

**COUNTY OF SAN MATEO**

**Inter-Departmental Correspondence**

**Date:** July 10, 2001

**Board Meeting Date:** July 24, 2001

**To:** Honorable Board of Supervisors

**From:** Neil R. Cullen, Director of Public Works

**Subject:** **Revision of Hangar Storage Policies - Extensions of Time for Non-Airworthy Aircraft at San Mateo County Airports**

**RECOMMENDATION**

Adopt a resolution revising the polices previously approved by your Board to allow for extensions of the airworthy hangar rate for non-airworthy aircraft hangared at either San Carlos or Half Moon Bay Airports under certain circumstances.

**Previous Board Action**

- 1. Adopted Resolution No. 64339 that established policies (Policies) for the Storage of Airworthy, Non-Airworthy and Aircraft Under Construction at San Carlos and Half Moon Bay Airports and revising the Schedule of Fees for Renting Hangars at the San Carlos and Half Moon Bay Airports (Airports).
- 2. Directed Staff to prepare a revision to the Policies to allow for extensions of the airworthy aircraft hangar rate for non-airworthy aircraft under certain circumstances.

**Key Facts**

- 1. We believe the proposed revisions to the Policies as well as the original differential rate schedule as approved by your Board comply with airport grant assurances and the Federal Aviation Administration's (FAA) regulations.
- 2. The pilot's associations for both San Carlos and Half Moon Bay Airports, while not necessarily agreeing to a differential rate polices previously approved by your Board, have reviewed and approved the proposed policy revisions.

**Discussion**

**Current Policy Adopted by your Board**

Your Board approved a fee structure for hangars that essentially doubled the previous hangar rates charged. However, you also provided a credit of 1/2 half the rate for a hangar for those tenants that provide the required proof that the aircraft housed in the hanger is airworthy.

Honorable Board of Supervisors

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Hangar tenants appeared before your Board and requested that extensions of time be given to hangar tenants whose planes were not in an airworthy condition, but who were diligently working to bring their aircraft into airworthy condition, or when through no fault of their own, were delayed in bringing their aircraft in to an airworthy condition.

### **Proposed Revisions**

The following two extensions of time were developed as directed by your Board for the circumstances described above:

#### **Six-Month Extension of Time**

Hangar tenants who have not completed the required annual FAA airworthiness inspection within the preceding 12 months but are actively working towards bringing their aircraft into an airworthy condition can request a one-time extension of the airworthy aircraft hangar rate for up to six-months by providing documentation and submitting a completed "*Request for One-Time Six-Month Extension of Airworthy Aircraft Hangar Rate for Non-Airworthy Aircraft*" form to the Airport Manager. This request will be granted provided the hangar tenant shows documentation that they are making significant progress in bringing their non-airworthy aircraft into an airworthy condition.

#### **Special Circumstances Extension of Time**

Hangar tenants may request a special extension of the discounted rate by providing documentation of special circumstances and submitting a completed "*Special Request for Extension of Airworthy Aircraft Hangar Rate for Non-Airworthy Aircraft*" form to the Director of Public Works. These special extensions will be granted only in cases where the hangar tenant can document that he/she has made every effort to complete the annual inspection, and that its completion, at no fault of their own, is delayed due to circumstances outside of their control such as an FAA Airworthiness Directive, backorder of parts, etc.

Attached is a copy of the Policies which includes the proposed revisions, and a copy of the proposed forms to be used when a tenant wants to request an extension of the airworthy aircraft hangar rate.

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**Fiscal Impact**

The Airport Fund would receive a reduction in revenue equal to ½ of the non-airworthy rate for any extension of the Airworthy Aircraft Hangar Rate granted to non-airworthy aircraft. The amount of revenue reduction that the Airport Fund would realize would depend upon the number of extensions granted. We do not have an estimate at this time.

There is no impact to the General Fund

A form of resolution has been approved by County Counsel.



