# Attachment 2 EXHIBIT A to Ordinance Bill No. 1-25

#### Sec. 9.005. Definitions.

The following words, terms, and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Airport means the Salem-Willamette Valley Airport, commonly known as McNary Field.

Airport Manager means the City Manager, or the department director designated by the City Manager with responsibility and authority for the management and direction of the Airport, or that department director's designee.

Airport master plan means the current approved layout plan of the Airport property, indicating current and proposed usage for each identifiable segment, as approved by the Council and amended from time to time.

Airport rules and regulations means any rule or procedure for the operation of the Airport promulgated pursuant to SRC 9.010.

# <u>Based Aircraft</u> means any aircraft based at the Salem-Willamette Valley Airport as identified in the FAA's Based Aircraft Database.

Commercial aeronautical activity means an operation or service performed for compensation which is conducted on or based at the Airport, excepting those activities specifically designated herein as noncommercial operations. This definition applies to, but is not necessarily limited to:

- (a) Any service for compensation by a licensed mechanic, flight instructor, or commercial pilot.
- (b) The short-term rental of aircraft to multiple users.
- (c) The sale of aircraft, parts, fuel, accessories, and/or aviation equipment.

Commercial operator means any person involved in a commercial activity.

*Employee* means any individual performing services for another person and designated as an employee for the purpose of federal/state unemployment insurance, Federal Social Security, or federal/state withholding.

FAA means the Federal Aviation Administration.

*Fixed base operator* means a proprietor of a commercial operation offering aeronautical related activities and services to the general public.

Noncommercial aeronautical activity means any Airport activity which does not involve the providing of aviation goods or services for compensation. This includes the use and maintenance of an aircraft by its registered owner or owners and the following activities specifically designated as noncommercial:

(a) The sale of an aircraft, its parts, or accessories by the registered owner or owners, providing the owner or owners have not sold an aircraft, similar part, or accessory within the preceding 12 months. Prior written approval of the City will be required for the second such sale within a 12-month period on a noncommercial basis. Such approval will be withheld only in

those cases where the City determines the sale to be part of a continuing sales activity by the owner or owners.

- (b) The rental of aircraft from a nonprofit flying club by registered members.
- (c) Flight instruction provided to a flying club member by another flying club member, provided such instruction is provided for nonmonetary compensation.
- (d) Maintenance performed on an aircraft owned or controlled by a flying club by a member of that flying club, provided such service is provided for nonmonetary compensation.

Noncommercial aeronautical operator means any person involved in a noncommercial aeronautical activity.

*Person* means any person, corporation, limited liability company, partnership, limited liability partnership, cooperative, association, trust, or other entity in law or fact.

(Prior Code, § 9.005; Ord. No. 62-79; Ord. No. 10-12; Ord. No. 6-24, § 1 (Exh. A), 6-24-2024)

#### Sec. 9.040. Nondiscrimination.

In the operation and use of the facilities at the Airport, no licensee shall discriminate or permit discrimination against any person or group of persons in any manner on the grounds of race, religion, color, sex, marital status, familial status, national origin, age, mental or physical disability, sexual orientation, gender identity, housing status, or source of income. color, or national origin, or other protected categories.

(Prior Code, § 9.040; Ord. No. 62-79; Ord. No. 10-12)

#### Sec. 9.095. Rents and fees.

With regard to the various users of the Airport, the following policy shall apply:

- (a) Airport space and ground leases.
- (1) All hangar and self-constructed building area leases shall be required to pay a ground rental for the gross area leased, including any exclusive-use aprons, parking area, etc.
- (2) All lessees of space in city-owned airport buildings shall pay a rental rate per square foot of space leased, plus any additional user fees appropriate to the lessee's use. Rents shall be fixed in the lease between the City and lessee.
- (3) The rates or charges for aircraft parking and tie-down (permanent or transient) shall be set by the Council, unless set in a lease. <u>Transient parking fees shall be collected by the airport and shall only apply to aircraft that remain parked overnight.</u> Storage or ramp service charges made by licensees may be determined by the licensees, subject to the approval of the Airport Manager and subject further to the requirement that all such rates or charges shall be reasonable and be equally and fairly applied to all users of the

