Renton Municipal Airport
Airport Leasing Policies

• Renton Airport •
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Adopted February 25, 2008

Renton Municipal Airport
Clayton Scott Field
Airport Leasing Policies

	Action Taken	Date of Action
1	Leasing Policies adopted in Appendix H-1 of the Airport Business Plan dated December 5, 2002 as adopted by the Mayor and City Council	December 12, 2002
2	Adopted new Policy 4.2.2.1. and shortened the term "Minimum Standards for Commercial Aeronautical Activities" to "Regulations and Minimum Standards"	February 20, 2006
3	Added Key Governing Policies to the document, added Attachment C Lease/Operating Permit Application Form, added Section 5.3 Appeals and cleaned up formatting of sections.	February 25, 2008

1. Key Governing Policies for the Airport

The following Key Governing Policies for the Airport were adopted by the Renton City Council on March 26, 2007.

1.1 Airport operations should be sensitive to neighborhood impacts and should strive to minimize those impacts.

1.2 The Airport should be financially self-sustaining.

1.3 The mix of uses at the Airport should operate within the regulatory framework set by the Federal Aviation Administration.

1.4 The mix of uses at the Airport should contribute to the City's Business Plan goals and objectives.

2. Statement of Purpose

This Leasing Policy for Renton Municipal Airport is intended to provide guidance for leasing Airport property and be a guide for City staff on Airport leasing issues. This policy guide has the following purposes:

2.1. Maintain Renton Municipal Airport in a safe manner;

2.2. Preserve investment in the Airport;

2.3. Assist the City of Renton in maintaining a fee and rental structure that provides for financial self-sufficiency for the Airport;

2.4. Provide high-quality leasing procedures following a "best practices" approach;

2.5. Facilitate orderly development and management of the Airport;

2.6. Ensure equal treatment of all current and future tenants and users to make the Airport available for public use on reasonable terms and those terms required by FAA grants;

2.7. Facilitate and foster good relations with the communities surrounding the Airport;

2.8. Enable conformity with current and future Airport Master and Layout Plans; and

2.9. Ensure compliance with all applicable laws, regulations, policies, guidelines and requirements related to the City's Federal and State obligations.

3. General Applicability

If there are any inconsistencies between the Renton Municipal Airport Leasing Policy and existing property leases, the existing lease shall prevail.

4. Definitions

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

Aeronautical means anything which involves, makes possible, or is required for the flight of aircraft, or the storage or presence of aircraft on the airport, or which contributes to, or is required for the safety of aircraft in flight.

Aircraft means a device that is used or intended to be used for flight in the air and subject to regulation by the Federal Aviation Administration.

Airport, when capitalized, means the Renton Municipal Airport, and all of the property, buildings, facilities and improvements within the exterior boundaries of the Airport as depicted by the Airport Layout Plan.

Airport Manager means the Chief Administrative Officer or his/her designee who has direct supervisory and functional responsibility for the operation and maintenance of the airport.

Commercial aeronautical activity means the conduct of any aspect of a business, concession, operation, or agency in order to provide goods and services to any person for compensation, consideration or hire. An activity is considered a commercial activity regardless of whether the business is non-profit, charitable, or tax-exempt.

Commercial tenant means a person, fixed base operator, firm, corporation or other entity conducting commercial aeronautical services or activities at the Airport for compensation or hire.

Fair market value means an amount in the competitive market that a well-informed and willing lessor, who desires but is not required to lease, would accept and which a well-informed lessee, who desires but is not required to lease, would pay for the use of the Premises, after due consideration of all the elements reasonably affecting value.

Lessee means any person with a lease to occupy space at the Airport.

Regulations and Minimum Standards means the qualifications or criteria, which may be established, and updated as necessary, by the Airport owner as the minimum requirements that shall be met by all businesses offering commercial aeronautical activities for the right to conduct those activities.

Operating Permit and Agreement means a permit issued by the City to a sublessee desiring to conduct a commercial aeronautical business, or otherwise construct a building on the airport for the purposes of aircraft storage.

Permit means administrative approval by the City of Renton to a person or company to conduct a commercial aeronautical activity, and provide such services, to based and transient aircraft, only from facilities and locations where such services are authorized.

