Bass provided an overview (PowerPoint) of projects underway and planned:

- **Runway 11-29 Reconstruction:** Reopened on October 29 but closed again for the FAA to repair a navigational aid it owns and reconstructed. Mr. LeLacheur said 11-29 was expected to reopen by mid-afternoon on November 9.
- **New Jet-A Fuel Tank:** Expecting to install a third 20,000-gallon tank on November 12.
- **Commercial Ramp Extension** (\$8.1 million) – Add 2 aircraft parking spots to the existing 9 which will be full in January 2019. Construction expected to start in spring 2019
- **Quick Turnaround Car Rental Facility** (\$6.5 million) – This project will be presented to Council on November 27 with a request for approximately \$197,000 in matching funds for the design grant. Construction expected to start in summer 2019 with completion estimated in mid-October 2019. He and Mr. Neff discussed revenue sources and how the debt service cost would impact the budget over the next 20 years.
- **SRE (Snow Removal Equipment) Building** (\$12 million estimate) – Council approved the design which is underway. Construction expected to start in late summer 2019 when the Airport receives part of the FAA grant required. Mr. Bass discussed the priority, funding sources, debt service, bond repayment, and project trade-offs.

VII. OLD BUSINESS

A. Air Service Updates

- **Alaska Airlines:** The 737-800 service ended on November 4. A 10th flight (E175) will start in January 2019. Four of Alaska's Q400 routes will change to E175, which is good as Redmond Airport is the only E175 maintenance base in Oregon outside Portland.
- **Delta Air Lines:** COAST (Central Oregon Air Service Taskforce) and Mr. LeLacheur met with Delta staff this week and pitched Minneapolis, but were told Minneapolis was three years out. No substantial changes expected for the next year or two.
- **United Airlines:** COAST met with Chicago headquarters staff last Friday. Redmond will keep 4-5 daily flights to San Francisco but the aircraft size might decrease slightly. Starting in spring 2019, United will add a flight to Denver which, depending on its summer performance, could be in place for the rest of the year. United's new LAX (Los Angeles)

flight started in late spring 2018 and might be upgraded to an E175. COAST pitched a daily Chicago flight with a revenue guarantee and a DOT (Department of Transportation) grant to help offset starting costs. United staff were not interested in a daily flight but were willing to consider a seasonal flight.

B. FBO Negotiations

Mr. Bass reported negotiations with Leading Edge Jet Center, the Airport's current FBO (Fixed Base Operator), were 98% complete. He's hoping to implement the new 30-year agreement by March 1, 2019. Included would be a \$6 million investment on the Airport's north side for a new hangar and a new FBO building for general aviation and corporate use.

C. FAA/ODA Grant Updates

Mr. Bass said both ODA (Oregon Department of Aviation) core grants applied for last year to provide matching funds for FAA (Federal Aviation Administration) funding were approved.

VIII. NEW BUSINESS

A. Parking Fees

Mr. Bass discussed (PowerPoint) the current parking situation, impact of Airport growth (enplanements up 75% in the last 5 years), available customer parking (1,151 spaces), impact of ground transportation, parking demographics, parking alternatives considered, short-term and long-term expansion plans, parking revenue distribution, current parking rates, airport parking rate comparisons, and parking rate options. If Council approves the proposed rate increase, the new parking fees will become effective on January 1, 2019.

Committee concerns included parking alternatives considered, percentage of debt service versus operational dollars versus reserves, impact of proposed rate changes, keeping the current rate for the first 30 minutes, dropping the free 7th day, and implementing an annual review of the Airport's parking policy. Members requested staff e-mail the parking comparisons. Following discussion, committee members agreed by consensus to support Parking Fee Option 1.

B. Transient Commuter Parking Changes

Mr. Bass outlined (PowerPoint) proposed changes to the 100 parking spaces now reserved for nonresident airline personnel. Current lot usage is 60-70% full.

Chair Sande invited public comment on proposed changes to the transient parking program:

- **Christy Smith** (Horizon Air) expressed concern about financial impact of the proposed rate change on single parents and the space available. If she can't find a parking space or is late in reporting for work, she will be fired.
- **Bill Huff** asked about the availability of a park-and-ride lot.
- **Radley Clothier** (SkyWest pilot) said tripling the current transient parking rate was excessive. He uses the transient parking lot about 18 days a month. The airlines have brought jobs into Central Oregon and airline staff shouldn't be penalized for trying live and raise their families here.
- **Shawn Chesley** (SkyWest pilot) said he often bids Redmond overnight. Tripling the parking rate means the Airport's priority is revenue. Uber won't travel to Alfalfa and its \$40-per-day rate is expensive. His work schedule means he flies out of Redmond at 5:45 a.m. and returns late at night. Walking to/from parking in the dark is not safe.

