



AGENDA ITEM: 9

MEETING DATE: December 3, 2014
TO: Board of Directors
FROM: Hardy Bullock, Director of Aviation and Community Services
SUBJECT: PI 504.1 Skydiving Minimum Standards

RECOMMENDATION:

Approve modifications to Policy Instruction (PI) 504.1 Skydiving Minimum Standards

DISCUSSION:

In conjunction with supporting Counsel, staff developed PI 504.1 Skydiving Minimum Standards in response to a request from an operator to establish a commercial skydiving operation. The Board approved PI 504.1 June 25, 2014. Staff has directed parties interested in establishing commercial skydiving operations to PI 504.1. September 19, 2014 the District received a letter from an attorney representing a commercial skydiving operator challenging certain minor aspects of the policy. In total nineteen different areas were questioned or had comments related to policy structure or language. Having thoroughly reviewed the policy and the comments outlined in the letter, District Counsel recommended a few modifications to PI 504.1 for clarity and future response to potential commercial skydiving operators. Staff concurs with these recommendations and recommends approval of the revisions.

FISCAL IMPACT:

Fiscal impact to the District from commercial skydiving operations may occur. At this time an estimate is unknown, additional operator information is required. Airport driven oversight, staff time, infrastructure modifications, and administration will drive future cost to the District dependent on the size and scope of the commercial operation which is as of yet undefined. District response to public inquiry and community annoyance related to a commercial skydiving operation may be considerable. Future cost related to public outreach, flight track analysis, noise abatement procedure enforcement, and operational impact may occur. Staff may assess a Commercial Operating Permit fee commensurate with District Policy to recover some of these costs.

PUBLIC COMMUNICATIONS:

Staff sees no extensive need for additional public communication considering this is a minor policy modification of and existing policy approved recently. Should the policy be used in an active sky

diving operator application the Board may consider a multifaceted approach to public communications regarding this activity. FreshTracks PR may help develop a public outreach strategy which will include print, website, e-blast, and radio advertising for public comment periods, public workshops, staff question-and-answer sessions, airport community advisory team meetings, Board meetings, and open houses.

ATTACHMENTS:

MODIFIED/PROPOSED POLICY 504.1

LIST OF PROPOSED MODIFICATIONS

MODIFIED/PROPOSED POLICY INSTRUCTION 504.1

TRUCKEE TAHOE AIRPORT DISTRICT MINIMUM STANDARDS FOR COMMERCIAL SKYDIVING

PI NUMBER 504.1

Effective: June 25, 2014

SUBJECT: THE MINIMUM STANDARDS APPLICABLE TO SPECIALIZED AVIATION SERVICE OPERATORS SEEKING TO PROVIDE COMMERCIAL SKYDIVING AT THE AIRPORT

PURPOSE: To establish application, evaluation, and operational requirements for commercial skydiving at the Airport.

DEFINITIONS:

- a. Agreement: A written, legally enforceable contract between the Airport District and another Entity concerning access to and use of the Airport.
- b. Airport: Truckee Tahoe Airport.
- c. Airport District: Truckee Tahoe Airport District
- d. ALP: Airport Layout Plan.
- e. Commercial Aeronautical Activity: Any commercial operation at the Airport that is related to the operation of Aircraft.
- f. Commercial Aeronautical Operator: An Entity conducting a Commercial Aeronautical Activity at the Airport pursuant to a Lease, License, or Agreement with the Airport District.
- g. Commercial Skydiving: [Parachute operations, as defined by 14 C.F.R. § 105.3, conducted at or from the Airport undertaken in exchange for direct or indirect payment.](#) ~~Jumping from an aircraft at a moderate or high altitude and deploying a parachute to create drag or lift for descent to the ground.~~
- h. Drop Zone: intended parachute landing area.
- i. Entity: A natural person, partnership, corporation, organization or business that has a legal and separately identifiable existence.
- j. FAA: Federal Aviation Administration.
- k. Hazard: Hazards are obstructions or hazards to safe use of the Airport or navigable airspace and include but are not limited to, objects which lie within the Object Fee Area ("OFA"), Object Free Zone ("OFZ"), Runway

Protection Zone (“RPZ”), and Building Restriction Line (“BRL”), as depicted on the Airport Property Map. The term Hazard also includes all telephone and power lines, towers, buildings, open bodies of water, highways, automobiles, and clusters of trees covering more than 3,000 square meters.