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- services. The City shall receive not less than 50 percent of all aircraft tie-down and parking fees collected by the licensee on any city-owned aircraft ramp area managed (but not leased) by the licensee
- (b) *Concessions*. Any food or restaurant concessionaire shall pay a percentage of gross revenue or a minimum annual guarantee, whichever is greater.
- (c) Landing area and field-use fees. All users of the landing area shall pay a field-use fee in addition to any other Airport space or ground rentals that they may currently be paying. The following basic policy will apply:
  - (1) Except as provided in subsection (3) of this section, for commercial and non-commercial scheduled commuter airline users, a specific landing fee will be negotiated charged on the basis of the published maximum approved gross landing weight of aircraft operated, which will then be charged for each and every landing aircraft with a maximum gross landing weight of 7,000 lbs. or greater, rounded to the nearest 1,000 lbs., regardless of whether such landings are extra sections, training the purpose of such flights. etc.
  - (2) For <u>commercial and non-commercial general aviation</u> aircraft users, a fuel flowage fee shall be established by resolution of the Council, which shall provide for a return to the City by owners or operators of fuel storage tanks. The resolution shall establish a schedule of fees for each gallon of various classes of product delivered to any Airport premises.
  - (3) For Based Aircraft, federal, state, and local military, emergency response, and government users, a service charge shall be negotiated with the appropriate agency on the basis of the type of missions and the aircraft operated, if on a continual basis shall not be charged landing and field use fees, regardless of the purpose of such flights. Fuel flowage fees shall remain in effect.
  - (d) Special use permits.
    - (1) For any off-Airport user desiring airfield access, a special airfield use agreement shall be negotiated, including specific provisions requiring the user to pay the cost of any taxiway extended to the Airport boundary, a fuel flowage fee, and a special Airport access fee.
    - (2) Other special use permits may be issued by the City on a case-by-case basis and be subject to any appropriate fees, charges, or conditions deemed reasonable by the City.

(Prior Code, § 9.095; Ord. No. 62-79; Ord. No. 133-79; Ord. No. 21-87; Ord. No. 10-12)

#### Sec. 9.100. Maintenance obligations.

Lessees shall be responsible for the following maintenance obligations:

(a) In the landing area, the <u>The</u> City will maintain all public-use runways, taxiways, and aprons. Exclusive-use aprons, taxiways, or ramps will be maintained by the lessee.

- (b) In the hangar and building areas, the City shall not provide any maintenance of gross area leased from the City, or of buildings or facilities erected by a lessee. All leases of city-owned buildings (single tenant) will be negotiated on a "net" basis, with the lessee required to assume the responsibility for providing its own day-to-day services, including, but not limited to:
  - (1) Provide and pay for all light, gas, electric current, water, janitorial, and sewer charges used or incurred in or about the leased premises.
  - (2) Keep all leased area facilities and structures in an acceptable state of repair and maintained at all times. The lessee shall be responsible for maintaining all leased areas, landscaping, facilities, and structures in an acceptable state of repair and in good appearance, as established in the Airport rules and regulations.
- (c) Net lease agreements shall be used for hangar and building areas.
- (d) A covenant shall be included in each lease stipulating that the City shall be the sole judge of the quality of maintenance and that, upon 30-day written notice, the City may require the lessee to perform all necessary maintenance. In the event such maintenance is not undertaken as required, the lease shall further provide that the City may perform such maintenance upon behalf of the lessee and at the lessee's expense, plus ten percent for administration.

(Prior Code, § 9.100; Ord. No. 62-79; Ord. No. 10-12)

# Sec. 9.120. In general.

- (a) Any new development at the Airport, wherever possible, should be undertaken upon the basis of a net ground lease, with the lessee privately financing all improvements.
- (b) The available building area should be platted with all utilities and improvements extended to the limits of the platted area on an as-required basis. The building areas of the Airport shall be divided into zones, with structural and design standards established for the construction of hangars or buildings within each zone. Each lease shall specify the minimum improvement standards required, which shall be consistent for each general class of lessee.
- (c) <u>If required by any Lessees shall comply with all</u> federal, state, or local environmental <u>laws</u>, <u>rules and regulations applicable to the new development</u>. <u>agency, lessees shall prepare and submit an environmental impact statement to measure the effect of, the proposed project on the ecology of the area.</u>
- (d) Each lessee shall be solely responsible for all costs required for utility connections. All lessees will pay a rental for the area effectively leased, including any auto parking area, apron areas, or other areas exclusively used.