Neil R. Cullen  
Director of Public Works

NRC:MCL:sdd

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Enclosures: Request Forms for Extensions of the Airworthy Aircraft Hangar Rate

cc: San Carlos Pilots Association  
Half Moon Bay Pilots Association  
Fixed Based Operators  
Milt Mares, County Counsel  
Brian C. Lee, P.E., Division Manager, Programs and Engineering Services  
Mark Larson, Airport Manager

## EXHIBIT "A"

# POLICIES FOR THE STORAGE OF AIRWORTHY, NON-AIRWORTHY AND AIRCRAFT UNDER CONSTRUCTION SAN CARLOS AND HALF MOON BAY AIRPORTS

July 2001

### Standard Hangars (Nested or T Hangars)

Standard Hangars are to be used for the storing of airworthy or non-airworthy aircraft.

Only individuals may become hangar permittees. Existing hangar permits held by an entity other than an individual(s) shall continue until terminated or until other changes in policies affecting hangar permits held by entities other than individual(s) are adopted by this Board. Permittees are required to show proof that they own the aircraft that will be stored in the hangar.

### Hangar Rates

#### **Airworthy Aircraft**

Standard Hangars shall be rented to aircraft owners at a rate set and adjusted by the Board of Supervisors. An aircraft shall be deemed as airworthy at the time of the initial hangar rental and at a specific time once a year thereafter, where the owner provides the Airport staff with the following:

- 1) The registration number of the aircraft to be hangared and proof of ownership. Proof of ownership requires that hangar permittees name be shown as owner on the registration.
- 2) Proof that the aircraft has been inspected and meets the FAA's airworthiness criteria.
- 3) Proof of insurance meeting all County insurance requirements- Aircraft liability coverage in the minimum amount of \$1,000,000 Combined Single Limit Bodily Injury and Property Damage with a minimum sub-limit of \$100,000 each person. Policy shall include coverage for both Ground and Flight, include all passengers, list the Tenant as Named Insured, list the County as Additional Insured and include a 30-day advance notice of cancellation.

Hangar tenants that meet the criteria of hangaring an airworthy aircraft shall be entitled to a reduction in the rent charged to hangar said aircraft equal to ½ of the doubled rate in affect that is charged for the type or size of hangar rented. However, if said information as described above is not provided by the tenant to the Airport Manager by the date determined by the Airport Manager, the aircraft shall be deemed as non- airworthy and the tenant shall not be entitled to a rebate or reduction in rent for those months when the information was not provided.

## **Non-Airworthy Aircraft**

Standard Hangars shall be rented to aircraft owners at a rate set and adjusted by the Board of Supervisors. An aircraft that does not meet the criteria for air-worthiness as described above shall be considered non-airworthy, and the owner shall not be entitled to a reduction in the rent charged as provided for owners of airworthy aircraft.

No reduction in rent shall be considered by the Airport Manager until such time as the hangar tenant provides the required information to determine that the aircraft is airworthy. No reduction in rent will be given for fractions of months.

The Airport Manager shall terminate a hanger rental and shall not reinstate said rental if a tenant fails to provide the necessary insurance naming the County as co-insured if the necessary proof of insurance is not provided within 30 days of the County being notified of the lack of insurance.

## **Port-a-Port Hangars**

Port-a-Port Hangars are to be used for storing airworthy, non-airworthy or aircraft in the process of being constructed.

(See Standard Hangars). Permittees shall be required to show proof that they own the aircraft that will be stored in the hangar or that they are in possession of the major components including the engine, for the aircraft that they are in the process of building.

### **Hangar Rates for Port-a-Port Hangars**

**Airworthy Aircraft** - same as **Standard Hangars** above

**Non-Airworthy Aircraft** - same as **Standard Hangars** above

### **Aircraft in the Process of Being Constructed**

Owners of aircraft that are in the process of being constructed may rent an available Port-a-Port hangar for a maximum time of 12 months to store and complete construction of their aircraft. Tenants shall be entitled to a reduction in the rate charged the same as airworthy aircraft for the use of said hangar for the 12-month period. No reduction in hangar rates shall given after the 12-month period if said aircraft does not meet the criteria for an airworthy aircraft as described above.

### **Documentation Required to Receive the Airworthy Aircraft Hangar Rate:**

Tenants must provide a copy of logbook entries showing proof of completion of the required FAA annual airworthiness inspection within the preceding 12 months.

