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**WILLITS AIRPORT COMMISSION
AGENDA**

MONDAY, MARCH 28, 2011 – 4:00 P.M. ♦ COUNCIL CHAMBERS

(All Items are Presented for Possible Direction and/or Action)

1. **CALL TO ORDER & ROLL CALL**

2. **APPROVAL OF MINUTES**

- February 28, 2011

3. **PUBLIC COMMUNICATIONS**

This item is limited to matters which are not on the posted agenda. No action shall be taken.

4. **OLD BUSINESS**

- a. Update on Roofing Repairs
- b. Update on Richardson and Davis Hangars
- c. Update Regarding Proposed Airport Management Agreement and Lease Proposal

5. **NEW BUSINESS**

- a. Discussion Regarding the City's Cost Allocation Plan as it Relates to the Airport Enterprise Fund

6. **OTHER MATTERS**

- Next Regular Meeting: April 25, 2011

7. **ADJOURNMENT**

Willits Airport Commission – Meeting Minutes February 28, 2011

COMMISSIONER PRESENT: Banning Galten, Ken Smith, Mike Smith, and Chairman Dave Shelton.

COMMISSIONER ABSENT: Gary Miner.

ALSO PRESENT: Paul Cayler, City Manager; John Sherman, Code Enforcement Officer; Adrienne Moore, City Clerk; Victor Hanson, Councilmember; Jim Harden; Marilyn Harden; Dick Johnson; and Paul Trexel.

1. CALL TO ORDER:

Chairman Shelton called the meeting to order at 4:05 p.m.

2. APPROVAL OF MINUTES:

Moved by Galten/seconded by K. Smith and carried (4, with Miner absent) to approve the minutes of the January 24, 2011, meeting as presented.

3. PUBLIC COMMUNICATIONS:

None presented.

4A. UPDATE ON FUEL SALES

Mr. Sherman provided an update on fuel sales, noting that 1832 gallons have been sold since the last fuel purchase, wholesale price rapidly increasing, bumping our price up, but keeping it below others; annual maintenance requirements and costs, weekly maintenance has produced excellent fuel test results, potential for longer intervals for maintenance.

4B. UPDATE ON BIDS FOR PORCH AND ROOFING REPAIRS

Mr. Sherman anticipates receipt of four bids for said repairs, which will be opened tomorrow afternoon. Commissioner Mike Smith asked about prioritization of repair projects at the Airport, reporting that Sierra Pacific's roof is leaking. Mr. Sherman stated that repair issues must be brought to his attention so that they may be addressed.

Public Comment: Paul Trexel.

4C. DISCUSSION AND REVIEW OF THE PROPOSED AIRPORT MANAGEMENT AGREEMENT FROM SIERRA PACIFIC

Mr. Cayler noted that staff needs additional time in which to complete the counter proposal, which the City Attorney has just completed his review, in order to present to Sierra Pacific, followed by presentation to the Commission.

5A. DISCUSSION AND REVIEW OF APPLICATION FROM THE MADSEN'S TO EXTEND THE ALLOWABLE PERIOD FOR CONSTRUCTION/RESTORATION EFFORTS

Chair Shelton referenced two written requests from the Michael Madsen to extend the deadline for completion his aircraft restoration projects to August 31, 2011.

Discussion ensued with there being a consensus to grant the extension, however, for a longer term to ensure an adequate timeframe in which to complete the two restoration projects.

Public Comment: Councilmember Victor Hanson; Paul Trexel.

Moved by M. Smith/seconded by K. Smith and carried (4, with Miner absent) to grant Michael Madsen his requests for extension for two aircraft restoration projects to March 1, 2012.

- 5B. REPORT ON THE FEBRUARY 12, 2011, INCIDENT OF AIRCRAFT OVERRUNNING RUNWAY 16**
Mr. Sherman reported on an incident that occurred at the Airport, noting that although he informed the critical agencies and the City Manager, he neglected to inform the Willits Police Department or the City's Risk Manager.

Discussion ensued about the cause of the incident in which an aircraft rolled off the runway due to faulty brakes.

6. OTHER MATTERS:

- Next Regular Meeting: March 28, 2011.

7. ADJOURNMENT:

Chairman Shelton declared the meeting adjourned at 4:41 p.m.

