

# **NEW BEDFORD REGIONAL AIRPORT AIRPORT LEASING POLICY**

Version #020701

November 1, 2006

**UPDATED AND AMENDED July 7, 2005**

**Parking Fees**

**City Tie Down Ramp Fees**

**Overnight Parking Fees**

**GA Landing Fees (Part 91)**

**Transient Visitor Parking**

**Ramp Operating Fees (Deleted)**

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**3.18 Lease/Licenses Document Fee**

**UPDATED AND AMENDED: JULY 1, 2002**

**Parking Fees**

**UPDATED AND AMENDED: JULY 1, 2001**

**Parking Fees**

**UPDATED AND AMENDED: DECEMBER 10, 1996**

**Passenger Fees**

**Display Cabinets**

**Parking Revenue**

**ADOPTED: FEBRUARY 17, 1993**

## 1.0 GENERAL POLICY

In an attempt to promote and develop a fair and reasonable operating environment for all persons, firms, or organizations who enter into agreements with the City of New Bedford acting by and through its Airport Commission (hereinafter referred to as “Commission”) to conduct a commercial operation on New Bedford Regional Airport (hereinafter referred to as “Airport”) property, the following Lease and Operating Policy is hereby adopted. This policy is to be adhered to by all lessees, sub-lessees, operators, licensees and contractors.

The Commission hereby instructs New Bedford Airport Management to make reasonable efforts when negotiating Lease and Operating Agreements that directly support airport operations to administer appropriate public business standards for the airport and that said negotiations shall strive to result in agreements that:

1. Are standardized among those tenants in a particular category as identified in this document and are at comparable market rates at similar airports.
2. Permit maximum generation of revenues to the airport that maintains a satisfactory return for the lessees which will support the enterprise fund.
3. Obligate the airport to an absolute minimum of operational costs in the leased areas.
4. Fulfill the long-term public service mission and goals inherent in the operation of public-use-airports.
5. Attract the investment of private and public capital to the development of the airport.

## 2.0 AGREEMENT CLASSIFICATIONS

The Commission will entertain at a minimum the following five classifications of agreements (sometimes collectively referred to as “Agreements”):

**LEASE AGREEMENTS:** (Land, Building, or Facility leases identified for a specific purpose on or off airport)

**SUBLEASE AGREEMENTS:** (Land, Building or Facility leases with airport tenants who sublease and maintain a valid agreement with the Commission on or off airport.)

**LEASE & OPERATING AGREEMENTS:** (Land, Building, and/or Facility leases that directly support airport operators, full FBO’s or Fuel Farms)

**OPERATING AGREEMENTS:** (Agreements granting the privilege of conducting aviation related or airport supporting operations)

**LICENSE AGREEMENTS AND/OR CONTRACTS** (License agreements providing arrangements for special circumstances involving land, building, facility or business space on or off airport)

## **2.1 AGREEMENTS REQUIRED**

No person, firm, or organization will be permitted to operate a business on the airport without an approved lease, sublease, or operating or license agreement with the Commission. This requirement protects the investment and privileges of bona fide operations on the airport and ensures fees or charges will be charged to every user of the airport.

## **2.2 STANDARDIZED AGREEMENTS**

In order to ensure that each category of tenant/operator on the airport is governed by the same terms, conditions, and standards all tenants/operators within each category will be treated alike to the extent practical as determined by the Commission. Standardized leases for each category will be used by management as guidelines for negotiating all agreements. Typical categories that have or may develop at the Airport include but are not limited to:

### **Lease/License Agreement Categories**

1. Full Service Fixed Base Operator (FBO)
2. Aircraft Maintenance, Overhaul, and Parts Shop
3. Specialized Commercial Flying Service
4. Specialized Aircraft Repair Service
5. Aircraft Hangar Storage Operations
6. Scheduled Passenger Air Carrier
7. Non-Scheduled Passenger Air Carrier (includes charter or occasional)
8. Cargo Air Carrier
9. Non-Aviation Land and or Building Lease
10. On Airport Car Rental Operations
11. Off Airport Car Rental Operations
12. Taxi Cab, Limousine, Bus Operations
13. Courtesy Vehicle Operations
14. Vending Machine Operations
15. Airport Brochure Display /Distribution Operations
16. Display Cabinet Operations
17. Advertising Signs On Airport
18. Advertising Signs Off Airport
19. Utility Easements
20. Automobile Parking
21. Food, Beverage, Merchandising Concessions
22. Governmental Leases
23. Aviation Easements
24. Operating Privilege Agreements
25. Flight Training or educational
26. Tie Down space agreements