- l. Lease: A contractual agreement between the Airport District and another Entity that establishes a tenancy on the Airport. A Lease is written and enforceable by law.
- m. License: A contractual agreement between the Airport District and another Entity that grants or otherwise authorizes the use of land or building space to conduct a specified Commercial Aeronautical Activity. A License is written and enforceable by law.
- n. Operator: An Entity whose application to provide Commercial Skydiving has been approved by the District and who is currently conducting Commercial Skydiving at the Airport.
- o. Participant: Persons paying a fee to the Operator and subsequently participating in Commercial Skydiving.
- p. SMS: Safety management System.
- q. SPCC Plan: Spill Prevention Countermeasures and Control Plan, prepared to comply with the federal regulations at 40 C.F.R. Part 112.
- r. SRM: Safety Risk Management.
- s. SWMP: Storm Water Management Plan, prepared to comply with the federal regulations at 40 C.F.R. § 122.26.
- t. USPA: United States Parachute Association.

SECTION 1 - APPLICATION

- a. Basic Information An Applicant must submit a written application to the District, providing the following information and any such additional information as may be requested by the District:
 - i. The name, address and telephone number of the Applicant. If the Applicant is a corporation, provide the name, address, and telephone numbers of the corporation’s officers and directors and owners of any corporate stock with the number of total shares and the number of shares owned. If the Applicant is a partnership, provide the name, address, and telephone numbers of the partners.
 - ii. If any Entity holding or controlling, directly or indirectly, any ownership, voting, management or debt interests (actual or contingent) (“cross-ownership”) in any other on-Airport

commercial service provider (aeronautical or non-aeronautical) is involved in the ownership or management of the Applicant, provide complete information about the extent and nature of such cross-ownership.

- iii. The requested or proposed date for commencement of the Commercial Aeronautical Activity and the proposed duration for conducting the same.
- iv. A comprehensive listing of all services proposed to be offered on or from the Airport and the proposed schedule of fees and charges therefor.
- v. A map, to scale, of the amount, configuration, and location of the land requested or desired to be constructed or leased.
- vi. The size and position of any building(s) to be constructed or leased for the purpose of office space, hangar space, or public access; the proposed design and terms for the construction of such additional space; and the ownership, leasing or sub-leasing thereof. An identification of any necessary or desirable capital improvements to be constructed in conjunction with the operation and the Applicant's proposal for financing the same.
- vii. The size and location of any improvements to be constructed within the Drop Zone; the proposed design and terms for the construction of same; and the leasing or sub-leasing thereof. An identification of any necessary or desirable capital improvements to be constructed in conjunction with the use of the Drop Zone and the Applicant's proposal for financing the same.
- viii. The number, type(s), ~~registration,~~ and basing of aircraft to be provided/maintained (as applicable) and a detailed description of all equipment and facilities.
- ix. The number of persons to be employed ~~(including the names, qualifications, and certifications of each person)~~; whether the employees will be based at the Airport (full-time, part-time and seasonal) or transient; and the certifications required, if any, for each employee.
- x. The hours of the proposed operation.
- xi. Identification of any and all bankruptcies relating to the Applicant and the Applicant's principals.

- xii. Disclosure of any and all documented violations by the Applicant and/or the Applicant's principals of FAA regulations.
- b. Financial and Managerial Responsibility and Capability
- i. The Applicant must provide a statement, satisfactory to the District, as evidence of its financial responsibility, from a federally chartered bank or from such other source that may be acceptable to the District and readily verified through normal banking channels.
 - ii. The Applicant must demonstrate financial capability to initiate operations, to construct proposed improvements, and to provide working capital to carry on the contemplated operations. The demonstration of financial and managerial capability shall include a cash flow and a profit-and-loss projection for the first five years of the proposed operation.
- c. Experience and Reputation of the Operator and Key Employees
- i. The Applicant shall furnish the District with a statement of its past experience and a description of its key employees in providing the proposed Commercial Aeronautical Activity, together with a statement that the Applicant or its principals have the managerial ability to perform the selected services.
- d. Airport Safety Procedures
- i. The Applicant must describe procedures for safely conducting Commercial Skydiving at the Airport that address the following topics:
 - 1. Vehicular and pedestrian access to the Drop Zone;
 - 2. Supervision of Commercial Skydiving and Participants;
 - 3. Measures to ensure against runway incursions or incursions into OFAs, OFZs, and RSAs by any Participant, vehicle, or equipment.
 - 4. Communications systems which will be used to ensure positive communication among Participants and the Applicant's employees at all times.

