



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 2/26/2019
Agenda Placement: 9F
Set Time: 10:00 AM PUBLIC HEARING
Estimated Report Time: 5 Minutes

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: Steven Lederer - Director of Public Works
Airport

REPORT BY: Greg Baer, Airport Manager - x4665

SUBJECT: First Reading of an Ordinance Adopting the Airport's Primary Management & Compliance Documents

RECOMMENDATION

Director of Public Works requests first Reading and Notice of Intent to Adopt Ordinance No. 1437 amending Section 1.28.040 (Definitions) and Chapter 11.28 (Napa County Airport) of the Napa County Code and Adopting Rules and Regulations for the Napa County Airport.

(STAFF REQUESTS CONTINUANCE TO MARCH 26, 2019 AT 10:15 A.M.)

EXECUTIVE SUMMARY

The Airport operates under a series of policies and procedures that govern activities of tenants, commercial operators and general users of the Airport in order to comply with Federal Aviation Administration guidance and grant assurances. Collectively these policies and procedures are considered the Primary Management and Compliance Documents (PMCDs). Staff undertook an extensive public outreach process to gain feedback on the policy documents which have not been updated in almost forty years. Today's requested actions will allow for an update of the Airport's Rules and Regulations and Minimum Standards and will establish new policies related to Development Standards and Leasing/Rents and Fees. These updates will result in increased safety of the operations at the Airport and provide staff with effective management tools.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

Background

The Napa County Airport is an important community asset that plays a significant role in the local tourism industry in addition to its contribution to the larger national aviation community. The Napa County Airport was originally constructed in 1942 by the United States Army as part of the war efforts, and soon after in 1945 was deeded to the County. Over the years following the transfer of ownership, the Napa County Airport (Airport) became a thriving General Aviation airport supporting various aviation businesses, numerous jobs, and thousands of newly trained pilots.

Today, the Airport supports 158 based aircraft and exceeds 50,000 annual flight operations, and is home base to critical emergency services such as the Air Operations Division of the California Highway Patrol and REACH Air Medical Services. Additionally, the Airport leases space to a number of small aviation related businesses. The Airport is part of the National Plan of Integrated Airport Systems (NPIAS) and plays a significant role in the national aviation transportation system as a designated Reliever Airport. As part of the ongoing operations of the Airport, the County has evolved along with the Federal Aviation Administration (FAA) with respect to the planning and management of the airport. This has been accomplished in large part by complying with FAA Grant Assurances, as well as following FAA policies, guidance, and recommended best practices. Additionally, the Airport is referred to as a Federally Obligated Airport because the Airport participates in the FAA Airport Improvement Program whereby certain eligible projects (including but not limited to, planning, design, construction, and land acquisition) are grant funded at the 90% reimbursement level. The Airport is required to meet thirty-nine Grant Assurances requiring recipients to maintain and operate their facilities safely, efficiently, and in accordance with each of the specified conditions.

Integral to meeting the primary goal of operating an airport safely and efficiently, and in turn meeting our required Grant Assurances, effective airport management requires clear policies. The majority of NPIAS airport sponsors create and implement management and compliance documents as a standard way to set forth the required policies. Once adopted, these policies become governing documents that integrate airport best practices and legally acceptable guidance on a wide range of airport subjects. Although not mandated by the FAA, adoption of these Primary Management and Compliance Documents (PMCDs) are recommended based on their ability to assist airport sponsors in maintaining safety, efficiency, and Grant Assurance compliance.

As such, the Airport has drafted PMCDs which are comprised of four policy statements: 1) *Rules and Regulations*, 2) *General Aviation Minimum Standards*, 3) *General Aviation Leasing/Rents and Fees Policy*, and 4) *Development Standards*.

Rules and Regulations are the guidelines for acceptable conduct for anyone on the airfield including public or private, operator or tenant, and staff. *Minimum Standards* designate the acceptable conduct of parties engaged in commercial activities on the airport. The *Leasing Rents/Fees Policy* is the guiding document outlining the methodology to adjust, evaluate, and set rates and fees for aeronautical commercial and non-commercial hangar lease rates, office rents and alike. The policy outlines the methodology and does not include the actual rates/fees

(for hangars, landing and parking fees, etc.), which are delineated within the Airport's Master Fee Schedule. *Development Standards* establish the rules governing the design, development (construction), and/or modification of general aviation improvements, if approved by the Board, for a wide range of aeronautical and non-aeronautical construction scenarios.