- **Drew Sims** (SkyWest pilot) said having to cross Airport Way on foot to parking on the west side was unsafe. Carpooling is not a viable option with his work schedule (4 a.m. to 1 a.m.). He asked the Airport to keep the fees at \$30 per month and suggested allowing airline employees to park in the public lot with a special badge.
- **Loritta Coffelt** (SkyWest flight attendant) objected to paying a higher parking fee. Rates should be comparable to those at other airports. She is a single parent trying to raise two daughters on \$33,000 per year and cannot afford \$1,100 per year to park at Redmond Airport. Forcing her to pay higher rates or park in the public parking lot could result in her missing a flight, which would cause her to be fired. Walking a long way in the dark to and from a parking lot farther away feels scary and unsafe. She suggested canceling the 7th day free parking rate to help offset the cost for transient parking.
- **Scott Gendron** (SkyWest pilot) said 80% of air crews throughout the country commuted. At \$5 per day, his current 18-days-per-month schedule would cost \$90 per month. Using Uber or Lyft would cost him \$312 per month or just short of \$4,000 per year. Taxi service would cost over \$3,000 per year. Having his wife drive him to work at 4 a.m. and pick him up after midnight was not a viable option with his flying schedule. He suggested increasing the cost of public parking to align with the national average for commuter parking (\$300 per year). He and his family live in Central Oregon so Redmond is his home airport.
- **Sean Killion** (Horizon captain) said carpooling was impractical due to his early morning flight schedule. Not showing up for a flight due to lack of parking would cause him to be fired. Contributing to the current flight crew shortage could mean planes would not leave the airport.
- **Doug Denneson** (SkyWest pilot) said he used to live in Redmond but didn't now and didn't park here but supported comments made by other airline personnel.
- **Jessie Caton** (Alaska flight attendant) said she used to park in the lot across the street. Dragging bags across the street in the snow was hard. The proposed rate change would increase her cost by over \$100 a month.
- **Eric Danfelt** (Delta captain, 35 years) said he has lived here for 20 years. He stated "airport infrastructure hasn't kept up with the growth out here so we're the soft target in this whole thing." Losing the current transient parking option and having to compete with the public for a parking spot was punishment enough. He suggested increasing the public parking fee to \$15 per day and using the employee lot with a separate gate as a premium public parking spot at \$18 per day. He didn't think the public would put up much of a fight. Any increase in the transient parking lot should be a marginal one.

Chair Sande thanked everyone for their comments.

Committee concerns included competing themes (guaranteed spots vs. maintaining current rates), impact of ending the current 7th day free program, importance of consistent access for airline employees, how Redmond Airport's public parking rates compare to those at other destinations (airports), potential impact of higher parking rates on customer behavior (flying out of/into the Portland (PDX) Airport instead of Redmond Airport), forcing airline employees to lose their jobs if they can't pay the increased parking fees, how parking behavior should be changed, impact of charging by the day instead of by the year, impact of requiring airline personnel to park in the public lot, number of people without parking, if transient parking is

included in airline employee pay packages, number of transient permits issued, average number of days the transient parking spaces are used, why transient parking users are upset, difference between the current rate and the pre-2012 rate of \$4 per day, and impact of the proposed transient parking rate changes.

Mr. Coffelt, Mr. Livingston, Vice-Chair Neary, and Chair Sande volunteered to serve on a subcommittee with airline employees to work on the transient parking fee structure. Subcommittee members recommended keeping transient parking at current rates and extending airline contracts until the Airport Committee's December 2018 meeting.

C. Policy Changes

Mr. Bass summarized the background of the lease restructuring process.

Mr. Green reviewed the proposed rewrite of the Airport's aeronautical lease, discussing advantages to separate policies and formats for aeronautical and nonaeronautical leases and explaining why the changes proposed were needed. His objective with the new policies was to give the City as much discretion and latitude as possible. To aid committee review, he agreed to write a memo about proposed changes to the aeronautical policy and lease format and to draft a nonaeronautical policy and format. He asked committee members to e-mail comments about the proposed policy changes to Mr. Bass.

Committee members agreed to revisit this topic at their December 2018 meeting.

