



Napa County
2030 Airport Road
Napa, California 94558
(707) 253-4300

General Aviation Leasing/Rents and Fees Policy

Napa County

Napa County Airport (APC)

May 7, 2019



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1. INTRODUCTION

1.1. Purpose

By adopting this General Aviation Leasing/Rents and Fees Policy, as well as through its other policies, Napa County desires to: (a) plan, develop, operate, and manage the Airport in such a manner so as to ensure the Airport's long-term financial health, (b) protect and promote the health, safety, security, and general welfare of the public, and (c) encourage the provision of the type, level, and quality of General Aviation products, services, and facilities desired by the public.

This General Aviation Leasing/Rents and Fees Policy (Policy) sets forth parameters for leasing land and Improvements for Commercial or Non-Commercial General Aviation purposes at the Airport. In addition, this Policy sets parameters that may be used by the County to establish and adjust General Aviation rents, fees, and/or other charges associated with leasing, occupying, and/or using Airport land and/or Improvements for Commercial or Non-Commercial General Aviation purposes.

Entities shall not occupy Airport land and/or Improvements for any purpose unless the entity has an Agreement or Sublease. In addition, entities shall not conduct Commercial General Aviation Aeronautical Activities (Activities) at the Airport unless the entity has a Commercial Operator Permit (Permit) authorizing such Activities.

The County reserves the right to designate specific Airport land and/or Improvements in which Commercial and/or Non-Commercial General Aviation Aeronautical Activities may or may not be conducted.

1.2. PMCD General Provisions

This Policy incorporates, by reference, the Primary Management and Compliance Documents (PMCDs) General Provisions set forth in Appendix A – PMCD General Provisions of the Rules and Regulations.

1.3. PMCD Definitions

The terms identified in Appendix B Definitions and Acronyms of the Rules and Regulations and identified by use of a capital letter, whenever used in this Policy, shall be construed as defined therein unless (from the context) a different meaning is intended or unless a different meaning is specifically defined. Words or phrases that are not defined shall be construed consistent with common meaning or as generally understood throughout the aviation industry.

1.4. Applicability

This Policy shall apply to any new Agreement or any new amendment to any existing Agreement relating to the leasing of land and/or Improvements, including the establishment or adjustment of rents, fees, and other charges for Commercial or Non-Commercial General Aviation Aeronautical Activities.

This Policy shall not affect any Agreement or amendment thereto that is properly executed prior to the date of adoption of this Policy except as provided for in such Agreement, in which case, this Policy shall apply to the extent permitted by such Agreement.



LEASING AIRPORT LAND AND/OR IMPROVEMENTS

2. LEASING AIRPORT LAND AND/OR IMPROVEMENTS

2.1. *Application*

Any entity desirous of leasing Airport land and/or Improvements on a long-term basis (e.g., greater than one year) shall complete all relevant and applicable sections of the General Aviation Operator and Lessee Application (Application), and submit the Lease/Sublease Execution Deposit and Application to the Airport Manager.

- If an existing Lessee desires to enter into a new Agreement, the Lessee shall notify the County at least 12 months in advance of the expiration date of the Lessee's existing Agreement.
- The amount of the initial Lease/Sublease Execution Deposit shall be set forth in the Airport's Fee Policy Schedule. If and when the remaining balance of the Lease/Sublease Execution Deposit falls below \$500 or 10% of the initial Lease/Sublease Execution Deposit, whichever is higher, the Applicant shall be required to replenish the account as requested by the Airport Manager. All County staff time and other costs involved in the Approval Process set forth in Section 2.2 shall be charged against the Lease/Sublease Execution Deposit.

New Agreements shall be subject to all applicable Legal Requirements including the Airport Sponsor Assurances; the Federal Aviation Administration's (FAA) regulations, obligations, and guidance; the Airport's policies, standards, rules, regulations, and directives including the PMCDs; and the County's zoning, building, fire, and safety codes; and all other Legal Requirements of any Agency having jurisdiction.

2.2. *Approval Process*

Once an Application has been submitted, Applicant shall provide any additional information, data, and/or documentation that may be required or requested by Airport management to fully evaluate the Application. No Application shall be deemed complete unless all supplemental information has been provided to Airport management. Incomplete Applications or Applications that do not comply with this Policy and/or the PMCDs will be rejected. (See Appendix A-21 of the Rules and Regulations.)

Within 45 calendar days of receiving a completed Application, the Airport Manager in consultation with the Office of County Counsel shall convey the key terms and conditions (including rents, fees, and other charges) that have been established by the County for leasing the Airport land and/or Improvements identified by the Applicant or convey the reason(s) for rejecting the Application in writing to the Applicant. Within 30 calendar days of receiving the key terms and conditions from the Airport Manager, the Applicant shall indicate if the key terms and conditions established by the County are acceptable to the Applicant.

- If the key terms and conditions established by the County are not acceptable to the Applicant, the Applicant shall present to the Airport Manager revised key terms and conditions that are acceptable to the Applicant within 30 calendar days of receiving the information from the Airport Manager.
- The County may negotiate the revised key terms and conditions with the Applicant and/or initiate the competitive proposal process described in Section 2.3.
- If the County and the Applicant are unable to reach agreement on the revised key terms and conditions within 60 calendar days of the time the information is presented to the Airport Manager by the Applicant, the County is not obligated to lease Airport land and/or Improvements to the Applicant.



LEASING AIRPORT LAND AND/OR IMPROVEMENTS

If the Airport Manager reaches an understanding on key terms and conditions with the Applicant that the Airport Manager is prepared to recommend to the Board, an Agreement shall be prepared by the County at Applicant's cost. Once the Applicant executes the Agreement, the Agreement shall be presented to the Board for their consideration.

- If the Applicant does not execute the Agreement within 15 calendar days of receiving the Agreement, the Application may be considered void by the Airport Manager and any remaining Lease/Sublease Execution Deposit will be returned without interest, minus any charges encumbered by staff.

If the Board authorizes the Agreement to be executed, the Applicant shall pay the security deposit required in the Agreement in the form of cash or a letter of credit. Unless expressly set at a lower amount by the Board, the security deposit shall be, at a minimum, equal to 25% of the following: first year rents and minimum annual guarantee associated with any fees or other charges, or \$1,500 (whichever is greater).

- If the Applicant does not pay the security deposit to the County within 30 days of the Board authorizing the Agreement to be executed, the Agreement shall not be executed by County and the Application shall be considered void.
- If the Board does not authorize executing the Agreement, any remaining Lease/Sublease Execution Deposit shall be returned to the Applicant, without interest, minus any charges encumbered by staff.

