



**CITY OF AUSTIN DEPARTMENT OF AVIATION
MINIMUM STANDARDS AND REQUIREMENTS
FOR NON-COMMERCIAL AIRCRAFT HANGARS AT
AUSTIN-BERGSTROM INTERNATIONAL AIRPORT**

I. DEFINITIONS

- A. **Airport** means Austin-Bergstrom International Airport.
- B. **City** means the City of Austin, a Texas home-rule municipal corporation.
- C. **Commercial Aeronautical Service** means a service provided to the public for a fee that involves, makes possible, or is required for the operation of aircraft, or which contributes to, or is required for the safe conduct and utility of such aircraft operations, and includes those services provided by either a Fixed Base Operator, or a Specialized Aviation Service Operator.
- D. **Director** means the Executive Director of the City of Austin Department of Aviation, or authorized designee.
- E. **FAA** means the Federal Aviation Administration of the United States Department of Transportation.
- F. **Improvements** includes, without limitation, means any buildings, hangars, paved areas such as parking lots, ramp or apron, water quality and drainage ponds, or other improvements constructed or installed by an Owner on its Premises.
- G. **Owner** means a Person that has an ownership interest in a Non-Commercial Aircraft Hangar. If there is more than one Owner of a Non-Commercial Aircraft Hangar, Owners must comply individually and collectively with these Minimum Standards.
- H. **Non-Commercial Aircraft Hangar** means an aircraft hangar that is exclusively used for the storage of general aviation aircraft owned or leased by its Owner(s). A Non-Commercial Aircraft Hangar may not be used to provide Commercial Aeronautical Services, or to store aircraft of any Person who is not an Owner except through a sublease authorized in advance by the Director.
- I. **Person** means a natural person, corporation, partnership, trust, association, political subdivision, agency of the State, or other legal entity, but does not include the City.
- J. **Premises** means a defined area on the Airport that has been leased, or subleased, to Owner for a Non-Commercial Aircraft Hangar.

K. **T Hangar** means an aircraft hangar that consists of a multiple number of individual T-shaped bays or units, each suitable for the storage of a single aircraft.

L. **Specialized Aviation Service Operator or SASO** is a Person maintaining facilities at the Airport for the purpose of providing one or more of the following services: (1) specialized aircraft repair services (radios, painting, upholstery, propellers, instruments, accessories, etc.); (2) aircraft airframe and powerplant maintenance and repair; (3) flight training; (4) aircraft sales; (5) aircraft rental; (6) aircraft charter and air taxi service; (7) commercial aircraft storage.

II. **APPLICABILITY**

The City, acting by and through its Department of Aviation, owns and operates the Airport. To encourage growth and development of the Airport and to facilitate the efficient development and use of land at the Airport, the City has established these standards and requirements (the "Minimum Standards") for the development of Non-Commercial Aircraft Hangars at the Airport. These Minimum Standards may be amended by the City as conditions require in accordance with City Code Chapter 1-2.

Pursuant to Chapter 17-2 of the Austin City Code, no Person may conduct or operate a business at the Airport or construct any improvements on the Airport except as authorized by the Director. These Minimum Standards establish the criteria by which the Director shall consider requests from Persons who seek to lease, or sublease a tract of land at the Airport to construct, install, operate, maintain and use a Non-Commercial Aircraft Hangar at the Airport. These Minimum Standards are applicable to Persons who seek to lease or sublease land at the Airport to construct, own and operate a private non-commercial aircraft hangar. These Minimum Standards apply to all Leases granted or renewed after the effective date of these rules. The provisions of the Lease will be compatible with the Minimum Standards herein contained and will not change or modify the Minimum Standards themselves. To the extent consistent with the terms of the Lease, these rules shall apply to all currently existing Leases and Permits.

These Minimum Standards do not apply to the City itself, to certified air carriers operating from the Airport, or to Commercial Aeronautical Service Providers. These Minimum Standards are not intended to be all-inclusive; the Owner will be subject additionally to applicable federal, state and local laws, codes, ordinances and other similar laws or regulations including Airport Rules and Regulations pertaining to all such services.

III. **STATEMENT OF POLICY**

In establishing these Minimum Standards, the City's goal is to assure the safe and orderly operation of the Airport, and an adequate minimum level of quality of service to General Aviation users while making economical and efficient use of airport land, ramps aprons and runways, in accordance with the Airport Master Plan and the Airport Layout Plan. In adopting these Minimum Standards, the Department of Aviation finds that permitting small individual hangars would be an uneconomical and inefficient use of the limited space at the airport available for general aviation uses. Therefore, only large hangars capable of housing Group II or larger aircraft or multiple smaller aircraft will be authorized under these Minimum Standards. The minimum standards shall be applied objectively and uniformly.

