

City of
SANTA BARBARA



SANTA BARBARA AIRPORT

Independent Commercial Operations Public Engagement Sessions

Public Engagement Sessions
February 12, 2020 & February 18, 2020

FlySBA.com



Selected Consultant

- **Airport Management Consulting Group (AMCG)**
 - AMCG provides a wide range of aviation management consulting services
- **Specializes in Aviation Industry Services**
 - Airports
 - Fixed Based Operators (FBOs)
 - Specialized Aviation Service Operators (SASOs)
 - Aviation Agencies, such as ACRP, NASAO, etc.
- **Denver Office (Centennial, CO) - Celebrating 21+ years**



- **Bob Trimborn (Senior Consultant)**
 - 54 years of aviation/airport - planning, business and land development, management, financial, operations, consulting and leadership experience
 - Airport Manager at Santa Monica Airport, Reno Stead Airport, and Hawthorne Municipal Airport.
 - Commercial / instrument / CFI



Meeting Objectives

- Review the existing Airport proposal
- Solicit input from the Airport stakeholders
- Evaluate any recommended alternatives for inclusion in the updated Minimum Standards



Workshop Overview

- Overview of the Project
- Discussion of Sponsor Assurances
- Proposed Policy Change Document
- Development Process
- Stakeholder/Public Involvement
- Next Steps
- Question and Answers



Project Overview

- The City has engaged AMCG to assist in:
 - The Development of a Proposed Policy Change Related to Independent Commercial Service Providers (including Flight Instruction) on the Airport; and
 - Related Update to the SBA Minimum Standards



Airport Sponsor Assurances

- The Santa Barbara Airport is a federally obligated airport having received Airport Improvement Program (AIP) funds from the FAA
- To secure AIP funds (a grant), an airport sponsor is required (or “obligated”) to give certain assurances to the FAA known as the Airport Sponsor Assurances
 - In essence, airport sponsors must agree to comply with the assurances (currently 39) as a condition of receiving AIP funds.
 - Included in the AIP grant application



Background on Sponsor Assurances

- The assurances provide a means for the federal government to ensure that public use airports are developed, operated, and maintained in a safe, secure, efficient, compatible, and compliant manner.
 - The assurances apply to:
 - *Entire airport (inside the fence)*
 - *Relationships with tenants and users*
 - The assurances do “not” apply to:
 - *Non-aeronautical activities*
 - *Activities occurring off-airport (outside the fence)*



The 39 SPONSOR ASSURANCES

1. General Federal Requirements
2. Responsibility/Authority of the Sponsor
3. Sponsor Fund Availability
4. Good Title
5. Preserving Rights and Powers
6. Consistency with Local Plans
7. Consideration of Local Interest
8. Consultation with Users
9. Public Hearings
10. Air and Water Quality Standards
11. Pavement Preventative Maintenance
12. Terminal Development Pre-requisites
13. Accounting System, Audit, and Record Keeping Requirements



The 39 SPONSOR ASSURANCES

14. Minimum Wage Rates
15. Veteran's Preference
15. Conformity to Plans and Specifications
17. Construction Inspection and Approval
18. Planning Projects
19. Operation and Maintenance
20. Hazard Removal and Mitigation
21. Compatible Land Use
- 22. Economic Non-Discrimination**
- 23. Exclusive Rights**
- 24. Fee and Rental Structure**
25. Airport Revenues
26. Reports and Inspections



The 39 SPONSOR ASSURANCES

27. Use by Government Aircraft
28. Land for Federal Facilities
29. Airport Layout Plan
30. Civil Rights
31. Disposal of Land
32. Engineering and Design Services
33. Foreign Market Restrictions
34. Policies, Standards, and Specifications
35. Relocation and Real Property Acquisition
36. Access By Intercity Buses
37. Disadvantaged Business Enterprises
38. Hangar Construction
39. Competitive Access



Grant Assurance 22 – Economic Non-Discrimination

- Sponsor will make its airport available as an airport for public use on reasonable terms and without unjust discrimination to all types, kinds, and classes of aeronautical activities.
- Sponsor may establish reasonable and not unjustly discriminatory conditions to be met by all users of the airport as may be necessary for the safe and efficient operation of the airport.



Grant Assurance 23 – Exclusive Rights

- Sponsor may not grant a special privilege or a monopoly to anyone providing aeronautical services on the airport or engaging in an aeronautical use. The intent of this restriction is to promote aeronautical activity and protect fair competition at federally obligated airports.



Grant Assurance 24 – Fee and Rental Structure

- Sponsor will maintain a fee and rental structure for the facilities and services at the airport which will make the airport as (financially) self-sustaining as possible under the circumstances existing at the particular airport



Minimum Standards

- **Definition**

- Sets forth the requirements that need to be met to engage in commercial aeronautical activities at an airport

- **Role/Purpose**

- Establishes consistent threshold requirements – which levels the playing field and promotes fair competition among operators (minimum “ante”)
- Applies to entities who want to engage in commercial aeronautical activities at an airport



The Issue at Hand:

- Proposed policy change for managing Independent Commercial activities at the Airport
 - Defined as services provided by individuals at the Airport that do not hold an agreement (permit) with the Airport.
 - *Services include: Certified Flight Instructors, Mobile Aircraft Mechanics, Mobile Ground Support Equipment Mechanics, Aircraft Detailers, etc.*



Why Are We Here?

- The FAA notified Santa Barbara Airport on November 20, 2018, of a verbal complaint challenging the SBA Minimum Standards policy regarding Independent Flight Instruction at the Airport.
 - The FAA notification identified a specific concern for the potential violation of AIP Grant Assurance 22, Economic Nondiscrimination.
 - The FAA recommended that the Airport “review and revise [its] rules and standards to establish and maintain an equitable competitive environment”.