2.3. *Competitive Process*

County Initiative – If Airport land and/or Improvements exist or become available, in the County's sole discretion, the County may issue a Request for Interest (RFI), Request for Qualifications (RFQ), and/or a Request for Proposal (RFP) to entities that may be interested in leasing Airport land and/or Improvements.

- Guidelines for the development of the RFI/RFQ/RFP document are provided in Appendix A-1.
- The County shall advertise the RFI/RFQ/RFP opportunity. Advertising Guidelines are provided in Appendix A-2.

Initiative of Others – If, during an Application process occurring outside of an RFI/RFQ/RFP process, another qualified entity expresses interest in leasing and demonstrates an immediate need for the subject land or Improvements (as outlined in Section 2.4), the County may, in its sole discretion, negotiate with any other entity and/or issue an RFQ/RFP.

2.4. *Demonstrating Immediate Need*

Any entity seeking to lease Airport land and/or Improvements beyond those required by the Airport's General Aviation Minimum Standards, must demonstrate that the entire land area(s) and/or the entire Improvement(s) seeking to be leased will be Immediately utilized.

2.5. *Public Disclosure*

Applicants and RFI/RFQ/RFP respondents should be aware that the County is subject to the Freedom of Information Act (FOIA), Title 5 of the United States Code, Section 552 and to the California Public Records Act.

2.6. *County Improvement Leasing*

The County may, in its sole discretion, enter into a short-term (e.g., month-to-month) Non-Commercial Aircraft Hangar Agreement which grants an entity the right to use and/or occupy a County Hangar (e.g., T-



LEASING AIRPORT LAND AND/OR IMPROVEMENTS

hangar and Box Hangars) at the Airport in accordance with Appendix A-3. A Non-Commercial Aircraft Hangar Agreement shall, at a minimum, include the provisions set forth in Appendix A-4.



3. AGREEMENTS

3.1. Introduction

The Agreement will outline the terms and conditions under which the entity is authorized to occupy and/or use Airport land and/or Improvements. This Policy outlines the key terms and conditions which shall be included, at a minimum, in a Commercial or long-term Agreement (e.g., greater than one year) as well as other terms and conditions which may be included in the Agreement.

This Policy does not represent a complete recitation of the provisions to be included in the Agreement and the provisions contained in any Agreement shall not be deemed or construed to modify this Policy. In addition to conveying the privilege of using the Airport in common with others who are authorized to do so, the Agreement shall convey the privilege of occupying and/or exclusively using specifically designated Airport land and/or Improvements and/or the privilege of providing certain General Aviation products, services, and/or facilities and/or engaging in certain Activities at the Airport.

3.2. Key Terms and Conditions

Recitals

All recitals shall include, at a minimum, the desires of the County and the Lessee. All recitals shall be incorporated into the Agreement by reference.

Leased Premises

The Leased Premises shall be clearly defined and described including the square footage of each land and Improvement component and the address of the Leased Premises. If a Lessee desires to construct additional Improvements on the Leased Premises, a statement shall be made to that effect and the process shall be outlined. All Leased Premises shall be inspected by the Lessee and Lessee's acceptance of (and responsibilities relating to) the Leased Premises shall be clearly stipulated.

Use

Aeronautical Use (Commercial) – The Agreement shall identify the required Commercial General Aviation products, services, and/or facilities to be provided by the Operator.

The Agreement may identify optional General Aviation products, services, and/or facilities that may be provided without the approval of the County. The Agreement may also identify additional General Aviation products, services, and/or facilities that may be provided, subject to obtaining the prior written consent of the County.

Aeronautical Use (Non-Commercial) – For Non-Commercial occupancy and/or use of Airport land and/or Improvements, the Agreement shall stipulate that the entity shall not offer or provide Commercial General Aviation products, services, or facilities or conduct Commercial activities at the Airport or from the Leased Premises, unless provided for in a separate Agreement with the County.

Non-Aeronautical Use – Leasing Airport land and/or Improvements for non-aeronautical activities is not favored by the County or the FAA. The County may, in its sole discretion, consider such use in the event the non-aeronautical use of Airport land and/or Improvements does not interfere with the primary aeronautical use of Airport land and/or Improvements and is not in violation of any Legal Requirements, including the Airport Sponsor Assurances.

If such use is contemplated, the Applicant must prove the subject Airport land and/or Improvements will not be needed for Aeronautical Activities (or aeronautical uses including Airport development) during the



entire term (including the base term of the Agreement and option periods, if applicable) of a proposed Agreement. The leasing of Airport land and/or Improvements for non-aeronautical activities will not be allowed without the prior written consent of the FAA.

Prohibited Uses – All prohibited uses of the Leased Premises shall be identified including any uses contrary to the Airport Layout Plan, Airport Land Use Plan, and/or Legal Requirements.

Condition – The agreement shall make no warranty or representation of any kind concerning the condition of the Leased Premises, or the fitness of the Leased Premises for the uses and Activities intended.

Compliance – The Agreement shall require compliance with the PMCDs and all applicable Legal Requirements.

Term

The original term, commencement date, and ending date shall be conveyed in the Agreement. The Airport Manager shall consult the Airport's Minimum Capital Investment Schedule and shall require, at a minimum, the Capital Investment required therein. In negotiating the term of any commercial Agreement, the Airport Manager shall also consult any pro-forma provided by the Applicant or other recent financial analysis of the Activity and consider the anticipated rate of return of the Activity.

Notwithstanding circumstances that the County, in its sole discretion, agrees in writing are beyond the control of the Lessee, all Improvements to the Leased Premises shall be completed and occupied and/or used by the Lessee within 18 calendar months of the commencement date of the Agreement.

When Capital Investment is made, the term of the Agreement shall not be greater than a 30-year base term plus 2 five-year option periods (for a total of 40 years). When no Capital Investment is made, the term of the Agreement shall be at the discretion of the County but shall not be greater than 20% of the term of the previous Agreement (if an existing Lessee) or 5 years, whichever is less.

- When a Lessee makes additional Capital Investment in the Leased Premises and/or on the Airport during the term of the existing Agreement, the term of the Agreement may be extended by the County based on the level of Capital Investment (plus 5-years) made by the Lessee.
- If the term of the Agreement is extended by the County: (a) the Agreement shall be amended in accordance with this Policy, the PMCDs, and all applicable Legal Requirements in effect at the time and (b) the remaining term of an existing Agreement plus the term of any extension thereto shall not be greater than 40 years. Any Lessee option for additional term shall require additional Capital Investment and/or additional monthly rent as outlined in the Agreement.

Any process, rights, and timeframe for exercising options shall be outlined in the Agreement. If Improvements are part of the Leased Premises, certain maintenance, repairs, and/or restoration shall be required throughout the Agreement.

In the event the use and/or occupancy of a Leased Premises utilized for Commercial Aeronautical Activities is being transitioned (i.e. end of term or termination) from the existing Lessee to a new entity, the Lessee shall be required to cooperate with the transition.