## **Extensions of Airworthy Aircraft Hangar Rates for Non-Airworthy Aircraft:**

Hangar tenants who are actively working towards bringing their aircraft into an airworthy condition can request a one-time extension of the airworthy aircraft hangar rate for up to six-months by submitting a completed "*Request for One-Time Six-Month Extension of Airworthy Aircraft Hangar Rate for Non-Airworthy Aircraft*" form to the Airport Manager. This request will be granted provided the hangar tenant shows documentation that they are making significant progress in bringing their non-airworthy aircraft into an airworthy condition.

Hangar tenants may request a special extension of the airworthy aircraft hangar rate by submitting a completed "*Special Request for Extension of Airworthy Aircraft Hangar Rate for Non-Airworthy Aircraft*" form to the Director of Public Works. An extension will be granted only in cases where the hangar tenant can document that he/she has made every effort to complete the annual inspection, and that its completion, at no fault of their own, is delayed due to circumstances outside of their control such as an FAA Airworthiness Directive, backorder of parts, etc.

## **Insurance Requirements**

### **Airworthy Aircraft**

Aircraft liability coverage in the minimum amount of \$1,000,000 Combined Single Limit Bodily Injury and Property Damage with a minimum sub-limit of \$100,000 each person. Policy shall include coverage for both Ground and Flight, include all passengers, list the Tenant as Named Insured, list the County as Additional Insured and include a 30-day advance notice of cancellation.

### **Non-Airworthy Aircraft**

Aircraft liability coverage in the minimum amount of \$1,000,000 Combined Single Limit Bodily Injury and Property Damage with a minimum sub-limit of \$100,000 each person. Policy shall include coverage for movement of aircraft on the Ground, list the Tenant as Named Insured, list the County as Additional Insured and include a 30-day advance notice of cancellation. Flight insurance required before aircraft considered as airworthy and rent adjusted for airworthy aircraft

### **Aircraft in the Process of Being Constructed**

Aircraft liability coverage in the minimum amount of \$1,000,000 Combined Single Limit Bodily Injury and Property Damage with a minimum sub-limit of \$100,000 each person. Policy shall include coverage for movement of aircraft on the Ground, list the Tenant as Named Insured, list the County as Additional Insured and include a 30-day advance notice of cancellation.

## **Termination of Hangar Permits for non-payment of fees**

The Airport Manager shall terminate any hangar permit where hangar fees become over sixty days delinquent, whether in dispute or not, and the hangar tenant shall have no right to have their hangar reinstated to them.

Disputes involving hangar rentals or rebates or reductions may be appealed to the Director of Public Works and the Director shall make determination of the validity of the dispute based on material evidence including date stamped receipts of when payments were received or when information relating to the airworthiness of an aircraft was received by the Airport Manager or his/her staff. Lack of date stamped evidence shall constitute a non rebuttable presumption that the tenant had not complied with the provisions of these polices in providing information regarding his/her hangar permit payments.

The Airport Manager shall terminate a hanger permit and shall not reinstate said permit if a tenant fails to provide the necessary insurance naming the County as co-insured if the necessary proof of insurance is not provided within 30 days of the County being notified of the lack of insurance.

# Request for One-Time Six-Month Extension of Discounted Hangar Rate for Non-Airworthy Aircraft

Hangar tenants who provide documentation that their aircraft has completed the required annual FAA airworthiness inspection within the preceding 12 months are entitled to the current hangar rate as established for airworthy aircraft by the Board of Supervisors for the type and size of hangar that said tenant has.

Hangar tenants who are actively working towards bringing their aircraft into an airworthy condition can request a one-time extension of up to six-months from the Airport Manager by completing the form below. This request will be granted provided the hangar tenant shows documentation that they are making significant progress in bringing their non-airworthy aircraft into an airworthy condition.

**Note:** Hangar tenants may request a special extension of the discounted rate by submitting a completed "*Special Request for Extension of Airworthy Aircraft Hangar Rate for Non-Airworthy Aircraft*" form to the Director of Public Works. These special extensions will be granted only in cases where the hangar tenant can document that he/she has made every effort to complete the annual inspection, and that its completion, at no fault of their own, is delayed due to circumstances outside of their control such as an FAA Airworthiness Directive, backorder of parts, etc.