27. Fuel delivery, storage, or sale agreements

## **2.3 LEASE/LICENSE AGREEMENTS – “Intentionally Omitted”.**

## **2.4 NON AVIATION BUSINESS**

Any non aviation business must abide by the bidding process set forth in M.G.L.c. 40B.

## **3.0 GENERAL GUIDELINES FOR AIRPORT AGREEMENTS**

The following guidelines as they pertain to their respective categories shall be used when airport management negotiates lease agreements. This policy is not at all inclusive and where unique circumstances exist applications of professional airport leasing practices shall be applied on a case by case basis.

## **3.1 RATES AND CHARGES**

The principal underlying the establishment of rates and charges will be that each airport tenant and each user of the airfield pay an appropriate rate or fee for specific tenancy or use. The Commission will endeavor to recover the capital and operating costs of the airport and work towards self-sufficiency maintaining the highest level of public service, safety and security. Rates and charges shall be consistent with the annual A“Rate Structure” and will be updated and approved by the Commission on an on going basis (at least every three years). All land and/or building leases, counter and office space shall be reviewed periodically and compared to market rates at other similar size airports and on occasion or as directed by the commission by an official appraiser in accordance with the appraisal section of this policy. In addition to annual CPI increases, leases shall reflect a rate adjustment every three to five years by market evaluation or in accordance with the appraisal section of this policy. Adjustments shall reflect the appraised market value or, CPI increase, or the current rental rate whichever is greater. Where new construction is proposed, financing is required, and the lending institution requires a longer term, the commission will consider amendments to the lease term.

### **3.2 TERM OF LEASE**

Agreements will be of sufficient length to permit a tenant making substantial capital investment in the airport (Terminal building improvements, Building improvements, or Ground area improvements), to amortize the tenant's capital investment over a reasonable period of time.

Where the facilities are owned by the Commission the term of the lease shall be written in 5 year option renewals by the commission. Where new construction is proposed by a tenant, additional years may be permitted, but in no case shall the term exceed 30 years.

### **3.3 TITLE TO IMPROVEMENTS**

Title to all fixed improvements constructed or installed on the leased premises by the lessee shall at all times during the term of the agreement remain with lessee unless otherwise authorized by the Commission. Upon termination said improvements shall become the property of the Commission or at the Commission's sole option the airport may require the lessee to remove said improvements and restore the ground to its original condition.

### **3.4 MAINTENANCE**

- Terminal building: The Commission will provide structural maintenance, heat and light,(unless otherwise provided in tenant's lease/license Agreement), but will not provide janitorial service, re-lamping or other day to day service in any tenant's leased area unless compensated for such service.

- Airfield: The Commission will maintain all public use runways, taxiways and aprons. Ramps and aprons leased to tenants will be maintained by tenants to the satisfaction of the Commission.

- Land and Building: Tenants will be required to provide all maintenance of land and utility service to leased land and/or buildings. The Commission shall retain sole discretion as to the quality of maintenance and upon notice may require improved maintenance or cleaning/clearing of items deemed non-aviation related or unsightly where required. If such maintenance is not performed the Commission may perform such maintenance and invoice the cost of the maintenance to the tenant. Nonpayment of said invoice will be terms for lease cancellation.

### **3.5 ASSIGNMENT / SUBLETTING / SALE OF STOCK / SALE OF FACILITIES CONSTRUCTED**

The operations of any tenant on the airport are to be in the Public interest and furtherance of airport activity. Tenants are entrusted with the duty and obligation of providing the public with the highest level of services and facilities, and it is therefore necessary that the tenant's operations be subject to continuing scrutiny by the Commission and that the tenant operate in a business-like fashion, efficiently and extending courtesy to the Public. For these reasons the following shall be required of any new tenants (those who enter into Agreements after the effective date of this policy):

- The Commission shall retain total control and sole discretion over any assignment or any method of changing or delivering to others any of the functions to be performed by the tenant, and any such assignment shall require the prior written approval by the Commission including licensed Airport Tie Down space.