The standards and requirements in this policy are minimums. All Owners will be encouraged to exceed the minimum.

Contingent upon its qualifications, its meeting the Minimum Standards, the approval of the prospective Owner's application by the Director, the execution of a Lease, and the payment of the applicable rentals, fees

and charges, the Owner shall have the right and privilege to install, construct, operate, maintain, and use the Non-Commercial Aircraft Hangar for which it made application on the Airport, as specified in its Lease. The Owner may not provide any Commercial Aeronautical Service from a Non-Commercial Aircraft Hangar.

The granting of such right and privilege, however, shall not be construed in any manner as affording the Owner any exclusive right of use of the premises and facilities and the Airport, other than those premises which may be leased exclusively to it, and then only to the extent provided in a written agreement. The City reserves and retains the right for use of the Airport by others who may desire to use the same, pursuant to applicable federal, state and local laws, ordinances, codes, minimum standards and other regulatory measures pertaining to such use. The City further reserves the right to designate the specific Airport areas in which general aviation operations may be conducted, and to relocate Non-Commercial Aircraft Hangars to another location on the Airport. Such designation shall give consideration to the nature and extent of the operation and the land and improvements available for such purpose, consistent with the orderly and safe operation of the Airport.

If the City determines there are more qualified applicants seeking to provide a particular Commercial Aeronautical Service than there is space or demand at the airport for such service, the City may select the Commercial Aeronautical Service provider through a competitive solicitation or request for proposals.

These Minimum Standards are subordinate and subject to the provisions of any agreement between the City and the United States Government relative to the operation or maintenance of the Airport, the execution of which has been, or may in the future be, required as a condition precedent to the transfer of federal rights or property to the City for Airport purposes, or the expenditure of federal funds for the development of the Airport, including the expenditure of federal funds for the development of the Airport in accordance with the provisions of the Federal Aviation Act of 1958, as amended. The issuance of a Final Agency Order finding a provision of these Minimum Standards inconsistent with such agreement shall operate to invalidate such provision. The invalidity or unenforceability of any provision of these Minimum Standards shall not affect validity or enforceability of any other provision of these Minimum Standards, and the remainder shall be construed and enforced as if the invalid or unenforceable provision were never included in the Minimum Standards.

IV. APPLICATION REQUIREMENTS

A. **Application.** To apply for a Lease for a Non-Commercial Aircraft Hangar at the Airport, a Person shall submit a written application to the Director, which shall include the following information and, thereafter, shall provide such additional information as may be requested by the Director.

1) **Intended Facility.** A prospective Owner must submit a detailed description of the scope of the proposed hangar facility, and the means and methods to be employed to accomplish the contemplated operation, including, at a minimum, the following:

a) The name, address and telephone number of the applicant and all Owners of the proposed Non-Commercial Aircraft Hangar. If the applicant or any Owner is a corporation, include the name, address, and telephone number of the corporation's officers and directors. If the applicant or any Owner is a partnership, provide the name, address, and telephone number of all general partners. Also provide the name, address, and telephone number of any Person that holds a controlling interest, directly or indirectly, in the applicant or any Owner. Applicant must disclose if any officer, director, partner, or Person having a controlling interest in applicant or any Owner is also an officer, director, partner, or a Person holding a controlling interest in a Commercial Aeronautical Service provider at the Airport.

- b) If there is more than one Owner, a copy of all agreements and documents by and among the Owners that establish and describe the respective rights of the Owners. Such documents include, without limitation, association agreements, by-laws, partnership agreements, and condominium agreements.
 - c) The amount, size and location of land required.
 - d) The size, type, and location of the hangar(s) to be constructed.
 - e) The number and location of tie-down spaces to be constructed, if any.
 - f) The number and type of aircraft to be parked or stored.
 - g) The number of persons employed by Owner(s) to operate or maintain the Non-Commercial Aircraft Hangar (including the names, titles and qualifications of key employees).
 - h) The hours of proposed operation.
 - i) Copies of all contracts and agreements entered into by Owner to operate or maintain the Non-Commercial Aircraft Hangar.
 - j) Copies of all licenses, certifications and permits possessed by the applicant, or its key employees to be based at the Airport, that are necessary or required to operate or maintain the Hangar.
 - k) Such other or additional information as may be required under these Minimum Standards, or that the Director may reasonably require to evaluate the application.
- 2) Financial and Managerial Responsibility and Capability. The prospective Owner must provide a statement, satisfactory to the City, to evidence its financial responsibility, from a recognized financial institution or from such other source that may be acceptable to the City and readily verified through normal banking channels, together with copies of audited financial statements, SEC Form 10-K's, and annual reports for the prospective Owner for the previous three years. The prospective Owner must also demonstrate financial capability to design and construct the proposed improvements, to make the rent, taxes, insurance, and other required payments, and to operate and maintain the Non-Commercial Aircraft Hangar in accordance with the lease with the Airport.