5. Compliance with any USPA safety recommendations for Commercial Skydiving operations.

e. Safety Review

- i. Regardless of whether SMS compliance would otherwise be required by FAA policies or orders, the Applicant shall complete an SMS process in compliance with FAA Order 5200.11 (and any accompanying FAA guidance documents) prior to submission of its application. The costs associated with compliance shall be borne by the Applicant and any contemplated FAA or Airport District costs must be deposited with the Airport District in advance.
- ii. The SMS process shall examine at least (i) on-Airport safety considerations; (ii) off-Airport safety considerations; and (iii) airspace issues associated with the Drop Zone. The Applicant must commit in writing to implement all recommendations that result from the SRM panel and to fund the cost of any safety actions that are so recommended.

SECTION 2 - ACTION ON APPLICATION

- a. Procurement Upon receipt of an application, or on its own initiative, the Airport District may issue a request for qualifications or proposals or otherwise select an Entity or Entities to offer Commercial Skydiving through a competitive solicitation.
 - i. No action will be taken upon receipt of an application until or unless the Airport District shall have issued a request for proposals or qualifications in a manner consistent with the then-current Airport District procurement procedures to determine whether any other Entity is interested and qualified to offer Commercial Skydiving.
 - ii. The Airport District shall accept responses for a reasonable time period so as not to unreasonably delay consideration of the initial application. The initial Applicant need not respond to the request for proposals or qualifications. ~~Upon receipt of one or more responses to the Request for Proposals, the Airport District shall choose from among the Applicants and select the Entity that proposes to provide the highest level and quality of Commercial Skydiving services.~~
- b. Grounds for Denial The Airport District reserves the right to deny an application upon finding any of the following:

- i. The Airport District has determined, upon examination of the Applicant's business plan, financial plan, and credit report that the Applicant is unlikely to be able to continue to meet the Minimum Standards prescribed herein throughout the term of a Lease, License, or Agreement, including the payment of rates and charges.
- ii. The Applicant cannot provide a performance bond or applicable insurance in the amounts and types required by the Airport District for Commercial Skydiving; or
- iii. The Applicant has, either intentionally supplied the Airport District with false or misleading information, or has failed to make full disclosure in its application or supporting documents.
- iv. There is no suitable space on the Airport to accommodate Commercial Skydiving without requiring the reduction in space leased to another Commercial Aeronautical Activity; or the development or use of the area requested by the Applicant will result in a congestion of aircraft or buildings or will result in unduly interfering with the operations of any other Commercial Aeronautical Operator on the Airport.
- v. Commercial Skydiving as proposed is inconsistent with the ALP or the current Master Plan.
- vi. The FAA has determined that Commercial Skydiving would constitute a Hazard or an obstruction or danger to air navigation.
- vii. Commercial Skydiving as proposed would require the Airport District to spend funds or to supply resources and such funds are not available or budgeted, or the operation could result in a financial loss to the Airport District.
- viii. The Applicant, a principal of the Applicant, an immediate family member of a principal of the Applicant, or an Entity of which a principal of the Applicant was a principal, meets one or more of the following descriptions:
 1. Was party to a Lease or License with the Airport District that was terminated for cause.
 2. Was previously evicted from the Airport.
 3. Has been party to vexatious or frivolous litigation, including, without limitation, administrative

litigation, against the Airport District concerning Commercial Aeronautical Activities at the Airport.

4. Has been debarred or evicted from another public-use airport at which the Applicant conducted a Commercial Aeronautical Activity; provided, however, that the Airport District nevertheless may approve the application upon examination of the facts and circumstances surrounding the debarment or eviction.
- c. Notification of Changes The Applicant must provide the Airport District with any information reflecting a material change in the information submitted in an application. This information includes, for example, and without limitation: (i) a change in ownership of the Applicant, (ii) the filing of a petition in bankruptcy, (iii) addition or subtraction of principals, (iv) any felony or misdemeanor convictions that would result in loss of airport identification media, and (v) any federal fines imposed on the Applicant.

SECTION 3 – GENERAL REQUIREMENTS

Upon approval by the Airport District, the following performance standards shall apply to all Operators.