- The tenant shall not have any right to sell, assign or transfer the lease without written approval of the Commission. Prior to any such sale, assignment or transfer the airport shall require the approval in writing of the managing officers and the chief executive officers of the tenant and no capital stock of the tenant can be assigned to any person or persons, firm or corporation, without the prior written consent and approval of the Commission. Further the Commission may require that the original owners of the corporation collectively own no less than fifty-one (51%) financial interest in the assets of the tenant's corporation.

- The Commission may elect to retain the right to review and approve the manager who runs the day-to-day operations of the facilities under lease. In the event the Commission is dissatisfied with said manager's performance, the Commission shall notify the tenant and the tenant shall remedy any problems identified by the Commission, including but not limited to replacement of said manager with a new manager acceptable to and approved by the Commission.

- Tenant may sublease a part of the leased area to others only after submission of the information contained in Section 3.5 of this leasing policy and receiving written approval from the Commission. Anyone intending to enter into or transfer a lease to another party must submit a written request to appear before the Leasing/Property Committee at a scheduled public meeting and then requires a vote of the full commission. Prior to, such party must submit a minimum written explanation of the following:

- Owner's Corporation and Resume

- Proposed Business Plan (identify the type and intentions, the most recent financial statements and proformance for cash flow consistent with term of renewal periods).

- A minimum of 5 business references, one of which would be a letter of Bank relationship.

The Airport Commission has the right to have a qualified person review financial statements.

- The Commission shall collect reasonable fees from tenants who lease land consistent with the "rate structure" for the assignment, sale or lease or stock, hangars, buildings and/or other facilities constructed on airport leased land.

### **3.6 PUBLIC SERVICE GOALS:**

Minimum performance standards will be incorporated into leases in order to ensure the level of public service and safety and security is of the highest quality, which are consistent with the goals of the Commission. Remedy clauses will be included for inadequate performance, the quality of which shall be determined solely by the Commission.

### **3.7 ENCUMBRANCES**

The Commission may permit the tenant to subordinate the leasehold owned improvements (NOT LAND) for financing purposes with a mortgage approved by the Commission. If such an arrangement is permitted the mortgagee may be granted the right to cure any default including the assumption of the lease. This encumbrance provision will assist private investment in financing capital improvements, protect the mortgagee's interest, and does not endanger the interest of the Commission.

### **3.8 INDEMNIFICATION AND INSURANCE**

The Commission may from time to time retain the services of a risk management firm or expert to assign standardized limits, types and clauses concerning indemnification and insurance for each identified lease/operating category.

### **3.9 TAXES**

Any federal, state, or local taxes not paid shall be deemed sufficient cause for cancellation of any lease.

### **3.10 RULES AND REGULATIONS**

Airport Rules and Regulations and the NBRA Security Plan shall be a part of all leases. A violation of any airport rule or regulation shall be deemed sufficient cause for cancellation of an Agreement.

### **3.11 APPRAISALS**

Appraisals may be used for determining the Fair Market Value (FMV) of the highest and best use of land and/or facilities the airport rents out to others. The appraisal determination may be used as a minimum bid on any Request For Proposal (RFP) process the Commission entertains. Appraisals shall be conducted by certified general appraisers. The Commission shall make the selection of the firm to conduct the work but may at its discretion seek reimbursement from the tenant of the appraised property. Once an appraisal is conducted for land and/or facilities the Commission may apply the appraisal on other similar land and/or facilities for up to three years at which time a new appraisal for that category of "similar" land and/or facilities would be required.

In lieu of appraisals the Commission may at its option apply airport industry standards for determining the fair market value of granting privileges and leasing land and/or facilities for aviation related or airport support agreements. However, all non-aviation use land leases shall be appraised in accordance with the above paragraph.

Where the building or other permanent fixtures of the appraised land is owned by the tenant and not being leased by the Commission to the tenant said building and fixtures shall not be included in the appraisal nor shall any encumbrances on said building or fixtures be included in the appraisal.