Collectively, these four polices are a compendium of rules, regulations, policies, and standards that govern the operation, management, and development of an airport. In combination, these PMCDs are designed to: (1) contribute to the long-term financial health of an airport, (2) facilitate (foster) the orderly development of an airport, (3) encourage the provision of quality products, services, and facilities at an airport, (4) protect the health, safety, interest, and general welfare of the public, and (5) reduce the potential for conflict with tenants, consumers, and users.

Additionally, staff is requesting updates and changes to delegation authorities that will allow Airport and Public Works staff to appropriately administer the updated policies and procedures. These changes include the establishment of authority of the Airport Manager to execute month-to-month license agreements and sub-licenses on Airport property, to enter into letters of agreement with the FAA, tenants and visitors that are limited in scope to non-compensatory items, the execution of commercial operating permits, and the execution of sub-leases for activities authorized by the lease language. Furthermore, the requested action will continue previous Board action that delegated authority to the Director of Public Works (or designee) to execute FAA and State of California grant documents for approved projects and agreements for uses involving the Limited Passenger Facilities at the Airport.

The Airport is currently operating under outdated policies, and many important and contemporary management issues are not addressed. Today, staff is recommending the Board adopt new and updated policies allowing the Napa County Airport to be managed more safely and efficiently, as well as to develop into a 21st century General Aviation airport representative of the Napa Valley.

Airport Policy History

The Airport's current Minimum Standards were adopted in 1979 and have not been updated since that time. The current Rules and Regulations were last updated in 1980 and based on current aviation standards are outdated and in need of a complete overhaul. The Airport has never established a Leasing Rents/Fees Policy, nor any Development Standards.

In 2010, there was a review of the policy documents by Airport Management with assistance from Aviation Management Consulting Group (AMCG), but ultimately there was no recommendation brought to the Board of Supervisors. However, staff recognized the value of the work previously performed, and re-engaged with AMCG in early 2018 with the goal of conducting a well thought out process to create a customized set of policy documents for the Board of Supervisors to adopt.

Process

Based on Board direction, County and AMCG staff outlined a process that would be iterative, transparent, and would encourage and facilitate public participation to the maximum extent possible. Each policy document was first drafted by AMCG using County staff direction, knowledge of the Napa Airport, and an expert understanding of the best practices for General Aviation airports. County staff reviewed and discussed each document with AMCG, and provided redline level edits and comments. Those updated drafts were then provided to an Ad-Hoc Committee of the Airport Advisory Commission (AAC). The AAC appointed four members to review each document and provide comments and discussion that would help to inform the final draft issued for public review. When the Ad-Hoc

Committee's comments had been addressed, the updated documents were then released for public review. The iterative nature of the process was carried out by releasing each of the four policy documents independently and allowing up to a month for a public review and comment period.

To encourage and facilitate public participation in reviewing the draft documents, Airport Management committed to communicating with tenants and stakeholders using the following venues and tools:

- Attendance at each monthly meeting held by the two respective airport user's groups (Napa Airport Pilots Association & Experimental Aircraft Association, Chapter 167) to apprise members of the project well before draft documents were made available, and then provide updates throughout the process.
- Two evening Public Outreach Meetings were held at the outset of the process in March 2018.
- Maintenance of a website dedicated to posting draft documents and responses.
- Direct emailing of all tenants, stakeholders, and interested parties of draft documents for review and comment.
- Direct emailing of all tenants, stakeholders, and interested parties with responses to comments.
- Updates provided at each monthly Airport Advisory Commission meeting, including reports from Ad-Hoc Members.
- Overview of PMCDs and process presented at Board of Supervisor's meeting held on August 28, 2018.
- Public Outreach Meeting held on January 22, 2019 to review any remaining public input prior to adoption.
- Direct emailing of all tenants, stakeholders, and interested parties with final recommendation on major issues.