Context

- Independent commercial operators pay varying or no fees and may or may not be under an agreement or permit issued by the Airport.
 - Independent activity that competes with brick and mortar businesses may be receiving an economic advantage due to the lack of associated overhead costs.



Unregulated Independent Operators:

- Compete with tenants who pay rent to the Airport.
- Generate little or no direct revenue for the Airport.
- Do not conform with current Minimum Standards
 - Insurance status is unknown.
 - Do not necessarily possess a City Business License.
 - Potentially expose the Airport to liability due to lack of a hold harmless agreement.



Unregulated Independent Operators:

- Unjustly compete with based commercial operators who must comply with Minimum Standards, federal & state regulations, City Codes, and pay rents & fees to conduct business at the Airport.
- Discourage new Commercial Operators from locating their business to the Airport.



Airport Goals

1. Comply with FAA Grant Assurance obligations.
2. Develop a policy that levels the playing field amongst commercial aeronautical service providers
 - *Establish reasonable and not unjustly discriminatory conditions include: reasonable fees, insurance, hold harmless, business license and other requirements.*
3. Develop a policy that is able to be managed by limited Airport staff and is readily enforceable.



Compliance Challenge

- The Airport is obligated to be fair and reasonable in all of its policies.
- Any policy that **cannot** be consistently managed and enforced is vulnerable to a user complaint being filed with the FAA.
- Failure to meet the obligation of economic nondiscrimination places the Airport at risk of non-compliance with FAA Grant assurances.



Current Proposal

- Implement proposed policy that limits flight instruction to approved flight schools or flying clubs at SBA.
- Unpermitted independent flight instruction activity would **not** be allowed.
- Implement policy that requires all commercial service providers to have an agreement with the Airport and conform with the Minimum Standards for the proposed commercial aeronautical activity.



Current Proposed Changes

- Based brick and mortar tenants are the authorized service providers.
- Independent service providers that directly compete with brick and mortar tenants will be prohibited.
- Airport subtenants must be permitted by the Airport to provide commercial aeronautical services.
- All commercial operators conform with the Minimum Standards including Airport insurance requirements, possess a City of Santa Barbara Business License, and execute a hold harmless agreement to operate on Airport property.
- Airport must generate revenues for use of its facilities and resources – Grant Assurance 24.



Document Development Process

- Identify and understand influencing factors
 - Internal and external
- Consult resources and references (FAA orders, regulations, advisory circulars)
- Review existing guiding documents
 - Policies, procedures (SOPs), memorandums, directives, correspondence, etc.
- Stakeholder input



Document Development Process

- **Importance of structure**
- **Internal development/review**
 - Management
 - Legal
 - Governing Body
- **External review**
 - Key Stakeholders (Outreach Program)
 - FAA (Airports Division)



Document Development Process

- **First Draft**
 - Airport Management & Legal Department Develop Initial Draft
- **Second Draft**
 - Stakeholder/Public Review and Comment
- **Third Draft**
 - Integrate Stakeholder Comments (where appropriate) & City Review
- **Fourth Draft**
 - Airport Commission Review & Approval
- **Fifth Draft**
 - City Council Adoption



Stakeholder/Public Review and Comment

- **Transparent and well-documented review process**
- **Three ways to comment:**
 - Dedicated web portal to document survey
 - Written comments via mail/email
 - Written comments submitted directly to Airport Management
- **All comments will be thoughtfully considered**



Stakeholder/Public Review and Comment

- **AMCG will:**
 - **Compile and review** the stakeholder / public comments and suggested modifications with Airport staff
 - **Integrate**, where appropriate, **comments** and **suggested edits** into a **third draft** for further review by Airport staff and legal counsel
 - **Prepare a report** addressing all comments



Stakeholder Engagement

- FAA encourages airport sponsors to include aeronautical users in the process leading to changes in minimum standards.
- Public engagement is not the delegation of Sponsor authority for maintaining compliance, but rather it provides a venue for sharing concerns.



Written Public Comments

- Dialogue in this meeting is only that, conversation. Formal comments for consideration be must be received at:
sbapubliccomment@santabarbaraca.gov



SBA Minimum Standards Update Timeline

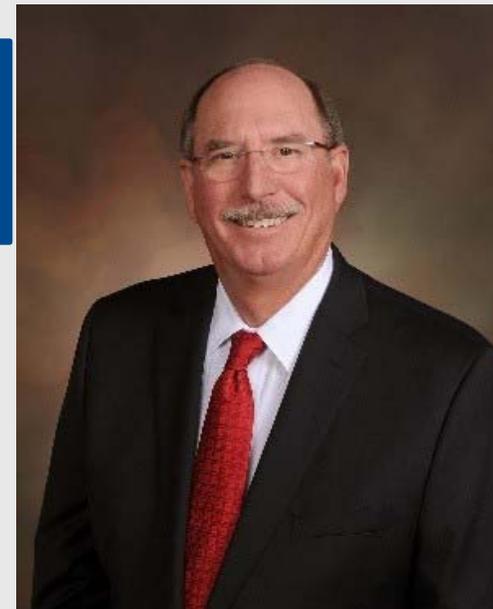
- January 2020 – Consultant Engagement
- February 2020 – Stakeholder Meetings
- March 2020 – Draft Minimum Standards Update
- April 2020 – Airport Commission Approval
- May 2020 – City Council Approval
- July 1, 2020 – Implementation of Changes



Question and Answers

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THANK YOU!