B. Annual Reporting Requirement and Notification of Changes. Owners shall report annually, by the anniversary date of the Effective Date of their Lease, that information listed above, and shall provide the Director with three weeks advance notice of its intention to start up or discontinue an authorized commercial aeronautical service. In addition, all Owners must file updated FAA certificates and ratings (their own and their employees') annually when received, and must file within two weeks of receipt any changes in their own and their employees' FAA certificates or ratings.

C. Grounds for Denial of an Application. The Director shall consider the application once the prospective Owner has submitted a complete application. The Director shall not unreasonably deny or delay consideration of an application. A delay to implement a competitive process to select an Owner is not unreasonable. Grounds for denial of an application include the following:

- 1) The applicant does not, for any reason, fully meet the qualifications, standards and requirements established in these Minimum Standards.
- 2) The applicant's proposed operation or construction would create a safety hazard on the Airport or impair Airport security.
- 3) The granting of the application will require the Airport to expend funds, or supply labor or materials, in connection with the proposed activity or operation that the Airport is unwilling to spend or supply, or the proposed activity or operation will result in a financial loss to the Airport.
- 4) No appropriate, adequate, or available land, space, or building exists at the Airport to accommodate the proposed facility of the applicant at the time of application, and none is contemplated to be available within a reasonable time thereafter.
- 5) The proposed facility, development, or construction does not comply with the FAA approved Airport Master Plan or Airport Layout Plan.
- 6) The proposed operation, development or construction will result in congestion of aircraft or buildings, or will result in undue interference with the operations of any present Owner at the Airport, or with adequate access to a present Owner's leased premises.
- 7) The applicant has intentionally or unintentionally misrepresented or omitted any material fact in the application or supporting documents, or has failed to make full disclosure in the application or supporting documents.
- 8) The applicant, or any officer, director, key employee, or Person having a controlling interest in the applicant, has a record of (a) violating the laws, rules and regulations applicable to the Airport or any other airport, including but not limited, to civil air regulations and FAA regulations, (b) having defaulted in the performance of a lease, license, permit, or similar agreement at the Airport or any other airport, or (c) having been convicted of any felony or misdemeanor involving moral turpitude.
- 9) The applicant, in the opinion of the Director, has not provided verified evidence of adequate financial responsibility or does not exhibit the experience to undertake the proposed project based on the information provided with the application.
- 10) The applicant cannot provide the required performance and other bonds, security deposits, or other acceptable surety in the amount required by the Airport for the proposed facility, activity or construction.

V. REQUIREMENTS

A. Written Lease

- 1) Before beginning operations, the prospective Owner must enter into a written Lease with the City, or a sublease with an existing Fixed Base Operator or other appropriate Airport tenant, reciting the terms and conditions under which it will do business on the Airport, including but not limited to, the term of agreement, the rentals, fees, and charges, the rights, privileges and obligations of the respective parties, and other relevant provisions. Such Lease or sublease shall be consistent with these Minimum Standards.

2) A Lease with the City shall contain, or adopt by reference, all provisions required by the applicable law, including, without limitation, regulations promulgated by the FAA, and assurances or agreements entered into by the City as a condition of any Federal Grant to the City for the Airport. The Lease shall be subordinate to any existing or future Federal grant assurances.

3) A Lease with the City shall provide that, at or before execution, the Owner shall deliver to the Director a security deposit in an amount not less than three months' fees and charges owed to the City under such agreement. The security deposit shall be in the form of cash or an irrevocable letter of credit drawn on a City-approved bank, and shall be held by City as security for the Owner's performance of its obligations under the Lease, including, but not limited to, payment of fees and charges or other amounts due the City under the Lease. The security deposit shall not be considered an advance payment of such fees and charges, or a measure of damages in the event of default by the Owner. If the City uses the security deposit, in whole or in part, the Owner shall promptly restore the security deposit to its original amount upon request of City. Provided that the Owner is not in default, the security deposit, or any unused balance thereof, shall be returned to Owner within thirty (30) days following termination of the Lease.

4) The Lease or sublease may not be assigned or transferred in whole or in part without the prior written consent of the Director. Nor may the Premises be sublet in whole or in part without the prior written consent of the Director.