Rents, Fees, and Other Charges

Rent – The rent to be paid by the Lessee to the County shall be identified in the Agreement on a square foot basis for each land and Improvement component of the Leased Premises. All Airport rents shall be established and adjusted in accordance with Section 4.



Fees – The applicable fees to be paid by the Lessee to the County shall be identified in the Agreement. All Airport fees shall be established and adjusted in accordance with Section 4.

Payments and Late Charges – The Agreement shall identify the frequency, the due date, and the acceptable manner for making payments of the rents and fees, including the delivery address. Additionally, the time at which a payment is considered late shall be stipulated and the process for applying late charges (and any related interest) shall be outlined.

Improvements

All Improvements shall comply with this Policy, the PMCDs, and all applicable Legal Requirements. Lessee shall procure all building, fire, safety, and other required permits.

Upon expiration of the term of the Agreement, at the option of the County, ownership of the permanent Improvements that have been made to the Leased Premises by the Lessee shall revert to the County or the permanent Improvements identified by the County shall be demolished and/or removed by the Lessee and the Lessee shall return the Leased Premises to its original condition and character, normal wear and tear excepted.



Lessee's Rights and Privileges

The right of use, location, and hours of ingress and egress shall be identified in the Agreement. The Lessee shall be permitted to use the Airport and its appurtenances together with all public areas and facilities in common with all Airport users. Additionally, the Lessee shall be solely liable for and shall reimburse the County for any expenses incurred by the County for repair of any damage caused by the Lessee and Lessee's employees, visitors, customers, and vendors at the Airport.

Subject to compliance with the Agreement, the Lessee shall be permitted to peacefully and quietly have, hold, and enjoy the Leased Premises for the term of the Agreement. Lessee shall be permitted to install fixtures on the Leased Premises and use equipment, tools, machinery, or other personal Property in support of the authorized uses of the Leased Premises at the sole risk of the Lessee. The Agreement shall clearly state that all fixtures, equipment, tools, machinery, and personal Property shall be removed from the Leased Premises upon termination of the Agreement.

County's Rights and Privileges

In addition to the rights and privileges outlined in the PMCDs, the Agreement may convey any additional rights and privileges of the County pertaining to the Leased Premises including, but not limited to, access to the Leased Premises and performance of official acts by the County (or a designated representative of the County).

Lessee's Obligations

For Commercial Aeronautical Activities, the Lessee shall be responsible for maintaining an on-going business at the Airport and complying with the PMCDs throughout the term of the Agreement. Additionally, any modifications to the business or corporate structure of the Lessee shall be communicated in advance to the County.

Lessee shall be responsible for the conduct, demeanor, and appearance of the Lessee's representatives, officers, officials, employees, agents, and volunteers at the Airport and on the Leased Premises. Lessee shall be responsible for conducting Lessee's authorized activities in a manner that does not interfere with or disturb others while also complying with applicable Legal Requirements.

Lessee shall be responsible for promptly paying when due and owing all:

- taxes, assessments, and other fees, without offset or abatement, charged by any Agency relating to the Leased Premises, Improvements, and Lessee's activities;
- utilities (which shall be arranged for by Lessee if separately metered); and
- all costs, expenses, and other charges relating to the Leased Premises, Improvements, and/or Lessee's activities.

Lessee shall be responsible for maintaining, repairing, restoring, and cleaning the Leased Premises including all structural components, all exterior and interior maintenance and repair, landscaping, janitorial, trash removal, snow removal, and sweeping. The Agreement shall outline the process in the event the Lessee fails to diligently, properly, and promptly maintain, repair, restore, or clean the Leased Premises.

If Based Aircraft are located on the Leased Premises, the Lessee shall provide a Based Aircraft report to the County in compliance with the PMCDs.



Required FAA Clauses

The Agreement shall include the provisions required by the FAA which shall, at a minimum, include non-exclusive use of the Airport and non-discrimination clauses.

Defaults and Remedies

The Agreement shall stipulate that any default or breach of the Agreement by Lessee shall constitute a default or breach of all Agreements between the County and Lessee. The County may consider any of the following a default or breach under the Agreement:

- failure to comply with Legal Requirements;
- failure to comply with the Airport Sponsor Assurances;
- failure to comply with the PMCDs;
- failure to comply with the Airport’s policies, standards, rules, regulations, and directives;
- failure to perform any condition, obligation, or privilege contained in the Agreement;
- failure of a Lessee engaged in Activities to obtain prior written consent from the County before conducting additional Activities;
- failure to obtain prior written consent from the County before making any Improvements to the Leased Premises and/or at the Airport;
- failure of a Non-Commercial Lessee to refrain from engaging in Commercial activities at the Airport unless provided for in a separate Agreement with the County;
- subleasing (or attempting to Sublease) any portion of the Leased Premises without the prior written consent of the County if subleasing privileges are not permitted in the Agreement;
- any sale or assignment of the Leased Premises or Agreement made (or attempted to be made) without the prior written consent of the County;
- any change in controlling ownership of Lessee made (or attempted to be made) without the prior written consent of the County;
- any encumbrance of the Leased Premises or Improvements on the Leased Premised made (or attempted to be made) without the prior written consent of the County;
- the failure to properly maintain the Leased Premises or promptly pay all utilities, insurance, and taxes when due and owing;
- the filing of bankruptcy and/or assignment of substantially all Lessee’s assets for the benefit of Lessee’s creditors;
- the filing of a lien against the Leased Premises;
- the voluntary abandonment of the Leased Premises;
- falsification of any record so as to deprive the County of any rights, privileges, rents, fees, or other charges under the Agreement; or
- failure to remain Current on lease payments or in Good Standing.

The failure of Lessee to observe or perform any of the terms and conditions of the Agreement or any other agreement with the County in any material respect where such failure shall continue for a specific period of time after written notice from County and process to cure such default.



Termination by Lessee

If Current, in Good Standing, and Leased Premises and Improvements are in good condition, the Lessee may terminate Agreement if permanent abandonment or closure of the Airport; lawful assumption by United States Government or any authorized Agency of the operation, control, use or occupancy of the Airport; default or breach by County, or substantial Condemnation or eminent domain which prevents or substantially impairs the conduct of Lessee's Activities and equates to fifty percent (50%) or more of the total Leased Premises.

Condemnation or Eminent Domain

In the event of acquisition by Condemnation or the exercise of the power of eminent domain (by any Agency permitted to take property for public use) of any land or Improvements associated with Lessee's Leased Premises, Lessee shall not institute any action or proceeding or assert any claim against the County for Compensation or consideration of any nature.