AIRPORT MANAGEMENT AGREEMENT ~~AND LEASE PROPOSAL~~

This AIRPORT MANAGEMENT AGREEMENT ~~AND LEASE~~ will be ~~made and~~ entered into in the County of Mendocino, State of California, as of ~~January 1, 2011,~~ _____ by and between the City of Willits, hereinafter called CITY, and Sierra Pacific Aviation, hereinafter called MANAGER.

WITNESSETH

WHEREAS, CITY owns and operates an airport in the County of Mendocino, City of Willits, State of California, commonly known as ~~the~~ Ells Field, The Willits Municipal Airport, (hereinafter called "Airport"); and

WHEREAS, The City Council ~~members~~ requested a proposals from Sierra Pacific Aviation MANAGER with regards to for the purposes of providing certain commercial management services at the Airport; and

WHEREAS, this proposal is submitted by ~~Sierra Pacific Aviation~~ MANAGER to the City Council, City of Willits, State of California; and

WHEREAS, MANAGER is willing and desires to manage the Airport facilities and provide ~~certain specific~~ commercial services as specified below, pursuant to the terms herein; and

WHEREAS, the ~~parties wish~~ purpose of this agreement is to provide for the private leasing management of property airport facilities as specified below by the City to Sierra Pacific Aviation MANAGER by CITY at the Airport for the purpose of providing certain commercial services and airport management as well as providing the commercial services specified below. ~~functions.~~

WHEREAS, MANAGER is an Independent Contractor. MANAGER'S principals and employees are not agents for or employees of the CITY.

~~Sierra Pacific Aviation~~ MANAGER proposes that the mutual covenants of the agreement would be as follows:

1. MANAGEMENT OF FACILITIES LEASED PREMISES: For and in consideration of the mutual covenants contained herein, CITY hereby grants to MANAGER the ~~exclusive~~ right to occupy manage and maintain the real property existing CITY owned hangars, ground lease private hangars, administration building, accessory buildings, fuel farm, tie down ramp, access ramps, runway and taxiway lighting systems and controls, precision approach path indicator and controls, security fencing and gates, runway safety areas, segmented circle and wind cones as more particularly described in Exhibit "A", which is a map of the airport. Hereinafter the ~~LEASED~~ MANAGED PREMISES refers to the areas ~~depicted~~ specified on the Exhibit A map.

2. TERM: The term of this agreement is ~~proposed~~ to commence on ~~the first day of~~ _____ and ~~should~~ shall terminate on the 31st day of December, 2021. This agreement shall be renewable thereafter as mutually agreed ~~between~~ upon by the CITY and MANAGER.

3. MANAGER'S RESPONSIBILITIES: The MANAGER will be responsible for ~~managing~~ maintaining the day to day operation of the airport facilities for the use and benefit of the public and for providing ~~certain~~ the commercial services specified below, subject to the CITY'S authority as owner of the Airport and further subject to CITY'S obligations pursuant to federal and state law and contractual commitments to ~~the federal~~ government agencies, including prior FAA and California Department of Transportation, Aeronautical Division Grant Assurances. MANAGER'S specific obligations shall include the following:
 - a. MANAGER will ~~designate an individual to~~ serve as the Airport Facilities Manager, who shall have primary responsibility for the day to day Airport facilities management functions.

 - b. MANAGER will be responsible for billing and collecting rental fees for hangars, tie-downs and ~~any other~~ ground lease hangar space at the Airport, and ~~may~~ shall retain ~~the~~ all revenue derived there from.

 - c. MANAGER ~~will~~ shall be responsible for inspecting hangars annually to ensure that activities conducted therein are ~~consistent with applicable~~ in compliance with Hangar Rental Agreements as well as Ground Lease Agreements, as applicable and do not present a ~~ny~~ risk to aeronautical or commercial activities at the Airport.