### **3.12 REQUEST FOR PROPOSAL**

As a matter of policy the following categories of leases shall go through the Commission's competitive bid/proposal and shall be based on the best interest of the airport and not necessarily limited to dollar value.

- Non-Aviation Land Leases contracts or licenses and off airport property
- Car Rental Operations
- Taxi Cab Operations
- Vending Machine Operations
- Automobile Parking
- Food, Beverage, Merchandising, Concessions
- Any other category which the Commission votes to request proposals.

### **3.13 VARIANCE**

Any variance or waiver from these policies shall require approval of the Commission. Said variance or waiver shall require the approval of at least six Commissioners during one voting session.

### **3.14 PERFORMANCE BONDS**

Each tenant may be required to provide the Commission a surety bond in a sum equal to at least one year's rental. Instead of a surety bond, the tenant may be permitted to deposit an amount equal to one year's rental. The requirement of a bond permits the Commission to recover damages in the event the tenant is in default. The bond or deposit serves in lieu of a lien by the Commission on the tenant's leasehold interest and is not objectionable from the standpoint of mortgage financing. In addition to rental deposits, construction performance bonds may be required.

### **3.15 RELOCATION OF IMPROVEMENTS**

To protect the long term interest of the airport and tenants the Commission will maintain the right to relocate or replace a tenant's improvements at another location in the event property is required for developing or expansion purposes.

### **3.16 ZONING**

All leases shall remain consistent with the Airport Master Plan, airport development standards, and land use plan of the airport.

### **3.17 FUEL DELIVERIES, STORAGE, AND DISTRIBUTION**

1. All fuels (Aviation and Vehicles) delivered at the airport shall be assessed at the per gallon charge as specified in the Leasing Policy Rates and Charges.
2. All fuel delivery companies or sources of fuel must be registered with the Airport Administration Office.

3. A 24 hour advance notice to the Airport Administration Office must be faxed, mailed or e-mailed from the supplier prior to delivery of any fuel to the airport. The fax shall indicate ETA (estimated time of arrival) and gallons to be delivered.
4. All fuel delivered to FBO's must be accompanied by an invoice or bill of lading indicating the time, date, gallons and other pertinent information.
5. When a FBO receives a fuel delivery, upon each and every delivery a copy of the bill of lading shall be sent to the Airport Administration Office within 12 hours of the delivery along with a check in the amount of the fuel charge assessed for each and every gallon delivered. If a tenant retrieves his/her own fuel using their own truck the same procedure applies. (1- 7)
6. Only FBO's of record can receive and supply fuel on the Airport. Other tenants or Aircraft owners are prohibited from bringing their own fuel to the airport.
7. Please refer to the New Bedford Regional Airport Security Plan Section 1 [Monitoring and Protecting Airport Users/Property sub-section f (Fuel deliveries that has been updated and amended)].

### **3.18 NEW LEASE AND LICENSE FEES**

The Commission will charge 2% directly to the Lessee for any new leases, license or contract agreements on or off the airport based on the total lease amount or value of the initial term of the lease, license or contract up to the time to exercise the 1<sup>st</sup> option to renew. (ex. 3 year or 5 year option/renewal)

### **4.0 OTHER LEASE PROVISIONS**

This leasing policy does not include all of the provisions of airport leases. Other provisions including but not limited to the following may be included in airport agreements:

- Use and Privileges
- Obligations of Lessee
- Obligations of Lessor
- Leased Areas
- Maintenance
- Termination
- Concessions Excluded
- Vending Machines
- Trade Fixtures
- Government Inclusion
- Notices
- No liens

Hazardous Substances  
 Waivers  
 Right to Develop Airport  
 Headings  
 Construction and Saving  
 Improvements  
 Quiet Enjoyment  
 Arbitration

**5.0 NEW BEDFORD REGIONAL AIRPORT 1996 RATE STRUCTURE**

Building Rent:

- \* Counter Space \*Current Per Airport Market Rate
- \* Office Space
- \* Baggage Make Up Room
- \* Baggage Claim Room
- \* Terminal Use Fee

