



TENANT DIRECTIVE

MTN: 400.1

Date: April 1, 2004

TITLE: Minimum Standards for Commercial Aeronautical Activities

I. Reference:

- A. Code of Maryland Regulations (COMAR) 11.03.02.02B(1).
- B. Martin State Airport Tenant Directive 401.1.
- C. This Directive supersedes MTN Tenant Directive 400.1, dated June 1, 1995.

II. Purpose and Applicability:

- A. The purpose of this Directive is to regulate commercial aeronautical activities at Martin State Airport (MTN) conducted under an agreement with the Maryland Aviation Administration (Administration) or under a subcontract or sublease established under such an agreement and for the purpose of proposing standards for Flying Clubs.
- B. Commercial activity is the exchange, trading, buying, hiring, leasing or selling of commodities, goods, services, or property of any kind, or any revenue-producing activity on the Airport and includes any activity addressed by this Directive on a non-profit basis or by a non-profit organization. Such activities include:
 - 1. Aircraft Charter and Air Taxi
 - 2. Aircraft Rental
 - 3. Aircraft Sales
 - 4. Airframe and Powerplant Repair
 - 5. Aviation Fuel and Oil Service
 - 6. Avionics, Instrument, Propeller Repair
 - 7. Flight Training
 - 8. Flying Club
 - 9. Multiple Commercial Aeronautical Activities
 - 10. Specialized Commercial Flying Services:
 - a. Aerial Advertising
 - b. Aerial Photography
 - c. Aerial Survey
 - d. Crop Dusting
 - e. Firefighting
 - f. Sightseeing
 - g. Power line, Pipeline Patrol

- C. MTN is chartered as a general aviation airport. No commercial passenger, air freight/cargo or air travel club activities are permitted.
- D. This Directive applies to all commercial aeronautical activity leases and/or contracts entered into with the Administration after June 1, 1995, as well as to subleases or subcontracts established under such leases or agreements.
- E. Standards establishing the minimum acceptable qualifications of participants, the level and quality of service, and other conditions will be required of those conducting commercial activities at the Airport. The requirement to impose standards on those conducting commercial activities on a public airport relate to the public interest. The prime obligation of the operator/sponsor of an airport developed with federal financial assistance is to operate it for the use and benefit of the public. The standards set forth in this Tenant Directive provide protection from irresponsible, unsafe or inadequate service. They promote economic stability by discouraging unqualified applicants and foster the level of services in the best interests of the public.
- F. The adoption and enforcement of such standards ensure that the commercial operator is reasonably fit, willing and able to discharge both its service obligations to its patrons and its economic obligations to the Administration.

III. Definitions:

- A. Administration. The Maryland Aviation Administration.
- B. Aircraft. Aeronautical devices including powered airplanes, helicopters, gyrocopters as well as balloons, blimps, and surface-effect aircraft.
- C. Aircraft Maintenance. The repair, adjustment or inspection of aircraft.
 - 1. Major Repairs - Major alterations to the airframe power plant, propeller and accessories as defined in Part 43 of the Federal Aviation Regulations.
 - 2. Minor Repairs - Normal, routine annual inspection with attendant maintenance, repair, calibration or adjustment or repair of aircraft and accessories.
- D. Airport. The entirety of the Martin State Airport (MTN).
- E. Airport Master Plan. A plan which presents the Administration's goals and objectives for the development of the Airport's physical plant. Any facility constructed on the Airport must conform to the Plan.