B. **Site Development Standards**

1) Location. Non-Commercial Aircraft Hangars may be situated only in those areas of the Airport specified for General Aviation use in the Airport Layout Plan (ALP) and the Airport Master Plan.

2) Minimum Space Requirements. The Owner shall lease or sublease a sufficient amount of land, but not less than two acres, upon which all required Improvements shall be located, including any on-premises water quality or drainage improvements necessary to comply with applicable Federal, State and Local law, rules and regulations and the Airport Storm Water Pollution Prevention Plan. The Improvements must include a minimum of 8,000 square feet of hangar space with no individual hangar having less than 8,000 square feet of hangar space. The Owner must provide air conditioned space for an office, restrooms, lounge and telephone facilities for Owner-occupant use, (c) paved aircraft apron space to accommodate the maximum number and type of aircraft that can be stored within the hangar(s) at any one time, and (d) paved motor vehicle parking facilities to accommodate the Owner(s), guests, and employees on a daily basis.

3) T-Hangars. A Non-Commercial Aircraft Hangar may be a T-Hangar, provided that:

- a) The T-Hangar must contain a minimum of twelve aircraft storage bays or units, plus air conditioned space for an office, restrooms, lounge and telephone facilities for Owner-occupant use;
- b) A T-Hangar unit may not be rented or leased to a person who is not an Owner; except that an Owner may sublease his or her individual unit with the prior written consent of the Director;
- c) Commercial Aeronautical Services may not be operated from any T-Hangar unit.

4) Subleases. An Owner may sublease his or her rights to store an aircraft in a Non-Commercial Aircraft Hangar with the prior written consent of the Director. A sublease may not be

used as a subterfuge to avoid the prohibition against the use of the Premises for a Commercial Aeronautical Service, including, but not limited to the operation of a Commercial Aircraft Hangar. Sub-subleases are prohibited.

5) Airport Design Criteria. All construction of Improvements and infrastructure must conform to the ABIA Design and Development Guide and conform to and comply with the approved plans and specifications submitted by Owner and approved by the City and the Director, the applicable statutes, ordinances, building codes, rules and regulations of City and the FAA and such other authorities as may have jurisdiction over the Airport, the Premises or Owner's operations herein. The height of any structure on the Premises must be within the limits of the FAA regulations governing objects affecting airspace, as set forth in 14 C.F.R., Part 77 and the City's Airport Height Hazard and Compatible Use Zoning Ordinances. Any structure that violates these requirements shall be subject to removal or remediation at the Owner's expense. The Director will have the right to review all plans and specifications for any Improvements to be constructed on the Premises to determine compliance with such regulations. The approval by the Director shall not constitute a representation or warranty as to such conformity or compliance, but responsibility therefor shall at all times remain with the Owner.

6) Design/Construction Review. Owner shall not construct, install, remove, or modify any Improvements on the Premises without the prior written approval of the Director, or his designated representative, of Owner's plans and specifications for the proposed project. All plans shall be complete and submitted in accordance with the ABIA Design and Development Guide, and the applicable provisions of the Lease.

7) Bonds and Insurance. Owner shall provide or cause to be provided to the City prior to the commencement of any construction of any Improvements, a valid performance bond and payment bond, each in the amount of the maximum estimated hard construction costs, for the successful construction of its Improvements. Said bonds shall be maintained and kept in full force and effect until work items called for in the Owner's agreement with the City are complete. The bonds shall be conditioned to ensure performance and payment by the Owner and its construction contractor of all Improvements required and proposed by the Owner, and to stand as security for the successful completion of the built Improvements on the Premises and for payment of any valid claim by the City against the Owner or its Contractor associated with the construction of the improvements. The bonds shall be in a form acceptable to the City and shall be issued by a surety that complies with the requirements of the Texas Insurance Code, as amended. If Owner engages any contractors and/or subcontractors to construct Improvements on the Premises, the contractors and subcontractors must carry appropriate builders risk and commercial general liability policies as are required at that time by the City Risk Manager for construction projects on City property.

8) Other Facilities. The Owner shall provide within the Premises a paved walkway to accommodate pedestrian access to the Hangar; a paved aircraft apron sufficient to accommodate Owner's aircraft, and telephone facilities.

9) Landscaping. Landscaping of the Premises is required. A plan for landscaping the Premises shall be submitted to the City for its approval in accordance with the ABIA Design and Development Guide. The Owner shall maintain the landscaping.

