



City of Santa Barbara
Airport Department

DATE: November 16, 2017

TO: Airport Commission General Aviation Subcommittee

FROM: Hazel Johns, Airport Director

SUBJECT: Revisions to Minimum Standards of Aeronautical Activities at Santa Barbara Airport

RECOMMENDATION:

That Airport Commission General Aviation Subcommittee recommend revisions to specific sections of the Minimum Standards of Aeronautical Activities at Santa Barbara Airport. The revisions will specifically address: Article 2 "Definitions", Article 8 "Independent Operators", and Article 10 "Non-Commercial Activities."

BACKGROUND:

The Federal Aviation Administration (FAA) published a Final Policy in the Federal Register dated March 15, 2016 and effective April 4, 2016, which amended FAA Order 6190.B, FAA Airport Compliance Manual. The amendment was related to the flying clubs and Airport Commercial Minimum Standards. In response, Santa Barbara Airport (SBA) has proposed to modify the "Minimum Standard Requirements for Aeronautical Activities at the Santa Barbara Municipal Airport" ("Minimum Standards"). Meetings were held on April 18, 2017, May 3, 2017, and September 13, 2017, where proposed changes were presented and discussed.

Following the meetings on May 3, 2017 and September 13, 2017, Airport staff received 9 and 23 written letters from interested parties, respectively. These comments have been incorporated as appropriate.

A meeting of the Airport Commission General Aviation Subcommittee will be held on November 20, 2017, at 4:00 p.m. Airport staff will make a recommendation to the General Aviation Subcommittee to recommend adoption of the proposed Minimum Standards to the Airport Commission. The public will have an opportunity to comment prior to action by the General Aviation Subcommittee.

AIRPORT MINIMUM STANDARDS

The FAA recommends that Airports adopt *Minimum Standards for Commercial Aeronautical Activity*.¹ Benefits of establishing minimum standards include:

- Promoting safety in all Airport activities;
- Maintaining and enhancing the availability of adequate services for all Airport users;
- Protecting Airport users from unlicensed and unauthorized products and services;
- And, promoting the orderly development of Airport property.

Minimum standards also help an Airport meet its FAA Airport Improvement Program (AIP) grant assurances. The Santa Barbara Airport typically receives \$2.7 - \$3 million in annual AIP grants. Recent AIP grant projects have included the rehabilitation of the Airport Electrical System, Runway 15L-33R Pavement Rehabilitation, and Runway 15R-33L Pavement Rehabilitation.

DISCUSSION OF PROPOSED CHANGES TO MINIMUM STANDARDS:

The proposed changes to the Minimum Standards are included as Attachment 1. The red-lined changes are in relation to the Minimum Standards currently in effect, dated September 30, 2014.

The following chart is a compilation of comments received following the meeting of September 13, 2017. In some cases, comments have been distilled, paraphrased, or combined with similar comments. Each comment is represented by "C" and the response is highlighted by an "R." The numbering is only a method to identify and organize comments.

C1	Reconsider the proposed limit of 10 hours per year instruction by independent flight instructors for flying club members. Limiting the amount of instruction a pilot can receive can only have a negative impact on safety.
R1	In response to safety concerns expressed in public comment, the Airport has proposed to eliminate the hourly limit on instruction by independent flight instructors for flying club members.
C2	Clarify the definition of "Flying Club" to avoid any confusion with regard to aircraft owned by more than one person. A jointly owned aircraft, whether owned as a partnership, corporation, LLC, or other form of joint ownership should NOT be considered a "Flying Club" and not subject to the restrictions imposed on Flying Clubs.
R2	A Flying Club is one form of aircraft co-ownership. Only those partnerships, corporations, LLCs, or other forms of joint ownership that meet the FAA's

¹ See FAA Advisory Circular 150/5190-7: "Minimum Standards for Commercial Aeronautical Activities".

	<p>definition of a flying club are considered a flying club: “FAA defines a flying club as a nonprofit or not-for-profit entity (e.g., corporation, association, or partnership) organized for the express purpose of providing its members with aircraft for their personal use and enjoyment only.”²</p> <p>Even if title to the airplane is vested in a partnership, corporation, etc., that does not make it a flying club unless the partnership/corporate documents identify the purpose and intent to operate a flying club.</p>
--	--

C3	Full disclosure of any potential conflicts of interest of anyone involved in the process, be they airport commissioners, stakeholders, etc. If conflicts are found, take appropriate steps to remove any appearance of self-serving.
R3	The Political Reform Act (Government Code Sections 81000-91015) requires most state and local government officials and employees to publicly disclose their personal assets and income. They must also disqualify themselves from participating in decisions which may affect their personal financial interests. For more information, please visit the Santa Barbara City Clerk’s Office or https://www.santabarbaraca.gov/gov/transparency/conflict.asp .