- F. **Building.** Includes the main portion of each structure, all projections or extensions there from and any interior or exterior additions or changes thereto, and shall include garages, exterior platforms and docks, carports, canopies, eaves and porches. Paving, ground cover, fences, signs and landscaping are not included.
- G. **Commercial Activity.** The exchange, trading, buying, hiring, leasing or selling of commodities, goods, services, or property of any kind, or any revenue-producing activity on-Airport. Commercial activity includes any commercial aeronautical activity, as defined below, even if the activity is conducted on a non-profit basis or by a non-profit organization.
- H. **Commercial Aeronautical Activity.** Any commercial activity which involves, makes possible, is required for, contributes to the enjoyment of, the operation of aircraft, or which contributes to or is required for the safety of such operations. Such activities include aircraft charter, aircraft rental, aircraft sales, and/or brokerage, airframe and powerplant repair, aviation fuel and oil service, avionics, instrument, propeller repair, flight training, flying club, multiple commercial aeronautical activities, non-commercial aviation fuel usage, and specialized commercial flying services, such as aerial advertising aerial photography, aerial survey, crop dusting, firefighting, powerline and pipeline patrol.
- I. **Equipment.** All machinery, together with the necessary supplies for the upkeep and maintenance and all tools and apparatus, necessary to the proper construction and completion of the work.
- J. **Improvement.** All buildings, structures, facilities, and fixtures, including pavement, fencing, signs, vegetation and landscaping constructed, installed or placed on, under or above any Airport property.
- K. **Lease and/or Concession Agreement.** Written contractual agreements between the Administration and Contractor, for the lease of space at the Airport and/or granting concession rights or otherwise authorizing the conduct of certain activities on the airport, which shall be in writing and enforceable by law.
- L. **Aircraft Repair Facility.** A facility utilized for the repair of aircraft to include airframes, avionics, powerplants, propellers, radios, instruments, and accessories. Such facility will be operated in accordance with pertinent Federal Aviation Administration (FAA) regulations.
- M. **Sublease.** A lease granted by a contractor to another contractor on all or part of contractor's leasehold. All contractor's subleases shall be subject to Administration's prior written approval.
- N. **Contractor.** Any person, firm, corporation, or partnership formed for the purpose of entering into an agreement, including a lease, with the Administration to conduct its business at MTN or any subcontractor or subtenant operating under a subcontract or sublease under any such agreement.

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- O. Tie-Down. The area (paved or unpaved) suitable for parking and mooring of aircraft which the Administration has designated for aircraft parking.

IV. Directive Statement:

- A. The Minimum Standards for Commercial Aeronautical Activities at MTN are the standards of the Administration.
- B. It is the policy of the Administration to extend the opportunity to engage in commercial aeronautical activities at the Airport to applicants (1) meeting the Administration's published standards for that activity, (subject to the availability of suitable space at the Airport to conduct such activities) and, (2) having an approved credit application and application for lease.

V. Procedures:

- A. Standard Requirements.

The following requirements shall be included in all lease and concession agreements authorizing commercial aeronautical activities at the Airport:

1. In addition to the premises specifically designated for its exclusive use, this Agreement grants Contractor the non-exclusive right to use the airfield and associated operational areas in common with others so authorized.
2. Contractor shall keep and maintain at the Airport, or at such other place as may be approved in writing by the Administration, true and accurate books and records of its operations under the terms of any Agreement, in a form satisfactory to the Administration. Such books and records as well as certified financial statements, reports of any external audits prepared for Contractor, and its federal income tax return, shall be made available at the Airport to the Administration or to the Administration's independent auditors, for inspection and review at reasonable business hours during the term of any Agreement and for two (2) years thereafter.
3. Contractor shall furnish its services on a fair, reasonable, and non-discriminatory basis to all its customers at the Airport.
4. Contractor shall maintain at its own expense all necessary permits and licenses required in the conduct of its activities at the Airport.
5. Contractor shall at all times retain qualified and competent personnel to conduct its authorized activities and said personnel shall be authorized to represent and act for Contractor.

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6. Contractor shall observe and obey all laws, ordinances, rules and regulations of the United States and of the State of Maryland and the Administration which may be applicable to its operation at the Airport.

B. Standards.

1. Attached as appendices are descriptive narratives of standards applicable to the conduct of:

Appendix A: Aircraft Charter and Air Taxi

Appendix B: Aircraft Rental

Appendix C: Aircraft Sales

Appendix D: Airframe and Powerplant Repair

Appendix E: Avionics, Instrument and Propeller Repair

Appendix F: Flight Training

Appendix G: Flying Club

Appendix H: Multiple Commercial Aeronautical Flying Services

Appendix I: Specialized Commercial Flying Services:

- a. Aerial Advertising
- b. Aerial Photography
- c. Aerial Survey
- d. Crop Dusting
- e. Firefighting
- f. Sightseeing
- g. Powerline/Pipeline Patrol