10) Right of Relocation. The City shall have the right to relocate Owner's Premises when necessary to accommodate the Airport development. The need for such relocation shall be solely determined by the Director. If relocation becomes necessary, the City shall provide the Owner with

a replacement area substantially equivalent in size and amenities. Should Owner disagree with the replacement location, Owner shall have the right, within ten (10) calendar days of receipt of the Director's written notice of impending relocation, to provide written notice to the Director that Owner disagrees with the replacement location. Upon such notice by Owner, the parties shall, for a period not to exceed thirty (30) days from the date of such notice, negotiate in good faith in an attempt to resolve the matter to the satisfaction of both parties; however if for any reason the disagreement is not resolved with thirty (30) days, the Director shall have the right to unilaterally decide the matter, and Owner agrees to and shall abide by the Director's decision, subject to such rights of termination as Owner may have under its Lease. If the City requires the Owner to relocate its facilities during the term of this Agreement, the City shall will reimburse the Owner for its documented actual and reasonable out-of-pocket relocation expenses, if any, but the City shall have no liability for increased overhead or operating costs, or lost profits or revenue of Owner, if any, arising out such relocation.

11) Ownership of Improvements. All right, title, and interest in any Improvements constructed by or for an Owner on the Airport shall fully vest in the City upon the end of the term of the Owner's Lease. The Owner shall execute and deliver to the City such documents as may be required to evidence the City's ownership of such Improvements.

C. **Maintenance Responsibilities.** Owner shall, at its sole cost and expense, maintain, repair and keep in good condition all of its Improvements on the Premises, as hereinafter described:

- 1) Owner shall maintain pavement, landscaping, greenbelts, lighting and all equipment on the Premises.
- 2) Owner shall maintain the interior and exterior of all Improvements, to include electrical, mechanical, plumbing, fire protection system(s), roof, floors, load-bearing and exterior walls, utilities, and HVAC system(s).
- 3) Owner shall clean debris and trash from driveway, taxiways, aprons, greenbelts and sidewalks to maintain safe, clear, unobstructed access to the Improvements at all times for authorized users and emergency vehicles.
- 4) Owner shall maintain all hangar and overhead doors and door operating systems, including weather stripping and glass replacement.
- 5) Owner shall maintain electric loads within the designed capacity of the system. Any change to such designed capacity will require the prior written consent of the Director.
- 6) Owner shall install and maintain hand-held fire extinguishers in the interior of all buildings, hangars, and T-Hangar units pursuant to fire and safety codes.
- 7) Owner shall have the necessary utility meters installed, as required by the utility company(s), at Owner's expense. Owner shall pay all utility charges, including, but not limited to, electricity, water, wastewater, natural gas, telephone, and drainage and transportation fees. Owner shall maintain and repair all utility service lines and fixtures, including lighting fixtures, within the Premises to the extent utility company providing such utility service does not perform such maintenance or repair.

9) Owner shall provide, at its sole cost and expense, necessary arrangements for adequate sanitation, handling and disposal from the Airport of all trash, garbage and other refuse which results from Owner's operations, including receptacles for the deposit of such trash, garbage and other refuse.

10) Owner will not permit any action on the Premises that has an adverse effect, or interferes with the proper function of any drainage system, sanitary sewer system, or any facility provided for the operation or protection of Airport.

12) The Owner shall install fire alarm devices within the Premises and such devices shall be connected to the Airport Police and/or Fire Operation Center.

D. **Prohibited Activities.** The Owner shall not store or dispense fuel on the Premises, except that an Owner may self fuel his or her own aircraft on the Premises if the fueling is performed by the Owner or the Owner's employees with fuel supplied by the Owner in an area on the Premises designated for self fueling. The location, design and construction of self fueling areas must be approved in writing by the Director, and comply with the Airport Design Guidelines and Airport Environmental rules and regulations, including the Airport Stormwater Pollution Prevention Plan. Aircraft may not be maintained, repaired or serviced on the Premises unless such services are performed either by (i) the Owner or the Owner's employees with resources supplied by the Owner, or (ii) a Fixed Base Operator or Specialized Aeronautical Service Operator having a permit to operate on the Airport. No de-icing or painting of aircraft is permitted on the Premises. The Owner shall not perform engine run-ups on the premises. The Owner may not, directly or indirectly, provide any Commercial Aeronautical Service to any Person on the premises.

E. **Security.**

1) Owner, its employees, agents, customers, and contractors, shall comply fully with the Airport Security Plan, and Transportation Security Regulations (Title 49 CFR Chapter XII).

2) If the Premises are located in a Security Identification Display Area ("SIDA") accessible only to those persons displaying security media issued by Airport Police, each person must wear and display the security media at all times while on the Premises. The cost of the security media will be paid for by Owner.

3) To control access to the air operations area ("AOA"), Owner will provide written notice to the Director of the names, addresses, telephone number(s), and contact persons for each contractor employed by Owner that will require access to the AOA for the benefit of Owner within five (5) days after the execution of the contract with such person.