Force Majeure

The County or Lessee shall be excused if delayed, hindered, or prevented from performance of the Agreement by reason of war, national emergency, or acts of nature. However, the Lessee shall not be relieved of paying rents, fees, and/or other charges when due and owing.

Hazardous Materials

The Lessee shall be solely and fully responsibly for compliance with Legal Requirements and shall indemnify, defend, protect, and hold harmless the County arising from or related to the presence or discharge of Hazardous Materials.

The County shall have the right to terminate in the event of non-compliance or contamination occurring on the Leased Premises.

Reservation of Avigational Easement

County reserves to itself and its successors and assignees, for the use and benefits of the public, a right of avigation over the Leased Premises for the passage of aircraft utilizing the Airport.

Americans with Disabilities Act

County shall require Lessee be solely and fully responsible for complying with the Americans with Disabilities Act of 1990 as amended from time to time, with respect to the Leased Premises and its Activities at the Airport.

Insurance

The Lessee shall be responsible for procuring and maintaining the liability and property insurance required by the Agreement, PMCDs, and Legal Requirements.

Damage, Destruction and Termination

No destruction or damage to the Leased Premises by fire, windstorm, earthquake, or other casualty, whether insured or uninsured, shall entitle Lessee to terminate the Agreement.



Hold Harmless and Indemnification

The Agreement shall require Lessee to defend, indemnify, save, protect, and hold harmless County, individually and collectively, and its representatives, officers, officials, employees, agents, and volunteers from and against (and reimburse County for) any and all actual or alleged claims, demands, damages, expenses, costs, fees (including, but not limited to, attorney, accountant, paralegal, expert, and escrow fees), fines, environmental costs, and/or penalties which may be imposed upon, claimed against or incurred or suffered by County.

Non-Liability of Officials and Employees of County

No official or employee of County shall be personally liable for any default or liability under the Agreement.

Subleasing

Subleasing is considered a Commercial Activity. Any entity engaging in subleasing must comply with the PMCDs.

Subleasing Privileges Permitted in the Agreement – If the County permits subleasing in the Agreement, a standard sublease agreement (consistent with the requirements set forth in Appendix A-4) prepared by the Lessee and approved in writing by the County may be used by the Lessee to facilitate subleasing. The standard sublease agreement and any required documentation for each sublease shall be available to the County upon request. If a standard sublease agreement is not used by the Lessee, the proposed sublease agreement and any required or requested information, data, and/or documentation shall be submitted to the Airport Manager for review. A Sublessee utilizing anything other than a standard sublease agreement may not occupy the subject land and/or Improvements prior to receiving the written consent of the County.

Consistent with Section 4.4, the County reserves the right to require Lessee to reimburse the County through a Lease/Sublease Execution Deposit for expenses incurred for the review and approval of the proposed sublease agreement.

If an entity desires to sublease land and/or Improvements at the Airport and desires to conduct Activities at the Airport, the Sublessee shall comply with all applicable sections of the Airport’s General Aviation Minimum Standards.

The County may require Operator to pay the County a percentage of the gross revenue generated, or profit earned, relating to the permitted subleasing activity, as stipulated in the Airport’s Rents and Fees Schedule.

Subleasing Privileges Not Permitted in the Agreement – If the County does not permit subleasing in the Agreement, the Lessee must obtain the prior written consent of the County prior to subleasing. Subleasing privileges shall be granted in the County’s sole discretion.

The proposed sublease agreement, a completed Application, and any other required or requested information and/or documentation shall be submitted to the Airport Manager for review. If the proposed sublease agreement, completed Application, and other required or requested information and/or documentation are acceptable to the Airport Manager, the proposed sublease agreement, completed Application, and any additional information and/or documentation deemed relevant by the Airport Manager shall be submitted to the County for review and approval. A Sublessee may not occupy the subject land and/or Improvements at the Airport prior to receiving written consent of the County.



Consistent with Section 4.4, the County reserves the right to require Lessee to reimburse the County through a Lease/Sublease Execution Deposit for expenses incurred for the review and approval of the proposed sublease agreement.

The County may require Operator to pay the County a percentage of the gross revenue generated, or profit earned, relating to the approved subleasing activity, as stipulated in the Airport's Rents and Fees Schedule.

Sublessee Obligations – Sublessee shall comply with the PMCDs and all applicable Legal Requirements.

Subleasing Restrictions – Unless otherwise stated in prior written consent, Sublessee shall be subject to all applicable terms and conditions of the Lessee's Agreement governing the land and/or Improvements being subleased.

Any Sublease made contrary to the requirements of this section shall be null and void.

Sale, Assignment, or Transfer

A Lessee shall not sell, assign, or transfer the Agreement, in whole or in part, or any interest in the Agreement, or any rights or obligations the Lessee has under the Agreement, without the prior written consent by the County, which the County may grant or withhold at its sole, unfettered discretion.

- If a Lessee is desirous of such a sale, assignment, or transfer, the Lessee shall submit a written request to the Airport Manager for approval. The request shall be accompanied by a completed Application, inclusive of the Lease/Sublease Execution Deposit by the entity requesting assignment (Assignee).
- If the Application is acceptable, the Airport Manager shall work with other County staff to obtain the necessary approval(s).
- At the time a sale, assignment, or transfer is approved in writing by the County, the Lessee shall reimburse the County for attorney's fees and expenses incurred by the County relating to the sale, assignment, or transfer in the sole discretion of the County.
- The Assignee shall satisfy all criteria set forth in this Policy, the PMCDs, and all applicable Legal Requirements.

Any sale, assignment, or transfer made without the prior written consent of the County shall be considered null and void.

Change in Controlling Ownership

Any change in the controlling ownership of a Lessee is subject to the prior written consent of the County, which the County may grant or withhold at its sole, unfettered discretion.

If a Lessee is desirous of changing its controlling ownership, the Lessee shall submit a completed Application to the Airport Manager for review. If the Application is acceptable to the Airport Manager, the Airport Manager shall submit the Application and a recommendation to the County for review and approval.

- At the time the change in controlling ownership is approved in writing by the County, the Lessee shall reimburse the County for attorney's fees and expenses incurred by the County relating to the change in controlling ownership.

Any change in controlling ownership made without the prior written consent of the County shall be considered null and void.



Encumbrances

A Lessee shall not mortgage, pledge, assign as collateral, encumber or in any manner transfer, convey, or dispose of the Leased Premises or any interest therein without the prior written consent of the County.

If a Lessee is desirous of mortgaging, pledging, assigning as collateral, encumbering or in any manner transferring, conveying, or disposing of the Leased Premises or any interest therein, the Lessee shall submit a written request to the Airport Manager for review. If the request is acceptable, the Airport Manager shall work with other County staff to obtain the necessary approval(s).

- At the time the request is approved in writing by the County, the Lessee shall reimburse the County for attorney's fees and expenses incurred by the County relating to the encumbrance request.