- a. Bond Requirement
 - i. The Operator shall post a performance bond in a form acceptable to the Airport District in an amount equal to at least 10% of the annual rent for the Operator’s Commercial Skydiving operations.
- b. Compliance
 - i. The Operator must comply with all federal, state and local requirements applicable to its operations, including, but not limited to, the grant assurances applicable to the Airport District. Without limiting the foregoing, the Operator must comply with the following specific requirements:
 1. All federal, state and local laws applicable to workplace and aviation safety, including 14 C.F.R. Part 105; and the orders and directives of the Airport District in furtherance of any SMS or similar or related program at the Airport designed and intended to enhance safety.
 2. All applicable federal, state and local environmental laws; orders and directives of a federal or state agency with requisite jurisdiction over environmental conditions at the

Airport; the Airport District's environmental policies and procedures, including, for example, and without limitation, SPCC Plan, SWMP and spill response plan; and generally accepted industry environmental policies and standards.

- ii. The Operator shall, at its own cost, obtain, maintain, and comply with all necessary licenses, permits, certifications, or ratings required for the conduct of its activities at the Airport. Upon request, the Operator shall provide copies of such licenses, permits, certifications, or ratings to the Airport District.
- c. Equipment and Vehicles
 - i. The Operator must own, lease, or otherwise have sufficient access to equipment, including aircraft, to conduct Commercial Skydiving without causing any flight delays or other operational impacts on aircraft at the Airport.
 - ii. The Operator shall make all reasonable efforts to keep equipment operable, maintained in a safe operating condition, and capable of providing all required products and services at the hours and in a manner consistent with the intended use.
- d. Insurance
 - i. General requirements
 1. The Operator must maintain \$1 million in liability insurance.
 2. The Operator shall maintain the required insurance throughout the term of a Lease, License or other Agreement.
 3. Lapses in insurance coverage may result in denial of access to the Airport.
 - ii. In prescribing insurance coverage types and limits, the Airport District is not representing or guaranteeing that the types and limits are adequate to protect the Operator's interests and liabilities. It is understood that the specified amounts of insurance stated herein or in a Lease, License or other Agreement shall in no way limit the liability of the Operator.
 - iii. The Airport District reserves the right to make reasonable adjustments to required types of insurance coverage, limits and exclusions when deemed necessary and prudent by the Airport District based upon changes in statutory law, court decisions, the claims history of the industry or financial considerations of the insurance company and/or the Operator.

- iv. The Operator will provide a certificate of insurance listing the Airport District, Board of Directors, and Staff as additional insureds. This obligation shall not apply to any workers' compensation policy.
- v. Insurance shall be secured by a company authorized to conduct business in the State of California.
- e. Lease or License Requirement
 - i. A Lease or License is a prerequisite to providing Commercial Skydiving on the Airport.
 - ii. Failure to remain current in the payment of any and all rents, fees, charges, and other sums due and owing to the Airport District shall be grounds for revocation of the Operator's Lease, License or Agreement permitting Commercial Skydiving at the Airport.
- f. General Lease Terms
 - iii. The Lease or License with the Airport District shall recite the terms and conditions under which the Operator will do business on the Airport, including but not limited to, the term of the agreement, the rentals, fees, and charges, the rights, privileges and obligations of the respective parties, and other relevant covenants.
 - iv. Leases and Licenses shall contain all provisions required by the FAA to be included as a condition of any federal grant to the Airport District for the Airport.
 - v. The length of the term of any Lease or License will be determined by the Airport District.
- g. Construction
 - i. All paving and building shall comply with the then-current Airport District development and construction standards.
 - ii. All construction shall comply with the local land use regulations as amended from time to time.
- h. Drop Zone Requirements
 - i. Pursuant to the USPA's *Basic Safety Requirements*, Drop Zones must be unobstructed, with the following minimum radial distances as follows:
 - 1. If the Operator intends at any time to serve any student skydivers or Participants without a skydiving license, or A-license holders, then the Drop Zone must be 100 meters from the nearest Hazard.

2. If the Operator intends at any time to serve B and C license holders, or any tandem skydivers, then the Drop Zone must be 50 meters from the nearest Hazard.
 3. If the Operator intends at any time to serve D-license holders, then the Drop Zone must be 12 meters from the nearest Hazard.
- ii. Each Operator must enter into a separate Lease or License with the Airport District for the area on the Airport to be used as a Drop Zone. Rates shall be set by the Airport District. The Drop Zone shall be used exclusively for such purpose and shall not be subleased at any time when Commercial Skydiving is authorized to occur.
 - iii. The Drop Zone must be sufficiently large to enable safe landings by Participants. At a minimum, the Drop Zone must be 300 ft. by 300 ft.
 - iv. The Drop Zone must be maintained to facilitate safe landings by Participants.