4) Owner shall control the Premises so as to prevent unauthorized access to the AOA. Owner shall strictly comply with all applicable provisions of Title 49 CFR Chapter XII, and the Airport Security Plan. Owner's security system must comply with the Airport's security consultant's specifications. The City reserves the right to install security devices in or on the Premises as it deems necessary at City's cost.

5) The Owner shall provide power wiring and security data conduits as specified by the Director to operate security devices (gates, access controls & cameras) which are a part of the AOA. A total of three (3) two-inch conduits are required; one for power, one for data and one spare. The Owner shall supply 120/208 three phase power from an electrical panel, with circuit breaker protection. The Owner shall allow the City to connect AOA security data cables to the Airport

cable system (PDS) within the building's telecommunications closet. Energy to operate AOA security equipment on the Owner's premises shall be furnished by the Owner without cost to the City.

F. **Indemnification.** Owner shall defend, indemnify and hold harmless the City and its employees, agents, representatives, successors and assigns (collectively, the "Indemnified Parties"), from and against all costs, expenses (including reasonable attorneys' fees, expenses of investigation and litigation, and court costs), liabilities, damages, claims, suits, judgments, actions, and causes of actions whatsoever (collectively, "Claims") resulting from or concerning the design, construction, operation or maintenance of the Non-Commercial Aircraft Hangar at the Airport, to the extent arising directly or indirectly out of (a) any failure of the Owner to comply with these Minimum Standards, (b) any breach of the Lease by Owner, its agents, employees or contractors, (c) any false representation or warranty made by Owner in making application to conduct business on the Airport or in the Lease, (d) any negligent act or omission or willful misconduct of Owner, or its their agents, employees or contractors, and (e) the negligent acts and omissions of the Indemnified Parties. Owner shall assume on behalf of the Indemnified Parties and conduct with due diligence and in good faith the defense of all claims against any of the Indemnified Parties. Owner may contest the validity of any claims, in the name of Owner or the Indemnified Parties, as Owner may in good faith deem appropriate, provided that the expenses thereof shall be paid by Owner.

G. **Insurance.**

1) General Requirements. Owner shall not commence operations or construction until Owner has obtained the types and amounts of required insurance indicated below and until such insurance has been reviewed by the City or a Certificate of Insurance is received indicating required coverage. If the coverage period ends during the Term of Owner's Lease, Owner must, prior to the end of the coverage period, forward a new Certificate of Insurance to City as verification of continuing coverage for the duration of the Term of the Lease. Owner must submit certificates of insurance for all subcontractors to the City prior to them commencing work on the project.

a) Approval of insurance by the City and the required minimums shall not relieve or decrease the liability or responsibility of the Owner hereunder and shall not be construed to be a limitation of liability on the part of the Owner.

b) Owner's and all subcontractors' insurance coverage shall be written by companies licensed to do business in the State of Texas at the time the policy is issued and shall be written by companies with an A.M. Best rating of B+VII or better. Hazardous materials insurance, if required, shall be written by companies with A.M. Best ratings of A- or better. The City shall accept workers' compensation coverage written by the Texas Workers' Compensation Insurance Fund.

c) All endorsements naming the CITY as additional insureds, waivers of subrogation, and notices of cancellation endorsements as well as Certificates of Insurance shall indicate:

City of Austin
Department of Aviation
3600 Presidential Blvd., Suite 411
Austin, Texas 78719
Attn.: Director of Finance and Administration