Any encumbrance made without the prior written consent of the County shall be considered null and void.

Relocation

In the event that relocation is deemed necessary (e.g., to correct deviations from 14 CFR Part 77, to ensure consistency with the Airport Layout Plan, etc.), the County, in its sole discretion, may provide Airport land and/or Improvements that are similar to the Airport land and/or Improvements currently being occupied and/or used by the Lessee. Such Airport land and/or Improvements shall be leased to the Lessee under the same terms and conditions as stipulated in the existing Agreement.

If similar Airport land and/or Improvements are not available, the County may, in its sole discretion, buyout the leasehold interest held by the Lessee at the market value determined by an Appraiser engaged by the County using the approach outlined in Appendix A-5.

If the Lessee disagrees with the market value conclusion reached by the Appraiser, the Lessee shall have the right to initiate the dispute resolution process set forth in Appendix A-8.

If the relocation is solely for the benefit of the County, the County shall pay all reasonable (and verifiable) relocation costs and expenses associated with relocating the Lessee. Relocation shall follow all applicable federal, FAA, and California Legal Requirements for relocation proceedings and any appraisal report shall meet the requirements of such.

- If there is any discrepancy between this Policy and such Legal Requirements, the Legal Requirements shall prevail.

3.3. Other (General) Terms and Conditions

In addition to the key terms and conditions (outlined in Section 3.2), the Agreement shall include the following:

No Waiver – the County shall not waive the right to enforce the Agreement, in whole or in part.

Licenses, Certifications, and Permits – the Lessee shall have (and provide copies to the County upon request) all licenses, certifications, and permits required to conduct Lessee's activities.



Indemnification – the Lessee shall defend, indemnify, save, protect, and hold harmless the County and the Napa County Board of Supervisors (Board), individually and collectively, and its representatives, officers, officials, employees, agents, and volunteers from and against (and reimburse the County or Board for) any and all actual or alleged claims, demands, damages, expenses, costs, fees ((including, but not limited to, attorney, accountant, paralegal, expert, and escrow fees), fines, environmental costs, and/or penalties (collectively referred to as costs) which may imposed upon, claimed against or incurred or suffered by the County or Board as a result of, or arising out of the Lessee's activities, actions, or inactions.

Books and Records – the Lessee shall keep complete books and records of the amounts due and owing to the County for rents, fees, or other charges applicable to the Agreement. The County shall have access to such records upon reasonable notice. The County reserves the right to audit such records. The entity shall have the burden of proof if the amount determined by the County is disputed.

Holdover Possession – in the event the Lessee should hold over and remain in possession of the Leased Premises after the expiration of term of the Agreement, the rents, fees, and other charges paid during the holding over period may be increased by the County to a minimum of 150% of the monthly rents, fees, and other charges that were charged by the County at the time the Agreement expired.

Surrender Leased Premises – requires that upon expiration of the term of the Agreement or earlier termination of the Agreement, Lessee vacate and surrender possession of the Leased Premises to County as outlined in the Improvements section.

Independent Entities – the Agreement shall not be construed to establish a partnership between the County and the Lessee.

Binding Effect – the Agreement shall be binding on and inure to the benefits of the heirs, successors, and assigns of the County and the Lessee.

Subordination – the Agreement is subordinate to any agreement between the County and the United States Government, the State of California, or any other Agency having jurisdiction.

Governing Law and Venue – the Agreement shall be made in accordance with the laws of California and the court having jurisdiction shall be identified in the Agreement.

Paragraph Headings –the paragraph headings in the Agreement shall only be used as a matter of convenience and/or reference.

Severability – if a provision of the Agreement is held to be unlawful, invalid, or unenforceable by final judgment of any Agency or court of competent jurisdiction, the invalidity, voiding, or unenforceability of such provision shall not in any way affect the validity of any other provisions of the Agreement.

Counterparts – if the Agreement is executed in counterparts, each shall be deemed an original and which together shall constitute one and the same Agreement.

Modification – any change or modification to the Agreement shall not be valid unless made in writing, agreed to, and signed by the County and Lessee.

Time of the Essence – the County and Lessee shall agree that time is of the essence in performance of the Agreement.

Entire Agreement – the Agreement shall be construed to embody the entire understanding and agreement between the County and the Lessee.



Notices – the Agreement shall identify the location and contact person (if applicable) for the County and the Lessee as well as the method for providing any notices required in the Agreement.

Representations and Warranties of the Lessee – the Agreement shall outline the representations and warranties of the Lessee.

Exhibits – the Agreement shall include drawings of the Leased Premises (at a minimum) and any additional exhibits which are required to perfect the Agreement.



4. RENTS AND FEES

4.1. Introduction

The County is required, by the Airport Sponsor Assurances, to maintain a rent and fee structure that makes the Airport as self-sustaining as possible given the circumstances that exist.

Through the establishment of rents, fees, and other charges in its Agreements, the County, shall endeavor to make the Airport as self-sustaining as possible by recovering all the costs being incurred by the County relating to the planning, development, operation (including maintenance and repair), management, and marketing of the Airport (that are not being covered by federal or state Airport Improvement Programs).

The County shall be properly compensated for the privileges granted to an Operator, Lessee, or Permittee. It is the policy of the County to seek terms and conditions that, while being reasonable and not unjustly discriminatory, provide the best return to the County.

4.2. Establishment of Market Rent

Market Rent for aeronautical land and/or Improvements (referred to as the “property” or “properties” in this Section) at the Airport may be determined by, one or a combination of: (a) Rent Study, (b) comparative analysis of the rents being charged for similar properties at the Airport, (c) negotiation, or (d) competitive process. The aeronautical properties subject to the establishment of Market Rent, include, but are not necessarily limited to, unimproved land (land not having landside and/or airside access and/or utilities to the property), improved land (land having airside and landside access and utilities to the property), Ramp, Vehicle parking areas, Fuel storage facilities, terminal buildings, office and shop facilities, Hangars, storage areas, and other support buildings or related facilities.

Rent Study

If utilized, a Rent Study may establish an opinion of Market Rent for consideration by the County for aeronautical land and Improvements at the Airport based on a comparative analysis of the rents being charged for similar properties at comparable airports. The process to establish an opinion of Market Rent for a Rent Study is set forth herein.

For the Rent Study process, the County shall engage an aviation consultant or Appraiser who meets the qualifications set forth in Appendix A-6 with the following background and experience to conduct a Rent Study, including but not limited to:

- working knowledge of the aviation industry;
- familiarity with federal and state Legal Requirements and FAA regulations, obligations, and guidance pertaining to setting rents for aeronautical land and Improvements being used for General Aviation purposes; and
- experience providing Rent Studies at similar locations.