VIII. COMMITTEE MEMBER COMMENTS

Committee members agreed transients and the public needed to understand the nuts and bolts of the parking situation and that staff have spent a lot of time researching options and potential solutions. Most comments tonight were about the rate and knowing where to park.

Ms. Shaw pointed out transients pay a monthly fee and Airport staff have no way of monitoring if they're working when they use their permit. Staff have observed some people using these permits for nonwork purposes. The employee lot always fills up. Airport staff have been issuing warning citations to transients who park in the employee lot.

Mr. Bass said staff were already seeing customers very upset about paying full rate and not having a place to park.

Mr. Coffelt recommended the Airport issue a press release to support customers making alternate arrangements to avoid having to park at the Airport before the holiday traveling season.

Next Airport Advisory Committee meeting: Thursday, December 13, 2018, 5:30 p.m.

IX. ADJOURN

With no further business, Chair Sande adjourned the meeting at 7:38 p.m.

APPROVED by the Redmond Municipal Airport Advisory Committee and SIGNED by the Chair this _____ day of _____, 2018.

ATTEST:

Eric Sande
Chair

Zachary Bass
Airport Director



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EXHIBIT B

**REDMOND MUNICIPAL AIRPORT ADVISORY COMMITTEE
MINUTES**

December 13, 2018

2522 SE Jesse Butler Circle, Suite 17 – Airport Event Conference Room, Redmond, Oregon

Committee Members Present: Chair Eric Sande, Vice-Chair Sean Neary, Daniel Bahlman
(*absent: Rob Berg, Ross Centers, Kelly Coffelt, Phil Henderson, Justin Livingston, Tim Moor*)

Youth Ex Officio: Vacant

City Staff: Zachary Bass, *Airport Director*; Erinn Shaw, *Office Assistant III*; Fred LeLacheur,
Airport Engineer; Cameron Prow, *TYPE-Write II*

City Council Liaison: Jay Patrick

Visitors: Brian and Karla Pouillin; Eric Danfelt, *SkyWest*; Joe Roshak, *Century West Engineering*;
Kim Lundquist, *Alaska Air*; Lori Williams, *Horizon Air*; Martin Ericksen; Matthew Brawn, *Aviano, Inc.*

Media: None

(Agenda items appear in discussion order. The 3 digits after a motion title show the number of committee members voting in favor/opposed/abstaining.)

I. CALL TO ORDER – ROLL CALL

Chair Sande called the regular meeting of the Redmond Municipal Airport Advisory Committee to order at 5:37 p.m., Thursday, December 13, 2018.

Ms. Prow called the roll and confirmed the absence of a quorum (3 of 9 members).

II. ANNOUNCEMENTS

None.

III. COMMENTS FROM CITIZENS

Mr. Ericksen expressed concern about noise and fumes from business jets, twin-prop commercial planes, and summer air tankers flying about 500 feet over his house near Fred Meyer. Can the flight path be changed to bring planes in from the desert instead of over downtown?

Mr. Pouillin, a neighbor of Mr. Ericksen, said the low overflights were proposed as a temporary situation a couple years ago when the runways were being reconstructed. The overflights stopped for a while but have started up again. He expressed concern about property values, recounting an anecdote about south Seattle neighborhoods being bulldozed due to air noise.

Ms. Pouillin said she and her husband lived a block from Lynch Elementary and asked if the flight path could avoid the downtown area. She felt the City's efforts to renovate downtown to improve services and parks would be ineffective if the downtown flight path continued.

Mr. Bass said the Airport is twice as busy operationally as it was a few years ago. The airport has little control over flight patterns which are set by the FAA (Federal Aviation Administration). Wind coverage is a strong influence, especially for prop planes. Airport staff will look into this situation and provide an update at a future meeting.

IV. APPROVAL OF MINUTES

Due to lack of a quorum, Chair Sande postponed approval of the November 8, 2018, minutes to the next meeting.

V. AIRPORT STAFF BRIEFINGS, REPORTS & PRESENTATIONS

A. Airport Report

Mr. Bass provided (PowerPoint) the following **Quick Updates:** Year-Over-Year Enplanements showed a 16% increase. Alaska Airlines is switching four of its Q400 routes to E175 aircraft and will add another flight in January 2019. FBO (Fixed Base Operator) negotiations are ongoing and the new FBO agreement is expected to start in April 2019. Hotel negotiation is ongoing. The lease for the old Public Works building is nearly complete. A third TSA (Transportation Security Administration) lane is under consideration. The Airport is exploring terminal expansion possibilities, which will require a lot of input from stakeholders before moving forward. Personnel changes expected in January include an Airport intern.