(Prior Code, § 9.120; Ord. No. 62-79; Ord. No. 10-12)

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#### Sec. 9.215. Commuter Air carrier service.

A commercial operation in this category shall be required to provide, at a minimum:

- (a) Qualifications.
  - (1) Provide satisfactory evidence of reliability and responsibility, including a <u>FAR</u>

    <u>Part 121 Air Carrier Operating Certificate with ratings appropriate to the services</u>

    <u>to be provided. current FAA operating permit and current Oregon Public Utilities</u>

    <u>Commission Permit.</u>
  - (2) Publish and fly scheduled operations at published rates.
  - (3) Establish, man, and operate an adequate terminal facility, i.e., ticket counters manned in such a manner as to provide proper service before and after each scheduled flight.
- (b) Personnel.
  - (1) Flight crews and ground personnel with appropriate and current FAA and TSA certification as required for class of operations.
  - (2) Properly trained passenger service and counter personnel to provide minimum hours of service.
- (c) Hours of operation.
  - (1) Reservations services, either by phone, <u>electronic device(s)</u>, or at ticket counter, not less than one hour prior to first scheduled flight of the day and continuously thereafter until one hour after the last scheduled flight of the day.
  - (2) Counter personnel available to the public not less than one hour prior to each scheduled flight of the day continuing until one-half hour after each scheduled flight of the day.
- (d) Other.
  - (1) The applicant shall not begin flight operations at Salem-Willamette Valley Airport until an Airport Use Agreement is executed by both parties and the performance bond and insurance certificate at the proper value has been received by the Airport Manager.
  - (2) Operator shall furnish operational reports on a monthly basis to the Airport Manager.

(Prior Code, § 9.215; Ord. No. 62-79; Ord. No. 10-12; Ord. No. 6-24, § 1 (Exh. A), 6-24-2024)

#### Sec. 9.240. Fuel tank installation and operation.

(a) *General*. A noncommercial operator or commercial operator may own, install, and operate fuel tanks as provided in this section. Any fuel tank shall be for the exclusive use of the operator's own aircraft and no fractional or co-op ownership of fuel tanks is allowed.

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### (b) Self-fueling license.

- (1) Any noncommercial operator or commercial operator that wishes to conduct self-fueling operations shall first obtain a self-fueling license issued in accordance with this section. A self-fueling license is nontransferable and is in addition to an operator's license issued pursuant to SRC 9.270 through 9.290. Self-fueling licenses shall be valid for a period of five years from the date of issuance.
- (2) An application for a self-fueling license shall be made on forms provided by the Airport Manager, and shall be accompanied with a license fee, in the amount set by resolution of the Council.
- (3) The Airport Manager shall issue a self-fueling license if the applicant meets the following criteria:
  - (A) The installation and location of the tank will comply with the requirements of this section and SRC chapter 58.
  - (B) The applicant's personnel have satisfied all of the training, inspection, safety, and environmental requirements of this section.
  - (C) The aircraft owner demonstrates proof of financial responsibility through bonding and/or insurance requirements. The aircraft owner shall carry commercial (public liability) insurance in the amount set in Appendix 1 of this chapter or the aircraft owner's current lease, whichever is higher. The commercial (public) liability insurance shall include, at a minimum, premises/operations, products/completed operations, contractual, or hangarkeeper's liability, and shall name the City as an additional insured and provide a waiver of subrogation in favor of the City.
- (4) Every self-fueling license shall be subject to the following conditions:
  - (A) The Airport Administrator Manager has the authority to inspect fueling equipment to ensure safety, environmental protection, and adequate training.
  - (B) Self-fueling operations shall be conducted by the licensee's employees only.
  - (C) Self-fueling operations shall be conducted only on premises the licensee has leased with the City or has subleased from a person having a lease with the City at the Airport or on areas specifically designated by the Airport Manager and designed for fueling.
  - (D) Self-fueling shall be dispensed only into aircraft owned, leased, or controlled by the licensee.
  - (E) The licensee shall pay the current applicable fuel flowage fee to the City on all fuel dispensed.
  - (F) The licensee shall continue to maintain in effect the bonding and/or insurance required by subsection (b)(3)(C) of this section.
  - (G) Operation, installation, and maintenance of the fueling operation is performed in compliance with the provisions of this section and SRC chapter 58.
- (c) *Self-fueling operations*.