- d. MANAGER may recommend to the CITY that the CITY terminate a Hangar Rental Agreement, ~~or~~ Ground Lease Agreement or Tie-Down permit Rental Agreement for non-payment and/or non compliance with ~~other~~ any terms of the applicable Lease or permit Rental Agreement.
- e. MANAGER may request of the CITY that the CITY amend this agreement or enter into a separate agreement for the purpose of constructing additional aircraft storage hangars and/or shop space.
- f. MANAGER is authorized to permit aircraft owners and operators to store aircraft at the Airport, in available hangars not under an AIRPORT HANGAR RENTAL AGREEMENT and owned by the CITY ~~and~~ as well as any available tie-downs. ~~The~~ MANAGER shall use a standard form Airport Hangar Rental Agreement, Airport Ground Lease Agreement or Airport Tie-Down Rental Agreement as applicable and approved by the CITY.
- g. MANAGER will facilitate the long term lease of Airport property by coordinating with the prospective ~~tenant's~~ lessee and presenting draft agreements to the CITY for negotiation and execution.
- h. MANAGER may provide ~~residence~~ a place to prepare meals and sleeping quarters ~~on~~ in the LEASED MANAGED PREMISES as either a temporary pilot resting facility, or ~~a~~ short term flight crew quarters for temporary or ~~long~~ seasonal use. ~~or living quarters for a designated Airport Manager or another employee as a sign as part of his/her official duties.~~
- i. MANAGER may advertise the Airport in appropriate publications ~~and~~ to market managed Airport facilities for rent and property for lease.
- j. MANAGER shall inspect the airport runway at least once each day and report the results of said inspection. These daily reports are to be retained in a log that will be made available to the City upon request. Said log shall be submitted to City quarterly for approval.
- k. MANAGER shall immediately notify the CITY in writing of any event or condition ~~that~~ at the airport ~~which is known or which should reasonably be known~~ that may present a risk to human health or endanger the environment, including without limitation, any aircraft incident or accident, ~~any~~ fuel spill or release of ~~any~~ hazardous substance material.

- l. MANAGER SHALL maintain the aircraft fuel tank located at the Airport as a branded fuel supply facility and shall perform all maintenance, testing, documentation and reporting as required by branded fuel supplier, state and federal regulations. MANAGER shall make 100 low lead aircraft fuel, or such substitute as may be mandated by the FAA and Cal EPA, available for sale by means of a the existing commercial self-service fuel dispensing system. MANAGER shall ensure that a sufficient volume of aircraft fuel remains available at the Airport at all times as needed to serve ~~the needs of~~ Airport tenants and guest users. MANAGER shall ensure that 8,000 gallons of 100 low lead aircraft fuel is available at the airport upon termination of this agreement for any reason.

- m. MANAGER shall be available from 9:00 AM to 5:00 PM, seven days per week either in person or by telephone. If MANAGER is not available on site during the schedule noted above, they must be capable of responding on site within one hour. MANAGER shall be on site within one hour of notice by phone of any emergency.

- n. MANGER shall provide basic pilot and aircraft support services. These services shall include shelter for pilots stranded at the airport and minor mechanical repairs as necessary to allow pilots to continue their initial flight plan.

- o. MANAGER shall have the ~~exclusive~~ right to maintain a rental car business at the airport.

- p. MANAGER will conduct ~~biannual~~ quarterly meetings with airport tenants and other interested parties to solicit their input on Airport management issues. MANAGER or their authorized representative shall attend all Airport Commission meetings.

- q. MANAGER ~~must~~ shall ~~notify the City~~ receive approval by the City Airport Commission prior to initiating additional commercial or aeronautical services.

- r. MANAGER ~~will~~ shall ensure that all activities or improvements undertaken ~~fit within and are in accordance~~ with the Willits Airport Master Plan,

the existing Airport Improvement Plan as well as all state and federal regulations.

- s. MANAGER will comply with ~~the~~ any and all Airport Rules and Regulations, as may exist, as of the effective date of this agreement, or promulgated or amended thereafter and all applicable requirements under federal, state, and local law ~~and~~ as well as Federal Aviation Administration and California Department of Transportation, Aeronautics Division regulations ~~in~~ in carrying out ~~its~~ MANAGER'S obligations hereunder.