B. Construction Updates

Mr. Bass discussed plans underway to expand the Airport security office.

VI. OLD BUSINESS

A. SRE (Snow Removal Equipment) Building

Mr. Bass reviewed (PowerPoint) Airport plans to build a new SRE building. Construction is expected to start in late summer 2019.

VII. NEW BUSINESS

A. Parking Fee Increase

Mr. Bass said City Council approved, on December 11, implementing the new parking rates the first of January 2019. The first ½ hour will stay at \$1, hourly rates will stay at \$2, all-day rate will increase to \$15, and the 7th day will no longer be free. The Airport is expecting to receive an extra \$1.7 million annually from this change which will help fund the \$85 million in projects needed over the next 7 years.

B. Transient Commuter Parking Changes

Mr. Bass reported Council had approved a \$197,000 design contract with the Airport's engineer-of-record to expand the current transient employee parking lot to 100 spaces and reallocate it for public (customer) credit card parking. He outlined existing conditions, proposed changes, and new policies recommended by the subcommittee. Effective March 2019, transient airline employees will park in a graveled lot that has served as overflow public parking. This lot is about the same distance from the Airport as the current transient parking lot and would be at the same \$300-per-year rate. Parking in this new transient lot (minimal lighting, no internal sidewalks, no snow removal) is intended as a temporary solution and will be on a first-come/first-served basis using the same permit process. Perimeter sidewalks will be plowed but not the unpaved parking area. The Airport will accommodate any ADA (Americans with Disabilities Act) needs. If the new transient lot is full, transient employees must park in the public lot at the full \$15-per-day rate.

Ms. Williams, Horizon flight attendant, asked about solar lighting along the walkway.

Ms. Lundquist objected to what she viewed as an unsafe situation due to darkness and tripping hazards. Why should transient employees sign a liability waiver for parking under

more dangerous conditions? Pulling multiple suitcases would be easier on a chipseal surface. Could employees be granted a price discount for winter weather conditions?

Mr. Danfelt thanked Airport staff for trying to accommodate transient employee parking needs and the special focus group for its efforts. He said the new gravel lot was in a good location and he understood customers were the Airport's #1 priority. He suggested a 50% discount for employees parking in the main (customer) lot during the lower winter travel season (January, February, March) and returning to the transient lot on March 15, 2019.

Committee concerns included ambient lighting, overflow public parking options, and what would happen if employee vehicles became stuck or buried in the snow. Vice-Chair Neary defended the subcommittee's recommendations which considered transient employee feedback about the importance of maintaining the current rate. He explained why lights couldn't be added to the temporary lot. The subcommittee didn't discuss rate discounts for the winter and logistically he wasn't sure it could be done.

Councilor Patrick suggested using Uber and taxi services until other arrangements can be made.

Mr. Bass responded to concerns expressed about the change in transient parking options. The draft Airport Leasing Policy will be presented for Council approval in February 2019.

C. Parking Policy Changes

Mr. Bass presented the draft Airport Leasing Policy and a memorandum from Jeremy Green, attorney with Bryant, Lovlien & Jarvis, P.C., who has been working with City management and staff to update the leasing policy. He requested committee review of the draft leasing policy, especially Section 1.5.

VIII. COMMITTEE MEMBER COMMENTS

Chair Sande requested a review of committee attendance.

Next Airport Advisory Committee meeting: Thursday, January 10, 2019, 5:30 p.m.

IX. ADJOURN

With no further business, Chair Sande adjourned the meeting at 6:27 p.m.

APPROVED by the Redmond Municipal Airport Advisory Committee and SIGNED by the Chair this _____ day of _____, 2019.

ATTEST:

Eric Sande
Chair

Zachary Bass
Airport Director



Redmond Municipal Airport-Roberts Field

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EXHIBIT C

REDMOND MUNICIPAL AIRPORT ADVISORY COMMITTEE

MINUTES (AMENDED)

September 20, 2018

Redmond Municipal Airport – Roberts Field

2522 SE Jesse Butler Circle, Suite 17, Event Conference Room, Redmond, Oregon

Committee Members Present: Chair Eric Sande, Rob Berg, Ross Centers, Kelly Coffelt, Justin Livingston (*absent: Vice-Chair Sean Neary, Phil Henderson, Tim Moor; 1 vacancy*)

Youth Ex Officio: Vacant

City Staff: Zachary Bass, *Airport Director*; Erinn Shaw, *Office Assistant III*; Fred LeLacheur, *Airport Engineer*; Keith Witcosky, *City Manager*; Cameron Prow, *TYPE-Write II*

City Council Liaison: Jay Patrick, George Endicott

Visitors: Matthew Brawn, *Aviano RDM LLC*; Thomas Headley III, *Century West Engineering*; William Huff

Media: None

(Agenda items appear in discussion order. The 3 digits after a motion title show the number of committee members voting in favor/opposed/abstaining.)