2. The standards set forth are applicable to the specific commercial aeronautical activity or combination of activities addressed and must be met for each activity conducted by any applicant desiring to conduct such activities at the Airport.
3. The standards set forth are the minimum which the Administration will require in agreements authorizing commercial aeronautical activities, and unless specifically limited, do not preclude an applicant from seeking greater operating authority.
4. The Administration reserves the right to revise the Minimum Standards and may at a future date require additional or different terms or conditions for the conduct of a proposed commercial aeronautical activity as may be reasonable or expedient in the opinion of the Administration.

5. Although a quality service to the public is a prime concern in establishing standards for a potential commercial operator, other elements such as the following are equally important and are incorporated into the standards published for any commercial aeronautical activity. These include:
 - a. Suitable space, improvements or facilities.
 - b. Adequate fixtures and equipment.
 - c. Adequate staff of employees with skills, licenses, and certificates appropriate to the proposed activities.
 - d. Specified hours of operation.
 - e. Compliance with safety, health and sanitary codes.
 - f. Evidence of financial stability and good credit.
 - g. Minimum levels of insurance and liability coverage.
 6. The minimum interior building space requirements stipulated herein must be satisfied within suitable existing structures at the Airport either through a lease of such space from the Administration or a sublease of such space with the prior written authorization of the Administration, or construction of a new, facility approved by the Administration as to size, structural attributes, exterior configuration and color.
 7. Plans and specifications for construction of any improvements required to satisfy these minimum standards shall be approved in writing by the Administration prior to start of construction and after the Contractor and the Administration have fully executed a lease or concession Agreement.
 8. All contractors required herein to possess FAA certificates and ratings shall maintain the currency of such licenses, certificates and ratings, as applicable.
 9. With the exception of authorized repair facilities, a Contractor shall only be authorized to conduct aircraft maintenance on its own aircraft consistent with Airport rules and regulations.
- C. Fees.
1. Contractors conducting commercial aeronautical activities are required to pay to the Administration either the percentage or percentages of gross revenue(s), or a minimum annual guarantee payment, whichever is greater.

2. The standard percentages of gross revenue(s) for conduct of commercial aeronautical activities at the Airport are the following.

<u>Activity</u>	<u>% of Gross Revenue</u>
Air Taxi and Air Charter	3%
Aircraft Maintenance	2%
Aircraft Rental	5%
Aircraft Sales	1%
Flight Training	5%
Sale of Aircraft Parts, Accessories and Supplies	2%
All other Aviation related sales and services conducted at the Airport	2%

3. A minimum annual guarantee payment is based on the amount of rental payments paid to the Administration for space and facilities at the Airport. Such standard rates and fees for space and facilities are presented in Martin State Airport Tenant Directive 401.1.

D. Making Application.

1. A letter of application requesting to perform commercial aeronautical activities at Martin State Airport shall be to the Manager, Martin State Airport, 701 Wilson Point Road, Baltimore, MD 21220. The letter shall include the type of activity that the applicant wishes to conduct, what facilities and/or space are/is requested to accomplish such activity, and an outline of the operation of the intended activity at the Airport.
2. The applicant shall furnish evidence of organizational and financial capability to provide the proposed activity as well as business and financial references. An applicant shall also furnish a copy of its Annual Financial Report (and that of the parent company if a wholly owned subsidiary) for the last complete fiscal year, showing the applicant's assets and liabilities and the value of its unencumbered capital assets. The Annual Report must be certified by a Certified Public Accountant. When unable to provide such Annual Report, the applicant shall provide bank references and other records necessary to substantiate its financial status.

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3. No applicant may conduct commercial aeronautical activities at the Airport until an Agreement, incorporating the applicable standards set forth herein, has been fully executed by the Contractor and appropriate State and Administration officials.



Jake R. West, Jr., Manager
Martin State Airport

Attachments (9)

Appendix A - Aircraft Charter and Air Taxi

Appendix B - Aircraft Rental

Appendix C - Aircraft Sales

Appendix D - Airframe and Powerplant Repair

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