4. CITY'S RESPONSIBILITIES will be responsible for the following:

- t. CITY will be responsible for maintaining and repairing the Airport airfield, including runways, taxiways, tie-down areas, and common-use ramp. This maintenance and repair shall include bluff stabilization, weed control, asphalt paving, patching and resurfacing as necessary.
- u. CITY shall be responsible for ensuring that the Airport airfield, including runways, taxiways, tie-down areas and common use ramp comply with all applicable requirements and standards imposed by the Federal Aviation Administration and the California Department of Transportation, Aeronautical Division State of California and the United States Government ~~concerning~~ regulating the operation and maintenance of these Airport areas and systems ~~identified above and~~ as well as the environmental conditions thereon; provided however, that MANAGER shall assist in satisfying applicable requirements where these responsibilities overlap.
- v. CITY reserves the right to improve the Airport, including without limitation the construction of new facilities and other making improvements to the Airport runways, taxiways, ramps and lighting systems at the Airport.
- w. CITY shall be responsible for providing emergency police and firefighting services at the Airport, including but not limited to, suppression of both structure and aircraft fires fighting.
- x. CITY reserves the right to close the Airport in emergencies and further reserves the right to seek and obtain FAA approval to close the Airport on a temporary basis for special events.

- ~~y.~~ CITY reserves the right to authorize the lease of Airport property for terms approved by City. exceeding twelve months.
- z. CITY reserves the right to authorize any individual or business to conduct any commercial or aeronautical activities at the Airport.
- aa. CITY reserves the right to authorize or deny the use of the Airport for any non-aeronautical activity.
- bb. CITY shall ensure that 8,000 gallons of 100 low lead aircraft fuel or such substitute as may be mandated by the FAA and Cal EPA, is available at the Airport upon commencement of this agreement. Alternately, MANAGER and CITY may agree on the volume of fuel in the tank at the point when management functions are turned over to MANAGER and credit the MANAGER'S account for volume less than 8,000 gallons.

5. FINANCIAL OBLIGATIONS OF CITY AND MANAGER:

- cc. Manager agrees to pay CITY the sum of _____ dollars per year, payable in quarterly installments of _____ dollars commencing ~~on~~ with the execution of this agreement.
- dd. MANAGER shall be authorized to retain the ~~rent~~ proceeds ~~associated with~~ derived from the rental or lease of any parcels or and structures owned by the CITY and located on Airport property as well as profits in connection with derived from the sale of aircraft fuel, and revenues from commercial services provided by MANAGER.
- ee. MANAGER shall be responsible for the costs ~~to~~ of maintaining and repairing existing CITY- owned hangars to insure that all doors are working properly, structural integrity is maintained and electrical systems continue to comply with National Electrical Code and Little Lake Fire District requirements. MANAGER shall also maintain the administration building and runway safety areas. MANAGER shall schedule annual hangar inspections by City Building Official and Little Lake Fire Marshall and shall make corrections required by either official in a timely manner but no longer than sixty (60) days.

ff. MANAGER shall be responsible for the costs ~~to~~ of maintaining the aircraft fuel storage tank and self-service fuel dispensing system including annual regulatory approval by Federal, State, and local agencies as well as the branded fuel supplier.

gg. MANAGER shall maintain the following insurance coverage on the hangars, terminal, administration building and fuel dispensing system:

<u>Liability Coverage</u>	<u>Each Occurrence</u>
<u>Bodily Injury Liability -----</u>	<u>\$10,000,000</u>
<u>Property Damage Liability -----</u>	<u>10,000,000</u>
<u>Single Limit Bodily Injury and Property Damage -----</u>	<u>5,000,000</u>
<u>Ground Hangar Keeper's Liability -----</u>	<u>5,000,000</u>

hh. MANAGER shall be responsible for the utility costs associated with the operation of the Airport airfield and runway and navigation lighting systems.

ii. MANAGER shall be responsible for the utility cost in connection of operation of all facilities leased premises controlled by MANAGER including all utilities.

6. INSURANCE: Under the term of this Agreement, MANAGER shall obtain and keep in full force and effect a commercial, general liability of at least Ten Million Dollars (\$10,000,000.00) combined limit for bodily injury and property damage; provided the City is to be named additional insured's under the policies and that the policies shall stipulate that this insurance will operate as primary insurance for work performed by and facilities managed by MANAGER and his /her subcontractors and employees. MANAGER agrees to indemnify and hold the City harmless for any acts of negligence resulting from its' management and commercial activities at the Airport.

7. INSPECTION: The CITY shall have the right to enter upon the ~~LEASED PREMISES~~ facilities controlled by MANAGER at all reasonable times to inspect the ~~LEASED PREMISES~~ facilities and MANAGER'S operation thereon.