- d) The "other" insurance clause shall not apply to the City where the City of Austin is an additional insured shown on any policy. It is intended that policies required in this Agreement covering the City and the Owner, shall be considered primary coverage as applicable.
- e) If insurance policies are not written for amounts specified above, the Owner shall carry Umbrella or Excess Liability Insurance for any differences in amounts specified. If Excess Liability Insurance is provided, it shall follow the form of the primary coverage.
- f) The City shall be entitled, upon request and without expense, to receive certified copies of policies and endorsements thereto and may make any reasonable requests for deletion or revision or modification of particular policy terms, conditions, limitations, or exclusions except where policy provisions are established by law or regulations binding upon either of the parties hereto or the underwriter on any such policies.
- g) The City reserves the right to review insurance requirements set forth during the Term of this Agreement and to make reasonable adjustments to insurance coverage, limits, and exclusions when deemed necessary and prudent by the City based upon changes in statutory law, court decisions, the claims history of the industry or financial condition of the insurance company as well as the Owner.
- h) The Owner shall not cause any insurance to be canceled nor permit any insurance to lapse during the Term of this Agreement or as required in the Agreement.
- i) Owner shall provide all deductibles and self-insured retentions, if any, stated in policies. All deductibles or self-insured retentions shall be disclosed on the Certificates of Insurance.
- j) Insurance provided by an Owner pursuant to this Minimum Standards shall cover and protect the City, and its elected and non-elected officials, officers, agents, employees, contractors, successors, and assigns, as their interests may appear.
- 2) Specific Insurance Requirements. The Owner shall obtain, and maintain throughout the term of its Lease, the following insurance coverages, and furnish certificates of insurance and policy endorsements as evidence thereof:
- a) If applicable, Workers' Compensation and Employers Liability coverage with limits consistent with statutory benefits outlined in the Texas Workers' Compensation Act (Section 401.) and minimum policy limits for employers liability of \$1,000,000 bodily injury each accident, \$1,000,000 bodily injury by disease policy limit and \$1,000,000 bodily injury by disease each employee. The following endorsements shall be added to the policy:
- i) A Waiver of Subrogation in favor of the City of Austin;
- ii) A thirty (30) day Notice of Cancellation/Material Change in favor of the City;
- a) Property insurance coverage on an "All Risk of Physical Loss" form for 100% of the value of all improvements leased from the City, or constructed by or for Owner on the Airport. Coverage shall include but not be limited to fire, wind, hail, theft, vandalism and malicious mischief. The coverage shall be written on a replacement cost basis. The

proceeds from such insurance shall be used to restore the improvements to their original condition in the event of a covered loss.

c) Liability Insurance for all Owner-owned or operated aircraft and premises exposures for bodily injury and property damage. The policy(ies) shall contain:

- i) Aircraft Liability coverage for all owned or operated aircraft for a minimum limit of \$1,000,000
- ii) Contractual liability coverage for liability assumed under the Lease
- iii) Medical Expense coverage with a limit of \$3,000 any one person
- iv) Ground Hangarkeepers Liability with a limit of \$1,000,000
- v) City of Austin as additional insured
- vi) Thirty (30) day Notice of Cancellation in favor of the City of Austin
- vii) Waiver of Transfer of Rights of Recovery Against Others in favor of the City of Austin

d) If an Owner operates any motor vehicle in the Air Operations Area of the Airport, Automobile Liability Insurance for all owned, non-owned and hired vehicles with a minimum combined single limit of \$1,000,000 for bodily injury and property damage. The policy shall contain the following provisions:

- i) City of Austin named as additional insured, form TE 9901B or equivalent coverage
- ii) Waiver of Subrogation in favor of the City of Austin, form TE 2046A or equivalent coverage
- iii) Thirty (30) day Notice of Cancellation in favor of the City of Austin form TE 0202A or equivalent coverage

H. **Environmental Compliance.**

1) Definitions. In this Section:

a) "Environmental Laws" - shall refer to and include, without limitation, all Federal, State, City, and local statutes, laws, ordinances, rules and regulations, now or hereafter in effect, and as amended from time to time, that are intended for the protection of the environment, or that govern, control, restrict, or regulate the use, handling, treatment, storage, discharge, disposal, or transportation of Hazardous Materials. Environmental Laws, specifically include but are not limited to, the National Environmental Policy Act, the Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the Hazardous Substances Act, the Toxic Substances Control Act, the Clean Water Act, the Superfund Authorization and Recovery Act, the Occupational Safety and Health Administration Hazard Communication Standards, the Texas Hazardous Substances Act, and the Texas Water Quality Control Act.

b) "Hazardous Materials" - shall refer to, and include, without limitation, all substances whose use, handling, treatment, storage, disposal, discharge, or transportation is governed, controlled, restricted, or regulated by Environmental Laws, that have been defined, designated or listed by any responsible regulatory agency as being hazardous, toxic, radioactive, or that may present an actual or potential hazard to human health or the environment if improperly used, handled, treated, stored, disposed, discharged, generated or

released. Hazardous Materials specifically include, without limitation, asbestos and asbestos-containing-materials, petroleum products, solvents, and pesticides.

c) “Environmental Claims” – shall refer to, and include, without limitation, all claims, demands, suits, actions, judgments, and liability for: (i) removal, remediation, assessment, transportation, testing and disposal of Hazardous Materials as directed by any government agency, court order, or Environmental Law; (ii) bodily injury, or death; (iii) damage to or loss of use of property of any person; (iv) injury to natural resources; (v) fines, costs, fees, assessments, taxes, demands orders, directives or any other requirements imposed in any manner by any governmental agency under Environmental Laws; and (vi) costs and expenses of cleanup, remediation, assessment testing, investigation, transportation and disposal of a Hazardous Material spill, release, or discharge.

d) “City” – shall include the City’s elected and non-elected officials, officers, agents, employees, contractors, successors, and assigns.

e) “Owner” - shall include the Owner’s directors, officers, agents, employees, contractors, customers, invitees, successors, and assigns.