- (1) Licensee's self-fueling operations shall be conducted in compliance with all applicable federal, state, and local laws and regulations, including, but not limited to:
  - (A) FAA Advisory Circular 150/5230-4, Aircraft Fuel Storage, Handling, and Dispensing on Airports.
  - (B) FAA Advisory Circular 00-34A, Aircraft Ground Handling and Servicing.
  - (C) SRC chapter 58, "Fire Prevention."
  - (D) National Fire Protection Association NFPA 415 Standard on Fuel Ramp Drainage.
  - (E) Federal Environmental Protection Administration regulation CFR 40, part 280 involving fuel systems.
  - (F) Oregon Department of Environmental Quality (DEQ) Guidelines.
- (2) Any person dispensing fuel at the Airport shall be trained and certified by the FAA through the an FAA-approved examination process on fuel handling and safety. Certifications must be kept current. A copy of certification shall be kept on file with the licensee and shall be provided for inspection by the Airport Manager upon demand. Certified personnel shall attend a refresher course on fuel handling and safety every three years. A copy of refresher course certificates shall be kept on file with the licensee and shall be provided for inspection by the Airport Manager upon demand.
- (d) Fuel tank standards.
  - (1) Licensee's fuel tank installation shall be made in compliance with all applicable federal, state, and local laws and regulations, including, but not limited to:
    - (A) FAA Advisory Circular 150/5230-4, Aircraft Fuel Storage, Handling, and Dispensing on Airports.
    - (B) FAA Advisory Circular 00-34A, Aircraft Ground Handling and Servicing.
    - (C) SRC chapter 58, "Fire Prevention."
    - (D) National Fire Protection Association NFPA 415 Standard on Fuel Ramp Drainage.
    - (E) Federal Environmental Protection Administration regulation CFR 40, part 280 involving fuel systems.
    - (F) Oregon Department of Environmental Quality (DEQ) Guidelines.
  - (2) In addition to the other requirements of this subsection (d), licensee's fuel tank installation shall:
    - (A) Satisfy the requirements of the American Petroleum Institute Recommended Practice 1540.
    - (B) Have a spill protection control containment plan approved by the Airport Manager.
  - (3) In addition to the requirements of this subsection (d), licensee's fuel tanks shall be located and installed as follows:

- (A) An above ground storage tank (AST) may be located adjacent to the licensee's hangar if the tank meets the following conditions:
  - (i) The AST must be installed a minimum of 50 feet from hangars or taxiways.
  - (ii) The AST must be blast shield protected.
  - (iii) The AST must conform with Underwriter's Laboratory 2085 standards.
  - (iv) The AST must contain an electronic monitor system for leaks, with 24-hour monitoring.
  - (v) The AST must have a transfer containment system.
- (B) A below ground storage tank (UST) may be located under the licensee's hangar apron if the tank meets the following conditions:
  - (i) The UST must conform to Underwriter's Laboratory 58 standards for steel tanks or Underwriter's Laboratory 1316 standards for fiberglass tanks.
  - (ii) The UST must be contained in an underground vault that is accessible for inspection.
  - (iii) All underground line joints for the UST must be contained in an accessible vault.
  - (iv) Both the UST and vault must contain an electronic monitor system for leaks.
  - (v) Fueling apparatus must be located a minimum of 50 feet from taxiways.
  - (vi) The UST must have a transfer containment system.
- (e) Suspension and revocation.
  - (1) If the Airport Administrator finds that a licensee is failing to comply with the term of a self-fueling license or this section, the Airport Manager shall send a notice of noncompliance to the licensee identifying the deficiencies, and the corrective action which would be necessary. Suspension shall be effective upon delivery of the notice to the licensee, unless a later time is specified in the notice of noncompliance. Upon receipt of a notice of noncompliance, the licensee shall immediately cease self-fueling operations, unless a later time is specified in the notice of noncompliance, and, within 15 days of the notice, notify the Airport Manager of the date the corrective action will be completed, which shall be a date not more than 30 days from the date the notice of noncompliance was issued. If corrective action is not completed within the 30-day period, the self-fueling license shall be suspended.
  - (2) A licensee who has had a license suspended pursuant to this subsection (e) may request reinstatement by filing a request with the Airport Manager, in writing, not later than 60 days from the date the notice of noncompliance was provided by the Airport Manager. The request shall include documentation demonstrating that the licensee has corrected all deficiencies, and shall identify adequate measures that the licensee has implemented to prevent future deficiencies. If the Airport Manager finds that the licensee's request demonstrates that all deficiencies have been corrected, and that adequate measures to prevent future noncompliance have been initiated, the Airport Manager shall issue a notice of reinstatement. A self-fueling license shall be revoked if the licensee fails to

timely request reinstatement as provided in this subsection, fails to demonstrate that the licensee has corrected all deficiencies, or fails to identify adequate measures to prevent future deficiencies.