City Ramp Tie Down License Agreement	\$60.00/North Ramp \$65.00 Paid directly to Airport
FBO's with License Agreement	\$30.00 per aircraft To be paid to the airport for each tie down specified in the agreement per month
Overnight Aircraft Parking Fees Honor/Drop Box Payment	\$6.00/ Night Single Engine \$10.00/ Night Multi-Engine \$25.00/ Small Jet<18,000 pounds per night \$45.00/ Large Jet>18,000 pounds per night
Enplanement Fee	\$1.00 min. vrs. PAX Service Landing Fee
GA Landing Fees (Part 91) Honor/Drop Box Payment	Per Landing/Annual Permit (Unlimited Landings) \$15.00/ \$250 Turbine Twin \$15.00/ \$250 Turbine Helicopter \$25.00/ \$425 Jet Small < 18,000 pounds \$40.00/ \$500 Large Jet > 18,000 pounds

	N/A / Part 139 Aircraft
	Based aircraft are exempt
Freight (Part 135,121 etc...)	\$.60 per 100 pounds
Fuel Flowage Fees .	\$.06per Gallon Fuel upon bulk Airport Delivery.
Oil fees	\$.30 per Gallon Oil/ upon delivery
Concession	Current Market Rate plus %
Sale of Aircraft or Related Parts	2% of gross revenue
Car Rental On Airport	Current Airport Market Rate plus %
Car Rental Off Airport	Current Airport Market Rate plus %
Freight Vehicles	\$40.00 per Year
Motor Bus	\$10.00 per Operation
Employee parking	Free
<b>FBO rent</b>	Based on Operational Lease rate plus normal FBO Fees and Charges per policy

Aviation Land Rent	Current Airport Market Value
Hangar Sale	Per P&S Agreement or Assessed Value which ever is greater
Non-Aviation Land Rent	Current Market Value
FAX	\$2.00 per Page
XEROX .	\$ .25 per Copy 8.5" x 11"
.	\$ .30 per Copy 8.5" x 14"
.	\$ .60 per Copy 11" x 17"
Airport Conference Room	\$35.00 0-1 hour \$75.00 1-4 hours \$100.00 4-8 hours
Commercial Vehicle Permit	\$20 per Month per Vehicle up to Three then \$60 per month for Fleet (Taxi, Limo, ...)
Courtesy Vehicle Permit	\$20 per Year per Vehicle includes sticker
Video Games/Vending	50% of Gross
Terminal Phones:	\$100.00 per Year (Courtesy) <b>20% AT&amp;T</b> <b>10% NET</b>
Security ID Cards	N/A
Security Gate Cards	N/A
Information Rack	\$100.00 per year Free Leaflets and Brochures, \$100.00 per year Free Information Booklets with Advertisements.  \$100.00 per year Free Magazine and Newspapers with Advertisements

Master Plan	\$150 per Copy
Commercial Operating Fees	\$50.00 per month Air Charter (More than 4 months)
Assignment or Sale of Lease and/of Stock	A fee of \$1000.00 or 5% of the total dollar value of Sale and/or Stock of Lease and/or Stock whichever is greater
Parking Revenue	Per License Contract
Parking Fees	First 30 Minutes Free \$1.00 – 31 Minutes to 1 Hour \$1.00 - Each Additional Hour \$10.00 – Daily Maximum \$50.00 – Weekly Maximum \$710.00 – Season Pass
Advertising Revenue	50% (if contracted)
Advertising Fees	\$50.00 per month for Terminal Building Signs \$50.00 per month for Road Signs
Display Cabinets	\$500.00 per Year
News Stand	Refer to concession

## **6.0 ANNUAL CPI ESCALATION LANGUAGE**

### **For Lease agreements that refer to CPI Escalation Only**

The rent shall be annually adjusted consistent with the 12 month percent change as indicated in the U.S. Department of Labor Bureau of Labor Statistics (the month prior to contract commencement date) report U. S. City average unadjusted annual Consumer Price Index Urban Wage Earners (CPI-U) 1982-84 base. Said annual adjustment shall be effective beginning (date contract commences) \_\_\_\_\_ of every year throughout the term of this agreement and computed consistent with the attached CPI worksheet identified as exhibit "B" attached hereto and made a part hereof. Said annual adjustment shall reflect either the then current rental rate or above referenced CPI-U percent change which ever is greater. When major revisions to the structure of the reported CPI occur as reported by the U.S. Department of Labor Bureau of Labor Statistics including but not limited to a new base year, the lessor may at its sole option apply the new structure. The base index is \_\_\_\_\_ Date \_\_\_\_\_.