2) Compliance. In its operations at the Airport, Owner shall strictly comply with all applicable Environmental Laws, the Airport Environmental Policies and Procedures (including without limitation, the Storm Water Pollution Prevention Plan (“SWPPP”) and Spill Response Plan), and generally accepted industry environmental practices and standards. Without limiting the generality of the foregoing provision, Owner shall not use or store Hazardous Materials on or at the Airport except as reasonably necessary in the ordinary course of Owner’s permitted activities at the Airport, and then only if such Hazardous Materials are properly labeled and contained, and notice of and a copy of the current material safety data sheet is provided to the Director for each such Hazardous Material. Prior to commencing operations at the Airport, Owner will complete an Airport baseline environmental questionnaire. Owner shall not discharge, release, or dispose of any Hazardous Materials on the Airport or surrounding air, lands or waters. Owner shall promptly notify the City of any Hazardous Material spills, releases, or other discharges by Owner at the Airport and promptly abate, remediate, and remove any the same. Owner shall provide the City with copies of all reports, complaints, claims, citations, demands, inquiries, or notices relating to the environmental condition of the Airport, or any alleged material noncompliance with Environmental laws by Owner at the Airport within ten (10) days after such documents are generated by or received by Owner. If Owner uses, handles, treats or stores Hazardous Materials at the Airport, Owner shall have a contract in place with an EPA or TNRCC approved waste transport or disposal company, and shall identify and retain spill response contractors to assist with spill response and facilitate waste characterization, transport and disposal. Complete records of all disposal manifests, receipts and other documentation shall be retained by the Owner and made available to City for review upon request. Landlord shall have the right at any time to enter the Premises to inspect, take samples for testing, and otherwise investigate the Premises for the presence of Hazardous Materials.

3) Responsibility. Owner’s Hazardous Materials shall be the responsibility of Owner. Owner shall be liable for and responsible to pay all Environmental Claims that arise out of or are caused in whole or in part from Owner’s use, handling, treatment, storage, disposal, discharge, or transportation of Hazardous Materials on or at the Airport, the violation of any Environmental Law by Owner, or the failure of Owner to comply with the terms, conditions and covenants of this article. If the City incurs any costs or expenses (including attorney, consultant and expert witness fees) arising from Owner’s use, handling, treatment, storage, discharge, disposal, or transportation of

Hazardous Materials on the Airport, Owner shall promptly reimburse the City for such costs upon demand. All reporting requirements under Environmental Laws with respect to spills, releases, or discharges of Hazardous Materials by Owner at the Airport under any law are the responsibility of Owner.

I. **Certifications.** The Owner shall obtain and maintain in full force and effect all FAA and other certificates and licenses necessary for to operate or maintain the Hangar, and shall provide a copy of such certificates to the Director upon request.

J. **Motor Vehicles on Airport.** The Owner shall control the on-Airport transportation of pilots and passengers of aircraft using the Non-Commercial Aircraft Hangar. Privately owned motor vehicles are not permitted on the Air Operations Area (AOA) without the express prior written consent of the Director. If authorized by the Director, Owner-owned or operated motor vehicles driven on the AOA must strictly comply with Airport Rules and Regulations, applicable federal, state and municipal laws, ordinances, codes or other similar regulatory measures now in existence or as may be hereafter modified or amended. The Owner shall be required to equip each of these motor vehicles with a functioning aeronautical utility mobile station two-way radio (operating at 118.2 MHZ and 121.8 MHZ or as designated by the Director) and with an operating rotating beacon or FAA approved flag, or such other equipment as FAA or the City shall require. The Airport may impose training and licensing requirements and charge a fee for AOA driving privileges.

K. **Waiver.** The Director may (but in no event shall be obligated to) waive one or more of the Minimum Standards applicable to an Owner for good cause shown upon written request of the Owner, provided that such waiver would not adversely affect public health or safety, airport security, or Airport finances or operations, or would violate any Federal, State, City or other law, statute, ordinance, rule, regulation, or Airport grant assurance.

L. **Term.** The term of a Lease for a Non-Commercial Aircraft Hangar shall be as agreed between the City and the Owner up to a maximum of twenty (20) years unless the Owner can demonstrate to the Director that a longer term is necessary to finance and construct the necessary Improvements in accordance with these Minimum Standards. In no event may the term of any Lease exceed thirty (30) years, including renewals.

Adopted this ___ day of _____, 2002

Jim Smith, Executive Director of Aviation