Rents and related information shall then be obtained (from locations determined to be comparable) and analyzed to derive the Market Rent for the subject property.

- The County and Lessee (if applicable) may suggest airports to the aviation consultant or Appraiser considered to be comparable, however the aviation consultant or Appraiser shall not be obligated to use such recommended airports.

To ensure consistency in the determination of Market Rent for the subject property, the County may categorize, and group similarly situated properties by use and attributes. In determining the Market Rent for the subject property, the aviation consultant or Appraiser shall use such categorizations and groupings



with consideration given to the functional utility or limitations of the subject property. This shall include, but not necessarily be limited to, any limitations or restrictions on the development, the availability of utilities, and/or the ability of the subject property to support the Aircraft that normally frequent the Airport.

The aviation consultant or Appraiser shall consider properties at the Airport that are similar to the subject property and, if appropriate, the aviation consultant or Appraiser may also consider properties located at competitive facilities and general real estate market conditions and trends in the local market.

If the rents charged for similar properties at the Airport, comparable airports, and/or competitive facilities are impacted by the fees being charged or if fees are charged in lieu of rent, the relationship between the rents and fees shall be considered and addressed by the County.

Similar Properties On-Airport

The County may, in its sole discretion, set Market Rent for the subject property based on rents for similar properties at the Airport that have been established through an Agreement with the County. In this case, each of the elements under this Section may be considered by the County in determining the Market Rent.

Negotiation/Competitive Process

Market Rents can also be established by negotiation or through competitive process.

Rate of Return

In the event that the County develops all or part of the Improvements, to establish rents, the County may, in its sole discretion, establish an acceptable rate of return on the investment.

Airport Sponsor Financing

In the event that the County provides funds for the development of all or part of the capital Improvements, such funds may be provided on terms and conditions commensurate with the prevailing terms and conditions in the market (e.g., loan term, down payment, interest rate, etc.) for the type of Improvement being developed. The rent for the Improvement may be established based on the loan payments by Lessee to the County.



4.3. *Adjustment of Rents*

Methodology

All rents shall be established, based on Board approval, and shall be effective upon the first day of the fiscal year following promulgation of this Policy (July 1, 2019). On an annual basis, all rents shall be reviewed based on the change in the Consumer Price Index (described in this section “CPI”). Adjustments in rents other than annual CPI, shall only go into effect if adopted by the Board.

Consumer Price Index (CPI) – CPI shall mean the San Francisco-Oakland-Hayward Consumer Price Index for Urban Wage Earners and Clerical Workers published by the United States Department of Labor, Bureau of Labor Statistics.

- If a substantial change is made in the method by which the CPI is determined, the CPI shall be adjusted to the figure that would have resulted had no change occurred in the manner of determining the CPI. In the event that the CPI (or a successor or substitute index) is not available, Airport management shall select an alternative governmental or other nonpartisan calculation.

Data for the 12-month period prior to the first day of the fiscal year following promulgation of this Policy (July 1, 2019) shall be utilized as the base year (which shall be equal to 100). All rents shall be adjusted using the percentage change in the CPI, which shall be calculated using the following formula: CPI (at time of adjustment) minus CPI (at time of the last adjustment) divided by CPI (at time of the last adjustment).

4.4. *Establishment and Adjustment of Fees*

The County shall charge fees to recover the costs being incurred by the County associated with the planning, development, operation (including maintenance and repair), management, and marketing of the Airport (that are not being covered by federal or state Airport Improvement Programs).

- Costs shall include, but not necessarily be limited to: (a) all Airport planning, engineering, design, and development costs (County’s portion only), (b) all Airport operating, management, and maintenance and repair costs (County’s portion only), and (c) all Airport debt service, capital outlays, reserves, and amortization.

Fees may include, but are not necessarily limited to, Fuel flowage fees, Aircraft parking fees, Aircraft landing fees, General Aviation Operator permit fees, lease/sublease execution fee, and/or temporary or special use permit fees. All fees shall be identified in the Airport’s Rents and Fees Schedule.

Fuel Flowage Fees – Commercial Operators who provide Fueling (and/or Fuel handling) services at the Airport shall pay a Fuel flowage fee based on the number of gallons delivered to the Airport from the sale of Fuel to (and/or handling of Fuel on behalf of) consumers served and for payment to the County.

Non-Commercial Self-Fueling entities shall report Fuel volumes and pay the Fuel flowage fee directly to the County.

Aircraft Parking Fees – Transient Overnight Aircraft Owners/Operators shall pay an Aircraft parking fee as stipulated in the Airport’s Rents and Fees Schedule.

Aircraft Landing Fees – Transient Aircraft Owners/Operators shall pay an Aircraft landing fee as stipulated in the Airport’s Rents and Fees Schedule.

Fees may be adjusted each year based on the fiscal year budget for the Airport.

- All adjustments shall be effective on the first day of the fiscal year.



- Any deficits may be carried forward and considered when establishing fees for the following year. Any surplus or any portion of any surplus may be used, at the sole discretion of the County, to service Airport debt, make Airport capital Improvements, increase Airport reserves, or may be carried forward for consideration in establishing Airport fees for the following year.

Additional fees may be established by the County from time to time.

4.5. *Payment of Rents, Fees, or Other Charges*

No entity shall be permitted to lease or occupy Airport land and/or Improvements unless the entity is Current and in Good Standing. The County may, in its sole discretion, enforce the payment of any rent, fee, or other charge due and owing to the County by any legal means available to the County under any Agreement and/or as provided by Legal Requirements. All rents, fees, or other charges assessed by the County not paid within 10 days of being due and owing to the County shall be assessed a late fee.



APPENDIX A

A-1. RFI, RFQ, and/or RFP Guidelines

When issuing a RFI, RFQ, and/or RFP, Airport management is encouraged to consider including the following:

Item	RFI	RFQ	RFP
Objectives with respect to the opportunity	•	•	•
Responsibility for compliance with Legal Requirements		•	•
Overview of the community, the Airport, and the marketplace	•	•	•
Location (and approximate size) of the subject property	•	•	•
Complete and thorough description of the subject property		•	•
Anticipated use of the subject property	•	•	•
If Commercial, outline the desires with regard to the: (a) entity’s qualifications and experience and (b) the range, level, and quality of General Aviation products, services, and facilities (and/or Improvements) to be developed		•	•
Anticipated lease term (duration)			•
Minimum rent for the subject property			•
If Commercial, identify the minimum fees and/or other charges for engaging in Activities at the Airport			•
Schedule that identifies key dates for the process	•	•	•
If necessary, the location, date, time, and requirement for attendance at a pre-proposal conference	•	•	•
Specific instructions regarding the content and format of the submission	•	•	•
Require a proposal bond or personal guarantee (that shall remain in effect for 180 calendar days), in the amount equal to the total rents, fees, and other charges proposed to be paid in the first month of the Agreement or \$1,000 (whichever is greater)			•
Place, date, time, and any additional instructions for submission	•	•	•
Grounds for denial or disqualification and withdrawal			•
Evaluation and/or selection criteria to be utilized		•	•
Required forms, statements, and affidavits to be completed for submission			•
Draft of proposed Agreement and/or Permit			•
Primary Management and Compliance Documents			•

Any published RFI/RFQ/RFP will follow the County’s most current established process and legal requirements.