Public comments were accepted and encouraged to be submitted in whatever format was easiest for the respondent; direct email or handwritten to the Airport Manager or through a web portal that was linked to the Airport's website and maintained by AMCG. The four Comment Compilation and Response forms are attached to this report, capturing each comment (C) and then directly below has a response (R) to the comment that indicates why a change to the document was warranted or not.

Although the majority of comments were submitted directly to the Airport Manager, the following statistics were generated from the online portal for each respective policy:

- Rules and Regulations: 137 views and 2 started surveys
- Minimum Standards: 82 views with 1 completed survey
- Leasing/Rents and Fees Policy: 114 views and 1 completed survey
- Development Standards: 90 views and no started or completed surveys

Based on public comments, industry trends, and best management practices, the draft documents include a new commercial operator category for Independent Aircraft Maintenance Operators that will allow for properly permitted aircraft mechanics to perform aircraft maintenance without having their own hangar/shop on the field. Additionally, based on staff's research of industry standards as to what other similar airports require, this minimum insurance requirement has been revised from \$5M to \$1M in general liability and public premises coverage.

Similar to comments received during the document review periods, the vast majority of concerns raised during the January 22, 2019 Public Outreach Meeting revolved around maintenance of aircraft owned by Airport tenants within their respective hangars. Specifically, insuring that the traditional practice of hangar tenants being able to perform their own maintenance as allowed by the FAA, and/or to have maintenance assistance or FAA certified technicians within hangars was not going to be regulated to the point of making the practice untenable. As mentioned above, prior to January 22nd, staff had made changes to the policies to create the Independent Aircraft Maintenance Operator, however based on stakeholder feedback, this approach would still functionally eliminate properly certified aircraft mechanics from providing assistance on a non-commercial basis.

In response to such feedback, staff has updated the documents to include an additional maintenance category that will allow this traditional practice, while still putting reasonable parameters in place. Such parameters will be implemented by-way of adjustments to existing licensee agreements that will expressly address this activity through insurance and indemnification provisions. These modifications have been drafted in consultation with County Counsel and Risk Management.

An offshoot of the discussion described above during the January 22nd meeting pertained to the prohibition of performing maintenance on any part of an aircraft fuel system within hangars that are not equipped with fire sprinklers. Because this safety issue stems from existing state law through the California Fire Code, the proposed Airport policies have no bearing or influence to change the law. This is a “work in progress” topic for Airport Management as resources and capital funding are not immediately available. As an alternative to individuals performing these prohibited activities within their County licensed premises, they can seek the maintenance services of the on-field Fixed Based Operator (FBO), Lynx FBO Network to have this work done. It should be noted that Lynx provides aircraft maintenance at a discounted rate for based tenants at \$97/hour, a savings of \$12/hour when compared to current retail rates.

Outcome

Overall, the PMCDs presented today for adoption represent a comprehensive set of documents that have been carefully crafted recognizing industry standards across the Country as well as being tailored to specific nuances of the Napa County Airport. In large part, the ability to achieve these characteristics came from the expertise of County staff, consultant staff, and from the users and stakeholders of the Airport themselves. The iterative and deliberate process that sought as much stakeholder input as possible proved to be beneficial. At their meeting on February 4, 2019, the Airport Advisory Commission (AAC) unanimously voted to support the policy documents and recommends Board approval.

Ultimately, the adoption and implementation of these documents will allow the Airport to be managed more safely, efficiently, and will facilitate future development/re-development producing a world-class General Aviation Airport.

Recommendation

At the February 12, 2019 Board of Supervisors meeting, staff presented an overview of the policy documents and received Board comments and direction. Based on the direction received, staff is in the process of reviewing and editing the documents. These changes will improve clarity in the policy directives and remove any unnecessary redundancy or possible contradictory statements. In addition to these substantive changes, staff is also reviewing the documents again to address any grammatical errors and improve overall readability.

Staff is recommending that the first reading of the ordinance adopting the Rules and Regulations and the resolutions related to the other policy documents be continued until the March 26, 2019 Board of Supervisors meeting. The final ordinance adoption would follow on April 9, 2019.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Mary Booher