(f) *Appeals*. Appeals of final decisions by the Airport Manager denying, suspending, or revoking a license are contested cases, as defined in SRC 20J.020. The licensee may appeal the final decision by filing a notice of appeal, according to the procedures set forth in SRC 20J.220. The appeal shall held according to procedures set forth in SRC chapter 20J.

(Prior Code, § 9.240; Ord. No. 47-09)

### PART II - CODE OF ORDINANCES Title I - GOVERNMENT CHAPTER 9. - AIRPORT

# APPENDIX I CITY OF SALEM - MINIMUM INSURANCE AND BONDING COVERAGE REQUIREMENTS

## APPENDIX I CITY OF SALEM - MINIMUM INSURANCE AND BONDING COVERAGE REQUIREMENTS

Type of Insurance and Bonding <sup>1</sup>		Aircraft Repair/ Maintenance & Aircraft Sales (New & Used) <sup>2</sup>	Instruction and Aircraft Rental <sup>3</sup>	Aviation Fuel/ Petroleum Product Sales <sup>2</sup>	Air Taxi & Charter Service <sup>3</sup>	Commuter Air Carrier Service	Flying Clubs <sup>3</sup>	Corporate Business, and Personal Aviation	Specialty Sales and Service
Aircraft Liability									
Bodily Injury:						_			
Each Person	\$200,000	Х	Х	None	Χ	\$200,000	Χ	None	None
Each Occurrence	\$500,000	X	X	None	Х	\$1,000,000	Х	None	None
Property Damage	e:								
Each Accident	\$500,000	Х	Х	None	Χ	\$500,000	Х	None	None
Passenger Liability									
Each Passenger	\$200,000	Х	Х	None	Х	\$200,000/Seat	Х	None	None
Hangarkeeper's	Liability				•	•	•		•
Each Occurrence (as Indicated)		\$200,000	None	\$200,000	None	None	None	None	\$100,000
Products Liability	у								
Bodily Injury:									
Each Person	\$200,000	Х	None	Х	None	None	None	None	Χ
Each Occurrence	\$500,000	Х	None	Х	None	None	None	None	Х
Property Damage	e:				•	•	•		•
Each Accident	\$200,000	Х	None	Х	None	None	None	None	Х
Comprehensive	General Liab	ility	-	•	-		-	-	
Bodily Injury:									
Each Person	\$200,000	Х	Х	Х	Χ	Х	Х	Х	Χ

#### PART II - CODE OF ORDINANCES Title I - GOVERNMENT CHAPTER 9. - AIRPORT

#### APPENDIX I CITY OF SALEM - MINIMUM INSURANCE AND BONDING COVERAGE REQUIREMENTS

Each Occurrence	\$500,000	Х	Х	Х	Х	Х	Х	Х	Х	
Property Damag	ge:			•	•			•	•	
Each Accident	\$200,000	Х	Х	Х	Х	Х	Х	Х	Х	
Bonding										
Construction (10% of Cost)		Х	Х	Х	Х	Х	None	Х	Х	
Lease (as indicated)		6 months	2 months	6 months						
OR										
Performance (6 months estimated revenue)		Х	Х	X	X	Х	X	None	Х	

<sup>&</sup>lt;sup>1</sup>"X" Indicates Minimum Insurance or Bonding Required or as Specified.

(Prior Code, App. 1; Ord. No. 48-90)

<sup>&</sup>lt;sup>2</sup> If required repair and maintenance operators do not engage in flying aircraft in connection with this activity, they are not required to carry minimum insurance specified for aircraft liability.

<sup>&</sup>lt;sup>3</sup> Operators using "leaseback" aircraft for these activities must carry Aircraft Liability and Hangar keeper's Insurance for such aircraft.