C4	Broaden the distribution on the entire process of drafting and approving the revised Minimum Standard Requirements. Improve access to drafts, comments, meetings, etc. All steps of the process should be open to the public
R4	All agendas, staff reports, and minutes are posted on the Airport’s website at https://www.santabarbaraca.gov/gov/brdcomm/ac/airport/default.asp and are available for review at the Airport Administration Building. The Airport also maintains a list of interested parties who receive notification when documents are updated.

C5	So instructors can't provide any ground school in any airplane at an FBO or any other place in the airport unless it's a flight school. 80% of every rating and continuing training is all ground school...only 20% is flight.
R5	The definition of ground school references the “aeronautical knowledge” necessary to pass the written examination for pilot certification. It does not include the “flight proficiency” requirements for pilot certification.

C6	The meeting was conducted in a heavy-handed manner in which no real discussion of the issues was facilitated. Public speakers were permitted to speak for two minutes each. An unprecedented number of speakers have risen to speak, make comments, and ask questions. For the most part, the issues and questions raised by these speakers were left unanswered, and the meeting simply rolled on as if no issues were raised.
R6	Given the large number of speakers on the topic, public comment has been limited to two minutes per speaker in order to hear from all speakers. There has

² “Petition of the Aircraft Owner and Pilots Associations (AOPA) To Amend FAA Policy Concerning Flying Club Operations at Federally Obligated Airports”

	also been an opportunity for the public to send written comments following the meeting. The comments have been incorporated into the proposed Minimum Standards as appropriate.
--	---

C7	Since the City decided to omit the word <u>Lessee</u> from <i>article 10 subsection c paragraph 3</i> of the MSR, it is interesting that they included the definition in the MSR at all.
R7	The proposed Minimum Standards use the term Lessee in Section 8.1.b. and Section 8.2.b., as it relates to an Independent Operator obtaining permission to operate on the premises of a Lessee.

C8	As a licensee, I find it an unneeded burden on the city, myself, and the independent operator of my choosing to have to write a letter of my intent every time I wish to utilize a CFI.
R8	Prior to obtaining an Annual Operating Activity Permit, the Independent Flight Operator must demonstrate a request for services from a Licensee. The Airport will require this at the time of initial application and at the time of permit renewal in order to ensure the Independent Flight Instructor has a reason for being inside the AOA at the City-managed T-hangar or Tie-down areas.

C9	Is an independent flight instructor considered a commercial operator?
R9	<p>The Minimum Standards define a "Commercial Operator" as:</p> <p style="padding-left: 40px;">Any person, firm, partnership, corporation, association, or limited partnership, or any other legal entity based at the Airport and duly licensed and authorized by written agreement with the Airport sponsor to provide specific aeronautical activities at the Airport, under strict compliance with such agreement and pursuant to these Minimum Standards, the purpose of such activity being to secure earnings, income, compensation, or profit, whether or not such objective(s) are accomplished.</p> <p>If the independent flight instructor meets this definition, then it is a "Commercial Operator" and subject to the Minimum Standards requirements.</p>

C10	Can A&P or IAs be considered Temporary Independent Operators?
R10	Section 8.3. Temporary Independent Operators is for "specialized aviation flight instruction or aircraft detailer or washer requirements."

C11	For Flying Clubs, the required reporting of instruction hours at a club is another unneeded burden for both flying clubs as well as the City.
R12	Since the Airport has proposed to eliminate the hourly limit on instruction by independent flight instructors for flying club members, it has also proposed to eliminate the related reporting requirement for instruction hours at a club.

C13	The requirement that a flying club must own an aircraft instead of being able to lease one restricts the ability for a flying club to establish itself and grow.
R13	The proposed Minimum Standards includes the language from the FAA's Final Order on Flying Clubs: "The ownership of the club aircraft must be vested in the name of the flying club or owned by all its members." ³

C14	Section 8.1- Independent Flight Instructors A) Who are Independent Flight Instructors authorized to work for? B) What are the limitations of their privileges? C) What is the limit on (non-lessee) Flying clubs in using their aircraft for instruction?
R14	Article 8 details the requirements for Independent Flight Instructors. Limitations include providing instruction in an owner's aircraft, possessing the proper FAA certificate for flight instruction, conducting business in areas where a Lessee has granted permission to operate, and limitations on Ground School-related instruction. Per Section 10.C.3., A flying club may permit its aircraft to be used for flight instruction in a club-owned aircraft as long as both the instructor providing instruction and person receiving instruction are members of the club owning the aircraft, or when the instruction is given by a Commercial Operator who provides flight training and the person receiving the training is a member of the flying club.