A-2. Advertising Guidelines

The RFI/RFQ/RFP advertisement should:

- provide a description of the RFI/RFQ/RFP opportunity including identification of the Airport land and/or Improvements that are and/or may be available for lease (subject property) and the General Aviation products, services, and/or facilities that are and/or may be desired by the County;
- provide instructions to proposers for obtaining the RFI/RFQ/RFP document; and,
- identify the date, time, and method for submittals.

A-3. County Improvement Leasing Policy (Hangar Leasing Policy)

Application – Any person or entity seeking an Agreement to use a County owned Hangar (Applicant) for non-commercial purposes shall complete and submit a Hangar Lessee Application (Application) to the Airport Manager and pay a non-refundable processing fee (as stipulated in the Airport’s Rents and Fees Schedule).



The Applicant will be provided, upon initial application, with diagrams, dimensions, and monthly rent of existing Hangars. From this information, Applicant shall specify the acceptable Hangar(s). It is the sole responsibility of the Applicant to ensure the Hangar(s) selected will properly accommodate Applicant's Aircraft. While on the Hangar Waiting List, if the Applicant's Hangar size requirements change, it is the sole responsibility of the Applicant to advise the Airport management office of this change prior to being offered a Hangar.

- Aircraft compatibility with available Hangar will be determined by the Airport Manager for the purpose of matching Aircraft and Hangar size to the maximum extent practicable.
- Upon receipt of the completed Application and processing fee, the applicant will be placed in the last position on the Hangar Waiting List (if applicable).
- To be removed from the Hangar Waiting List, the Applicant shall notify the Airport Manager in writing. If an Applicant is desirous of reapplying, the Applicant shall apply in accordance with this Section and be placed in the last position on the Hangar Waiting List.

Deposit Required – A \$200 non-interest bearing deposit will be required from all Applicants occupying positions 1 through 10 on the Hangar Waiting List (Hangar Waiting List Deposit). If the Hangar Waiting List Deposit was not required at the time the Application was submitted because of the length of the Hangar Waiting List, Airport management will notify the Applicant once the Application is in position 1 through 10 of the Hangar Waiting List using the email and telephone number provided in the Application. If the Hangar Waiting List Deposit is not received within 20 calendar days of receiving this notice, Applicant's name will be removed from the Hangar Waiting List.

Notification of Hangar Availability – When a County Hangar becomes available, the County shall contact the Applicant (via email and/or phone) in the first position on the Hangar Waiting List who has specified that size Hangar.

- It is the Applicant's sole responsibility to keep a current email address and telephone number on file with the County.

Upon receipt of notification of Hangar availability, the Applicant shall respond to the County within 10 calendar days in one of the following ways:

- accept the available Hangar, execute a Non-Commercial Aircraft Hangar Agreement, and begin using and/or occupying the Hangar. Any Hangar Waiting List Deposit shall be applied towards the rental for the first month of tenancy. As a security deposit, the equivalent of one month's rent is due at the time of lease execution;
- decline the available Hangar and move to number 10 (or the last position, whichever is less) of the Hangar Waiting List; or
- decline the available Hangar and request to be removed from the Hangar Waiting List, at which time any deposits will be refunded to the Applicant.

If the Applicant does not respond to the County within 10 calendar days, the Applicant shall not be eligible to lease the available Hangar and the County shall contact the Applicant in the next position on the Hangar Waiting List and so on. A non-response to a notice of availability will result in the Applicant being moved to the last position on the Hangar Waiting List.

In the event an Applicant fails to respond to three consecutive Hangar offerings, the Applicant shall be removed from the Hangar Waiting List and the Applicant's deposit shall be forfeited to the County.



Assignment of Hangar Without Aircraft Ownership – A Hangar shall not be used and/or occupied unless the Aircraft is owned, leased, and/or operated by (under the full and exclusive control of) the Applicant and evidence is provided to the County within 14 business days from the date of accepting the available Hangar. If the Applicant fails to provide the required evidence, the Non-Commercial Aircraft Hangar Agreement shall be immediately terminated, the Applicant shall be removed from the Hangar Waiting List, and the Hangar Waiting List Deposit shall be forfeited to the County.

- In the event of intent to purchase or lease, proof of ownership or lease must be received no later than 120 calendar days from the date of Hangar assignment. Failure to do so will result in eviction from the Hangar and loss of position in the Hangar Waiting List.

Certificates of Insurance shall be delivered to the County consistent with the Non-Commercial Aircraft Hangar Agreement.

Change of Ownership/Lease of Aircraft – If, during occupancy of a County owned Hangar, a tenant sells or otherwise disposes of the Aircraft, occupation of the Hangar may continue provided the tenant indicates an intent to obtain a replacement Aircraft. Unless approved in writing by the Airport Manager, "empty hangar" occupancy shall not continue for more than 60 calendar days from the sale date of previously-owned Aircraft occupying the Hangar. Proof of ownership/lease and insurance for the replacement Aircraft shall be provided to the Airport Manager prior to Aircraft occupancy. Subleasing is not permitted and will result in immediate termination of the Non-Commercial Aircraft Hangar Agreement and the tenant's deposit shall be forfeited to the County.

Aircraft Partnership – Each Aircraft partner shall provide proof of ownership, bonafide partnership agreement, or lease and proof of liability insurance coverage to the satisfaction of the Airport Manager.

Hangar Interest Transfer – Lessee may not transfer interest in the Hangar to an Aircraft partner within two years of the date of an approved Aircraft partnership agreement on file with the County.

Hangar Occupation as Contingency for Aircraft Sale – The sale of any Aircraft, contingent upon the continued use of any Hangar, is not permitted. At the time of purchase, the new owner of the Aircraft must vacate the Hangar.

Vacating a Hangar – Lessee shall provide written notice to the County no less than 30 calendar days prior to vacating a Hangar. Failure to provide at least 30 days' notice may result in the County withholding the Applicant's security deposit.

Hangar Trades – Lessees may elect to trade Hangars, if mutually agreed and subject to obtaining the prior written consent of the Airport Manager, in accordance with the following requirements:

- Each Lessee is in full compliance with the Non-Commercial Aircraft Hangar Agreement.
- Each Lessee must have used and/or occupied the Hangar for a period of not less than 30 calendar days.
- Prior written notification shall be provided to the Airport Manager at least 30 calendar days prior to the proposed trade date.