I. CALL TO ORDER – ROLL CALL

Chair Sande called the regular meeting of the Redmond Municipal Airport Advisory Committee to order at 5:36 p.m., Thursday, September 20, 2018.

Ms. Prow called the roll and confirmed the absence of a quorum of members (3 of 8). Chair Sande asked staff to contact absent members about why they are not regularly attending meetings.

Mr. Livingston arrived at 5:38 p.m., increasing the number of committee members present (4 of 8) which still did not constitute a quorum.

II. ANNOUNCEMENTS

A. Airport Committee Opening and Interviews

Chair Sande tabled discussion of this item due to lack of a quorum.

III. COMMENTS FROM CITIZENS

Bill Huff, a Redmond resident, indicated interest in joining the Airport Committee.

V. AIRPORT STAFF BRIEFINGS, REPORTS & PRESENTATIONS

A. Airport Report

Mr. Bass provided Airport Performance Metrics Reports for June and July 2018 and made a PowerPoint presentation, summarizing activities since the July 2018 meeting.

Highlights: Year-over-year enplanements showed an 18% increase. July and August 2018 were the busiest months the Airport has ever had – over 90,000 customers each month. Employment has increased 18% since last year to support the higher volume of business. Financial performance during fiscal year 2017-2018 outperformed budget expectations with expenditures 4% lower and revenue 18% higher. He presented a five-year list of projects for which the Airport is requesting FAA (Federal Aviation Administration) funding. Ground pickups by taxi, Uber, and Lyft totaled 4,500 in August 2018.

The only major airfield expansion, according to the Airport's master plan, is to extend Runway 5 to 10,000 feet. The Airport is planning to add its own tie-downs and other amenities as an alternative to FBO services.

Mr. Bass said the Airport has been trying to get radar in the tower for a long time. With U.S. Senator Merkley's help, Redmond Airport has finally been added to the candidacy list.

B. Construction Updates

Mr. LeLacheur and Mr. Bass reviewed (PowerPoint) projects underway and planned. Changes in project priorities were based on the Airport's recently completed Master Plan.

- **Runway 11-29 Reconstruction** (\$11 million) – multiple phase, expected to finish on time and on budget with the runway reopening the 3rd week of October 2018.
- **Commercial Ramp Extension** (\$8.1 million) – City Council approved FAA Grant 43. Bid awarded to K&E Excavating. Multiple-phase project starting spring 2019 – no service disruption expected.
- **Rental Car Quick Turnaround Facility** (\$6.5 million) – The site has been selected, design and funding are underway. Construction starting summer 2019. Current rental activity: 1,200 cars per week.
- **Snow Removal Equipment (SRE) Building** – The FAA approved the scope of work. Design is underway.
- **New Jet-A Fuel Tank** (\$140,000) – Awaiting delivery of a third 20,000-gallon tank.
- **Leading Edge Jet Center** – The FBO added a 25,000-gallon tank.
- **Southside Tie-Downs** – Hillsboro Air decided to add more tie-downs to accommodate the number of new planes needed to support its flight school operation.
- **New Customer** – Bigfoot is expected to arrive in mid-October and will be placed in the terminal. Redmond Airport plans to use this display to help increase its presence on social media and promote its ability to serve an increasing number of customers.
- **Regional Emergency and Training Center** (\$26-\$52 million) – Scott Aycock, Central Oregon Intergovernmental Council, is working on a Central Oregon Emergency Services Center Viability Assessment. Redmond would like this training center on Airport property.

- **Radar in Control Tower** – Mr. Bass credited Senator Merkley’s assistance in finally getting Redmond Airport on the candidacy list to add radar in the control tower.

Mr. Huff asked if the Airport was planning to update any approaches. Mr. LeLacheur said no, but the Airport was interested in extending Runway 5 to 10,000 feet to accommodate larger aircraft that can connect with destinations farther away from Redmond.