~~v. The Drop Zone must be sufficiently lit to facilitate safe landing by Participants in all weather and at all times of day when it is safe to conduct Commercial Skydiving.~~

~~vi.v. The Operator must install a fence around the Drop Zone with sufficient signage, and ground markings to prevent runway incursions or incursions into any OFA, OFZ or RSA. The fence must meet requirements applicable to fencing at airports in proximity to the OFA, OFZ or RSA.~~

i. Participant Requirements. The Operator shall ensure that all Participants are at least 18 years of age.

~~i. The Operator shall ensure that Participants comply with the following requirements:~~

~~1. Medical requirements~~

~~a. All Participants must:~~

~~i. Possess at least a current FAA Third-Class Medical Certificate;~~

~~ii. Carry a certificate of physical fitness for skydiving from a licensed physician; or~~

~~iii. Have completed the USPA recommended medical statement.~~

~~2. Age requirements~~

~~a. Participants must be at least either:~~

~~i. 18 years of age; or~~

- ii. ~~16 years of age with a notarized parental or guardian consent.~~
- j. Notice and Reporting Availability of Records.
 - i. ~~———— The Operator shall make available to the Airport District upon request all records regarding must submit to the Airport District all new, updated or amended FAA certificates and ratings annually when received.~~
 - ii. ~~———— Upon hiring new employees, the Operator must file all FAA certificates of ratings with the Airport District within two weeks of hiring the employee.~~
 - iii.i. ~~———— Upon any revocation of or change to any certificate or ratings, or any other penalties by FAA against the certificate holder, the Operator must provide written notice to the Airport District within two weeks.~~
- iv. ~~The Operator shall provide the Airport District with three weeks advance notice of its intention to start or discontinue Commercial Skydiving operations. However, if said start-up or discontinuation is not permitted or authorized under the Lease, License or Agreement, an amendment to the Lease, License or Agreement is required prior to the initiation or discontinuance of said use.~~

k. Subcontracting, Subleasing, and Assignment

- i. No sublease or assignment of any Agreement, Lease, or License shall be permitted without written approval by the District.
- ii. Subleasing.
 - 1. The Operator is permitted to sublease space to another Entity to perform one or more Commercial Aeronautical Activities, provided that all of the following conditions are met:
 - a. The subleasing party must obtain a License to operate at the Airport; and
 - b. The Operator must carry public liability insurance for its sublessee or provide a certificate of insurance which shows the lessee and the Airport District as additional insured, in amounts commensurate with the services provided by the sublessee.
- iii. Assignment.
 - 1. Prior to granting consent for any assignment, the Airport District may require the prospective assignee to complete an application or submit the information prescribed in

Section I (Application) hereof. The Airport District may reject the request to assign the agreement based on the factors enumerated in Section 2 hereof.

PROPOSED AMENDMENTS TO MINIMUM STANDARDS PI 504.1

Green – No Change

Yellow – Modest Change

Grey – Substantive Changes to Minimum Standards

Section of Minimum Standards	Response
Definition g	14 C.F.R. Part 105 does not define “commercial skydiving,” so it is not inconsistent with Definition g. However, TRK can refine the definition so that the definition of skydiving within “commercial skydiving” in Definition g tracks Section 105.3. There is no practical effect of such a change in the minimum standards.
Section 1(a)(viii)-(ix)	Propose revision of requirement for the Application to identify positions and requirements for employees, but not actual employees. This is relevant to the adequacy and safety of service, which is a legitimate concern of the Airport District. Similarly, recommend removing requirement to identify specific aircraft, but still require identification of number and type of aircraft. Once again, this is a legitimate request to assure the adequacy of proposed facilities/services on the Airport.
Section 2(a) -- Procurement	There is no intent on the part of the Airport District to create exclusive rights or limit access. At the same time, there are real limits on available property at TRK. To avoid any confusion, recommend striking the third sentence of Section 2(a)(ii) (“Upon receipt of one or more responses to the Request for Proposals, the Airport District shall choose from among the Applicants and select <i>the Entity</i> that proposes to provide the highest level and quality of Commercial skydiving services.”).
Section 3(h)(v)	Recommend dropping this requirement
Section 3(h)(vi)	Recommend dropping this requirement
Section 3(i)(i)(1)	Recommend dropping this requirement. It suggests regulation of aviation activity itself.
Section 3(i)(2)	Amend to require all participants be at least 18
	Recommend dropping or requiring that the records be available for review