## **7.0 GROSS RECEIPTS LANGUAGE**

The "gross receipts" as used herein shall be construed to mean, for all purposes hereof, the aggregate dollar amount of all sales made and services performed (whether for cash or credit, or other-wise) of every kind and nature, together with the aggregate dollar amount of all exchange goods, wares, merchandise, and services for all property and services, valued at the retail market price thereof, as if the same had been sold for cash or for the fair and reasonable value thereof, whichever is the greater, excluding only:

1. Refunds and discounts to customers which have been included in gross sales.
2. The amount of any sales, use and excise taxes levied upon retail sales where such tax has been charged to the customer.
3. Aircraft sales, fuel and oil sales.

## **8.0 ENFORCEMENT OF LEASING POLICY**

Any violations or inconsistencies with the terms or conditions of this Leasing Policy will be cause for any Agreement with the New Bedford Regional Airport to be considered as being in default. A default may be cured within thirty (30) days after receiving such notice from the New Bedford Regional Airport..

Any late payment or non-payment of the leasing policy fees will be assessed at 18% per annum for any unpaid balance due after 14 days.

## **9.0 CONFLICTS BETWEEN AGREEMENT AND AIRPORT LEASING POLICY**

In the event of any conflict between this Airport Leasing Policy and any Agreement entered into with the New Bedford Regional Airport the Agreement shall govern the relationship between the parties.



Scott W. Lang  
Mayor

# City of New Bedford

## New Bedford Regional Airport

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**DONNA J. BELLI**  
Airport Manager  
**JAMES W. BURGESS**  
Chairman, NBRA Commission

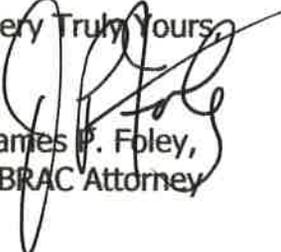
November 1, 2006

RE: New Airport Leasing Policy

Dear New Bedford Regional Airport Tenant,

Enclosed you will find the New Bedford Regional Airport (NBRAC) Leasing Policy. It has been approved and adopted by the Airport Commission.

Please note that the fee schedule is effective as of November 1, 2006.

Very Truly Yours,  
  
James P. Foley,  
NBRAC Attorney

Cc: J. Burgess  
D. Belli  
I. Schall



Scott W. Lang  
Mayor

# City of New Bedford

## New Bedford Regional Airport

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**DONNA J. BELLI**  
Airport Manager

**JAMES W. BURGESS**  
Chairman, NBRA Commission

November 1, 2006

Dear Aircraft Fuel Supplier and or Seller,

Under Massachusetts General Law 64J only persons holding a valid Fuel Delivery and Supply license (issued by the Commissioner of Revenue) may deliver, store or sell aircraft fuel in the state of Massachusetts.

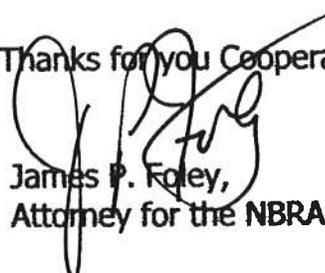
The New Bedford Regional Airport (NBRAC) requires all tenants and suppliers to be in compliance with all applicable State and Federal Laws and Regulations.

In accordance with M.G.L. 64J and NBRAC policy we are requesting a copy of your Fuel Delivery License together with copies of vehicle registrations and insurance certificates for all vehicles used in the delivery or supply of Aircraft Fuel to the New Bedford Regional Airport.

We are also requesting copies of all M.G.L.64J (3) Records of all future Aircraft Fuel Deliveries , Sales and or Acceptance of Delivery. Please include all information required under Section (3) of M.G.L. 64 J. (Names of person delivering fuel, names of person receiving fuel, Place and Date of delivery, total gallons delivered , total gallons received and gross sales price).

If you have any questions please call me at the NBRAC.

Thanks for your Cooperation

  
James P. Foley,  
Attorney for the NBRAC

Cc: J. Burgess NBRAC  
I. Schall, City Solicitor