C15	Section 10.1.C.3. provides an illusion of a limit on commercial activity, but because there's no limit to the number of club members...there is no limit at all.
R15	The FAA's Final Order on Flying Clubs allows the Airport to "set limits on the amount of instruction that may be performed for compensation." ⁴ There is no reference to an Airport imposing limits on the number of club members or the type of instruction.

C16	Section 10.1.C.3. In pursuit of commercial activity, flying clubs will adapt by dropping all dues and buy-in fees. Joining a flying club will be as easy as signing a petition. Their numbers will swell and flying clubs will return to commercial operations before this new version of the minimum standards goes to print.
R16	Article 10 of the proposed Minimum Standards includes requirements that differentiate a flying club from a commercial operator.

³ "Petition of the Aircraft Owner and Pilots Associations (AOPA) To Amend FAA Policy Concerning Flying Club Operations at Federally Obligated Airports"

⁴ "Petition of the Aircraft Owner and Pilots Associations (AOPA) To Amend FAA Policy Concerning Flying Club Operations at Federally Obligated Airports"

C17	Section 10.1.C.7. Requires a great deal of responsibility, cooperation, and transparency from flying clubs. Because there is no motivation for flying clubs to do so we can expect the complete opposite.
R17	Per the Airport Compliance Manual, “the flying club should file periodic documents as required by the [Airport], including tax returns, insurance policies, membership lists, and other documents that the [Airport] reasonably requires.” ⁵ The proposed Minimum Standards detail the documents required in more detail. Section 10.1.D. includes the consequences for violations of the minimum standards.

C18	Section 10.1.C.9. “Flying Clubs may not indicate in any form of marketing...” It is in the best interests of the Airport Administration to enforce this portion of the Federal Order completely and as soon as possible.
R18	Section 10.1.C.9. is included in the proposed Minimum Standards. The Airport will enforce its adopted Minimum Standards.

C19	Section 10.1.D. “Violations” To be enforceable, the minimum standards needs a penalty for each violation, preferably with increasingly undesirable consequences for subsequent violations.
R19	Section 10.1.D. includes a notification process for violations, time period to correct the violations, and consequences for failure to correct: “the City may demand the club’s removal from the Airport.” The violations language is in alignment

PROPOSED FEE CHANGES- INDEPENDENT OPERATOR

While fees are not included in the Airport’s Minimum Standards, they were included in the discussions to provide a complete picture of proposed changes affecting Independent Operators.

Based on comments, especially related to the proposed \$2,400 annual fee and part-time flight instructors, the Airport is instead proposing fee increases per the table below.

Category	Current Fee	Proposed Fee
Independent Flight Instructor	\$150/annual	\$200/annual
Independent Aircraft Detailer or Washer	\$150/month	\$200/month
Temporary Independent Operator	N/A	\$100/period

The current fee schedule for Independent Operators has been in place since at least 2005. An increase of 3% per year would be roughly equal to the proposed fees in the table above. The Airport is also proposing the fees be increased on an annual basis by the Consumer Price Index- All Urban Consumers (Los Angeles-Riverside-Orange County, CA, All Items, 1982-84-100), published by the US Bureau of Labor Statistics,

⁵ FAA Order 5190.6B, Section 10.6 Flying Clubs

with the increase no less than 3% or greater than 8%, as is typical of most Airport leases.

Percentage or tiered rents were considered by the Airport, but ultimately dismissed due to administrative challenges, including the cost of annual audits, which are approximately \$2,000 - \$3,000 per audit.

AIRPORT BADGING- INDEPENDENT OPERATOR

While badging policies are not included in the Airport's Minimum Standards, they were included in the discussions to provide a complete picture of proposed changes affecting Independent Operators. Independent Flight Instructors have historically not been issued airport badges for access to the AOA based on their Independent Operator status. Instead, the badges have been provided through a sponsor, such as an FBO, or because the Independent Operator also has an aircraft based at the Airport. While the Airport originally proposed to continue this practice, based on the comments it has received and a subsequent review of the Airport badging policy, it will issue badges to permitted Independent Flight Instructors.

ATTACHMENT:

- 1) Draft Minimum Standards with redlined changes, dated November 16, 2017