Tenant Name: \_\_\_\_\_ Date: \_\_\_\_\_  
Address: \_\_\_\_\_ Airport: SQL / HAF  
\_\_\_\_\_ Hangar #: \_\_\_\_\_  
Phone (work): \_\_\_\_\_ Aircraft #: \_\_\_\_\_  
(home): \_\_\_\_\_

**Tenant's justification for one-time six-month extension request:** \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Estimated completion date: \_\_\_\_\_

Signature of hangar tenant: \_\_\_\_\_ Date: \_\_\_\_\_

.....  
Airport Manager Decision: Approve / Disapprove Date: \_\_\_\_\_

If approved: Extension of Airworthy Aircraft Hangar Rate ends on: \_\_\_\_\_



# Special Request for Extension of Airworthy Aircraft Hangar Rate for Non-Airworthy Aircraft

Hangar tenants who provide documentation that their aircraft has completed the required annual FAA airworthiness inspection within the preceding 12 months are entitled to a the current hangar rate as established for airworthy aircraft by the Board of Supervisors for the type and size of hangar that said tenant has. Hangar tenants who are actively working towards bringing their aircraft into an airworthy condition can request a one-time extension of up to six-months from the Airport Manager by completing the "Request for One-Time Six-Month Extension of Airworthy Aircraft Discounted Hangar Rate for Non-Airworthy Aircraft" form.

Hangar tenants may request a special extension of the airworthy aircraft rate beyond six-months by submitting the completed form below to the Director of Public Works. These special extensions will be granted only in cases where the hangar tenant can document that he/she has made every effort to complete the annual inspection, and that its completion, at no fault of their own, is delayed due to circumstances outside of their control such as an FAA Airworthiness Directive, backorder of parts, etc.

Tenant Name: \_\_\_\_\_ Date: \_\_\_\_\_  
Address: \_\_\_\_\_ Airport: SQL / HAF  
\_\_\_\_\_ Hangar #: \_\_\_\_\_  
Phone (work): \_\_\_\_\_ Aircraft #: \_\_\_\_\_  
(home): \_\_\_\_\_

### Hangar tenant's justification for special extension:

- FAA Airworthiness Directive
- Backorder of Parts
- Other: \_\_\_\_\_

Explanation and documentation submitted: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Estimated completion date: \_\_\_\_\_

Signature of hangar tenant: \_\_\_\_\_ Date: \_\_\_\_\_

Extension: **Approved / Disapproved**

If approved, extension of airworthy aircraft hangar rate ends on: \_\_\_\_\_

Director of Public Works: \_\_\_\_\_ Date: \_\_\_\_\_

Resolution No. \_\_\_\_\_

**Board of Supervisors, County of San Mateo, State of California**

\* \* \* \* \*

**Resolution Adopting Revised Policies for the Storage of Airworthy, Non-Airworthy and Aircraft Under Construction at San Carlos and Half Moon Bay Airports**

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**RESOLVED**, by the Board of Supervisors of the County of San Mateo, State of California, that

**WHEREAS**, this Board adopted Resolution No. 64339 which established the policies (Policies) to be used in determining whether aircraft hangared at San Carlos and Half Moon Bay Airports are airworthy or non-airworthy; and

**WHEREAS**, this Board determined that said Polices should be amended to allow for the extension of the airworthy aircraft-hangar rates for non-airworthy aircraft under certain circumstances; and

**WHEREAS**, the Director of Public Works has submitted proposed revisions to said Policies to meet the Board's directive and this Board has considered the revisions as developed by the Director of Public Works.

**NOW, THEREFORE, IT IS HEREBY ORDERED** that:

1. Exhibit "A" entitled "Policies for the Storage of Airworthy, Non-Airworthy and Aircraft under Construction - San Carlos and Half Moon Bay Airports – July 2001" attached hereto and made a part hereof and which allows for the extension of airworthy aircraft hanger rates to non airworthy aircraft under certain conditions, are hereby adopted as the policies to be used by the Director of Public Works in determine hangar rental and rental rates for both the San Carlos and Half Moon Bay Airports

2. The policies established by this resolution shall remain in full force and affect until changed or modified by an action of the Board of Supervisors.

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The Airport Manager shall terminate a hanger permit and shall not reinstate said permit if a tenant fails to provide the necessary insurance naming the County as co-insured if the necessary proof of insurance is not provided within 30 days of the County being notified of the lack of insurance.