Mr. Bass reported three owls and two kestrels using runway lights to hunt at night were trapped and relocated by the USDA (U.S. Department of Agriculture).

Mr. Berg arrived at 6:03 p.m., increasing the number of committee members present (5 of 8) which established a quorum.

IV. APPROVAL OF MINUTES

A. Meeting Minutes – May 2018

B. Meeting Minutes – July 2018

Motion 1 (5/0/0): Mr. Centers moved to approve the minutes of May 10 and July 12, 2018, as presented. Mr. Livingston seconded the motion which passed unanimously.

VI. OLD BUSINESS

A. Air Service Updates

Mr. Bass presented a PowerPoint, prepared by the Airport’s air service consultant, on industry trends throughout the country and the Redmond market.

- **Alaska Airlines:** The 737-800 service that started in July will end in November 2018; however, Alaska is adding a 10th flight starting in January 2019. Redmond has been slotted as the new (only) Embraer Air maintenance base for E175 aircraft in Oregon outside the Portland area. Redmond Airport is also a Q400 maintenance base.
- **Allegiant Airlines:** Allegiant has requested information.
- **Frontier Airlines:** Frontier has requested information.
- **United Airlines:** The Airport is exploring the viability of adding daily service to Chicago on E175 aircraft.

B. FBO Negotiations

Mr. Bass reported Leading Edge Jet Center, the Airport’s current FBO (Fixed Base Operator), has been a good partner. He summarized Leading Edge’s involvement with Redmond Airport. The FBO has 1.5 years to go on its 5-year lease. Negotiations are underway for a new lease and are 90% complete. Leading Edge has indicated interest in expanding its operation if it gets a longer lease.

C. FAA Grant Updates

See Agenda Item V.B. (Construction Updates – Commercial Ramp Extension) above.

VII. NEW BUSINESS

A. Airport Security/Emergency Discussion

- **CenturyLink Fiberoptic Cable/Internet Issue:** Mr. Bass said a lot of customers were upset when the Airport had to cancel several flights for two days due to the fiberoptic cable going down. An electrical engineer will evaluate the Airport’s system. Staff are working to establish redundant systems.

- **Attempted Kidnapping:** Mr. Bass reported an individual experiencing psychosis tried to pull a child away from his family. Airport staff dealt with the situation and have debriefed with Redmond Police to identify ways to avoid future incidents. Airport staff will receive more training on how to deal with people who are acting strangely.
- **Horizon Airlines Incident:** Due to the man who stole a Q400 aircraft in Seattle, Redmond Airport is being more careful in vetting people allowed on Redmond's airfield.

VIII. COMMITTEE MEMBER COMMENTS

Mr. Livingston shared a complaint from a Redmond citizen about the \$20 minimum fee she was charged by a taxi driver. Mr. Bass said ground transportation companies that violate the Airport's conduct code can be banned from Airport property. He urged Mr. Livingston to encourage the citizen who experienced this unethical behavior to report it to Ms. Shaw.

Mr. Coffelt, Prineville Airport Manager, said his airport wasn't overly busy this summer but did provide some support for firefighters. *Upcoming construction projects:* new fuel system (fall 2018), new parking apron (spring 2019) and new U.S. Forest Service rappel base (spring 2019). Test wells done by a hydrologist have determined an aquifer runs under the airport. He is negotiating with the City of Prineville and Crook County on what needs to be done, how this might affect the airport, and if this aquifer could be a potential revenue source. Facebook's data centers use a huge amount of water.

Mr. Bass reported the Warm Springs UAS (Unmanned Aerial System) officer said she was moving some UAS equipment to the Prineville Airport. Mr. Coffelt said three UAS companies expressed interest in doing hover tests that would not involve the runway. There's been a lot of drone use close to his airport but no incidents with regular aircraft so far.

Mr. Berg, Madras Airport Manager, said the FAA approved a \$2.5 million grant for taxiway rehabilitation and an additional crossover taxiway to the main runway (#1634). Madras is working to identify funds that can be used for the 10% match. Daimler is still the biggest airport tenant.

Next Airport Advisory Committee meeting: Thursday, November 8, 2018, 5:30 p.m.

IX. ADJOURN

With no further business, Chair Sande adjourned the meeting at 6:35 p.m.

APPROVED by the Redmond Municipal Airport Advisory Committee and SIGNED by the Chair this _____ day of _____, 2018.

ATTEST:

Eric Sande
Chair

Zachary Bass
Airport Director