8. TERMINATION PRIOR TO EXPIRATION OF THIS AGREEMENT:

jj. CITY shall have the right to terminate this Agreement, in whole or in part, on the occurrence of any of the following events:

- i. Insolvency / bankruptcy of MANAGER or CITY.
- ii. MANAGER'S material breach of any of the terms, conditions, or obligations as ~~delineated by~~ defined by this Agreement.
- iii. The abandonment of the ~~LEASED PREMISES~~ facilities controlled ~~managed~~ by MANAGER.

kk. MANAGER shall have the right to terminate this Agreement on the occurrence of any of the following events:

- i. Upon material breach or failure by CITY to uphold or comply with ~~of any of the terms, covenants and conditions~~ to which it is ~~obligated~~ obligated to perform, ~~keep or observe~~ under this Agreement.
- ii. MANAGER shall have the right to terminate this Agreement upon ~~sixty (60)~~ one hundred twenty (120) days written notice.

This proposed Agreement is submitted to the City Council for their consideration.

Respectfully yours,

David Bowen
Sierra Pacific Aviation

Willits OMB Cost Allocation Plan

Allocated Costs by Department

Central Service Departments	<u>Sales Tax - Transport. Improvement Program</u>	<u>Proposition 1B Transport. Bond Projects</u>	<u>Redevelopment Agency</u>	<u>West Commercial Street Rehab Project</u>	<u>Regional Transportation Improvement Program</u>	<u>Redevelopment Agency (Low/Mod)</u>	<u>Landfill</u>	<u>Small Communities Wastewater Treatment Grant</u>	<u>Long Term Discharge Project Design & Construction</u>	<u>Airport Enterprise</u>
Building Use			\$3,150							
Equipment Use										
City Council	\$5,883	\$1,289	\$7,537	\$1,820	\$3,414	\$2,234	\$263	\$113	\$23,181	\$861
General Administration										
City Manager	\$1,176		\$3,748			\$661	\$44			\$11,942
City Clerk	\$4,147	\$1,154	\$8,620	\$1,629	\$3,055	\$1,370	\$942	\$101	\$20,741	\$17,033
Finance	\$8,308	\$1,786	\$12,954	\$2,774	\$3,875	\$4,983	\$1,747	\$344	\$52,429	\$15,284
Legal Services	\$8,556		\$5,752							\$593
Human Resources	\$705		\$2,294			\$397	\$27			\$274
Building Maintenance			\$4,818							
Subtotal	<u>\$28,775</u>	<u>\$4,229</u>	<u>\$48,873</u>	<u>\$6,223</u>	<u>\$10,344</u>	<u>\$9,645</u>	<u>\$3,023</u>	<u>\$558</u>	<u>\$96,351</u>	<u>\$45,987</u>
Proposed Costs	\$28,775	\$4,229	\$48,873	\$6,223	\$10,344	\$9,645	\$3,023	\$558	\$96,351	\$45,987

SUMMARY OF RESULTING OVERHEAD ALLOCATIONS

NO.	FUND	DEPT	NAME	429-4290- Small Communities Wastewater Treatment Grant	430-4300- Long Term Discharge Project Design & Construction	500-5001- Airport Enterprise	501-5010- Sewer Administration	501-5011- Sewer Maintenance	501-5013- Sewer Operations
CS-1		1	Building Use	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CS-2		2	Equipment Use	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CS-3	100	1001	City Council	\$ 149	\$ 30,615	\$ 1,126	\$ 6,689	\$ 6,899	\$ 9,219
CS-4	100	1002	General Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CS-5	100	10021	City Manager	\$ 101	\$ 20,698	\$ 12,230	\$ 50,416	\$ 4,865	\$ 6,481
CS-6	100	10022	City Clerk	\$ 69	\$ 14,121	\$ 11,537	\$ 7,787	\$ 848	\$ 1,357
CS-7	100	1003	Finance	\$ 363	\$ 55,331	\$ 16,167	\$ 32,136	\$ 9,756	\$ 19,766
CS-8	100	1004	Legal Services	\$ -	\$ -	\$ 712	\$ 2,940	\$ 543	\$ 26,079
CS-9	100	1005	Human Resuorces	\$ -	\$ -	\$ 292	\$ 30,575	\$ 2,371	\$ 3,256
CS-10	100	1016	Building Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proposed Costs				\$ 681	\$ 120,764	\$ 42,064	\$ 130,543	\$ 25,282	\$ 66,158