Hangar trades will commence on the first day of the month.

Non-Airworthy Aircraft – The Airport Manager may assign a Hangar to an entity with a permitted non-airworthy Aircraft for up to 18 months. The County requires the following documentation to allow occupancy beyond the 18-month period:



- A valid airworthiness certificate meeting all Legal Requirements.
- A copy or affidavit of an “annual inspection” verifying airworthiness.

Note: The Airport Manager may extend the 18-month period if there are existing Hangar vacancies.

The County may allow a Lessee to commence a construction project on a permitted Aircraft and retain possession of the Hangar for up to three years under the following conditions:

- Tenant must demonstrate construction progress to the Airport Manager 3 months after the date of lease execution and every 6 months thereafter.
- Prior written permission for the Aircraft construction project has been granted by the Airport Manager.
- Lessee is in full compliance with PMCDs and Legal Requirements.
- Lessee provides a copy of an FAA airworthiness certificate before the end of the three-year period.
- A copy or affidavit of an “annual inspection” verifying airworthiness.

A-4. Standard Sublease Form Requirements

The standard sublease form shall include, at a minimum, the following:

- Legal name, address, and contact information of the subleasing entity.
- Land and/or Improvement identification, location, and description.
- Term of sublease.
- Rights, obligations, permitted uses, and limitations of Operator and the subleasing entity.
- Defaults, remedies, and termination of Operator and the subleasing entity.
- Compliance with the PMCDs and all applicable Legal Requirements.
- If subleasing for the purpose of Aircraft storage (Hangar or tiedown):
 - Aircraft registration number, make, model, and maximum gross landing weight.
 - Requirement to provide a Certificate of Insurance identifying industry standard liability coverage for the non-commercial Aircraft in compliance with the PMCDs.

A-5. Establishment of Market Value

The County may engage an Appraiser who meets the qualifications set forth in Appendix A-6 to conduct an appraisal in compliance with the requirements set forth in Appendix A-7 to determine market value.

The Appraiser shall use current appraisal methods that are appropriate for appraising airport land and/or Improvements used for General Aviation purposes.

- To determine market value, the Appraiser shall consider all three recognized appraisal methods: cost approach, market data or sales comparison approach, and income approach.
- Although application of all three approaches shall not be required, the Appraiser must adequately explain the omission of any method.
- At a minimum, the Appraiser shall utilize the income approach (and the direct capitalization technique) to derive the market value of the subject property. Integral to this process, the Appraiser shall conduct an analysis of rents, fees, or other charges for similar properties at comparable airports.
- The Appraiser shall consider each of the factors delineated in Section 4.2 including, but not limited to, identification of comparable airports, identification of similar properties at comparable airports, property groupings (if applicable), similar on-Airport properties, market conditions and trends, component rents, and impacts of fees on rents.



- If using the cost approach to derive the replacement cost of the subject Improvements, the depreciation deduction shall be based on the economic life and the effective age of the subject Improvements. Widely recognized and highly regarded national publications (such as Marshall Valuation Service) shall be used as the basis for determining the economic life of the subject Improvements.

The Appraiser shall use an appropriate and justifiable rate of return for airport properties.

- The capitalization rates utilized by the Appraiser shall be obtained through relevant, reasonable, and appropriate methods and must be adequately discussed in the appraisal report.

The subject property shall be appraised assuming that highest and best use is aviation related.

The appraiser shall also assume that the subject property will be located on the Airport and that access to the Infrastructure and amenities of the Airport shall be available.

Additionally, the appraisal shall meet the Uniform Standards of Professional Appraisal Practice (USPAP).

A-6. Appraiser Qualifications

Appraisals for aeronautical land and/or Improvements shall be performed by an Appraiser who shall be a Member, Appraisal Institute (MAI) or similarly designated and equally qualified Appraiser who shall be certified by a recognized appraisal organization.

Appraiser must be certified by the California Bureau of Real Estate Appraisers (BREA) as a Certified General Appraiser.

- An out-of-state Appraiser may perform an appraisal provided that the Appraiser (prior to conducting the appraisal) satisfies the BREA's requirements by way of reciprocity or otherwise.

Appraiser shall have working knowledge of the aviation industry and airports including commercial entities (i.e., aviation businesses – FBOs and SASOs), Non-Commercial entities (i.e., aircraft owners and operators), and related activities.

Appraiser shall be familiar with federal and state Legal Requirements and FAA regulations, obligations, and guidance pertaining to valuing airport Improvements being used for General Aviation purposes.

Appraiser shall have experience providing the same services at similar airports.

Appraisers who only conduct appraisals of off-airport (e.g., non-aeronautical) property (for acquisition or other purposes) may not qualify.

A-7. Appraisal Requirements

Any appraisal process will be conducted by the most current standard and legal practices in place by the County.

A-8. Dispute Resolution

If a Lessee disagrees with the conclusion (Market Rent or market value) reached, the Lessee may, at Lessee's risk, cost, and expense, engage a second firm (aviation consultant or Appraiser that meets the requirements in Appendix A-6) to conduct an independent Rent Study as set forth in Section 4.2 or appraisal. If the conclusions reflect a variance of 10% or less, the results shall be averaged to determine the conclusion.



If the variance exceeds 10% and an agreement cannot be reached between the County and the Lessee regarding the conclusion, the first and second firms shall mutually select a third firm who shall meet the qualifications set forth in Appendix A-6.

- The third firm shall make a determination regarding the conclusion based on a review of the first and second Rent Studies (or appraisals).
- If the first and second firms are unable to agree upon the third firm, the County shall appoint a third firm who shall meet the qualification stipulated in Appendix A-6 to make a determination regarding the Market Rent (or the market value).

The third firm may request a hearing at which the first and second firms shall provide additional information, data, documentation, and/or clarification regarding the conclusions as the third aviation firm may require. The third firm shall have the right to gather, analyze, and consider additional information, data, and documentation as the third firm deems relevant, reasonable, and appropriate.

The third firm shall make a final determination based on a review of the two conclusions and any additional information, data, documentation, and/or clarification provided by the first and second firms and/or gathered or analyzed by the third firm. The decision of the third firm regarding the conclusion shall be accepted by the County and Lessee and shall be legally binding.

All costs and expenses associated with the work of the third firm shall be paid equally by the County and the Lessee.

- During any period when there is disagreement between the County and the Lessee regarding a rent adjustment, the Lessee shall be responsible for the payment of the adjusted rent as recommended by the firm first engaged by the County. Once the disagreement is resolved, any difference between the rent paid and the final determined rent shall be paid to the County or credited to the Lessee's account (as appropriate).