Person means any individual, firm, partnership, corporation (including registered non-profit corporations), company, association, joint-stock association, or governmental entity. It includes a trustee, receiver, assignee, employee, agent, or similar representative of any of them.

Sublessee means any person with a sublease to occupy space at the Airport.

5. Soliciting Interest in Airport Property and the Lease Application Process

The intent of this section is to illustrate the various options for soliciting interest in available airport property and the Administrative and Legislative processes involved in requesting a Lease or Operating Permit from the City. It shall be at the City's discretion, which of the available options shall apply to the property involved, depending upon what is in the best interest of the use of airport property.

5.1. Soliciting Interest in Airport Property

The process which the City uses to solicit interested parties in property and/or building leases may differ depending on the unique circumstances of the leased area. For example, the City may choose to initiate a Request for Proposal (RFP) on a specific land area available for leasing. Under the RFP process, the City would dictate specific development criteria that a development would need to meet in order to receive consideration. A notice regarding the RFP process would be published in the newspaper or business journal and existing airport tenants would receive a courtesy notice. (See Policy 5.12)

The City may also choose to offer a specific land or building available for leasing to an existing airport tenant (lessee or sublessee), or a specific interested party. The City may choose this approach when it is deemed to further the development of the airport, consistent with the Airport Master Plan. (See Policies 5.14, 5.15 and 5.16)

5.2. Obtaining the Lease or Operating Permit

In order to initiate a commercial aeronautical activity at the Renton Municipal Airport, an applicant must establish a business address on the airport. Land and buildings may be leased from the City, or subleased from an existing tenant. In the case of subleasing from an existing tenant, the sublessee must obtain an Operating Permit from the City.

5.2.1. To obtain a land or building lease or an operating permit (for sublessees) at Renton Municipal Airport, a person shall submit a written application for review by the Airport Manager. As a prerequisite to occupancy or the granting of commercial operating privileges at the Airport, any prospective commercial tenant must also submit a specific, detailed description of the intended commercial aeronautical activities, and the means and methods employed to accomplish the proposed activities. The application shall be on a form provided by the City of Renton. The Renton Municipal Airport's Regulations and Minimum Standards contain the minimum application information and should be referenced prior to initiation of an application.

5.2.2. After receiving an application, the Airport Manager will determine whether the application as submitted contains the necessary information to continue the application process (see Attachment C). If the application is deemed complete,

and the criteria and requirements set out in these Airport Leasing Policies are met, the Airport Manager will draft a lease, or operating permit. The City Attorney will then review the draft lease or operating permit, before submission to the City Council for approval.

5.2.2.1. Analysis of Lessee's Financial Capacity

The applicant must, at the applicant's expense, obtain a score, as described below, from a consultant acceptable to the City. The consultant will evaluate whether the applicant has the financial capacity to meet the long-term obligations of a lease of Airport property. The following financial statements shall be provided directly from the applicant to the consultant:

5.2.2.1.a. Balance sheet and income statement for the current year and two years prior;

5.2.2.1.b. Projected income statement and business plan if activities at the Renton Municipal Airport are a new business enterprise for the Lessee;

5.2.2.1.c. Schedule of current debt payments (principal and interest) and lease obligations (and, if a new enterprise, a schedule of obligations incurred or to be incurred for the new enterprise);

5.2.2.1.d. A Dunn & Bradstreet credit report on the applicant;

5.2.2.1.e. Any additional information as may be needed to compute the score as set out in Attachment B

5.2.2.2. Approval of a completed application shall be determined by, but not limited to, the following criteria to assess the financial capacity of the applicant lessee:

5.2.2.2.a. Number of years in airport-related activities;

5.2.2.2.b. Airport-related management experience of principal owner/manager;

5.2.2.2.c. Dunn & Bradstreet Credit report/pay history;

5.2.2.2.d. Financial viability of operations;

5.2.2.2.e. Ability to support lease payments from earnings net of cost of operations, taxes, depreciation/amortization, other debt/lease obligations;

5.2.2.2.f. Current ratio (current assets divided by current liabilities) of at least 1:1;

5.2.2.2.g. Debt Service Coverage ratio of at least 1.25;

5.2.2.2.h. Net Worth.

5.2.2.2.i. A credit score of 650 or better.

5.2.2.2.j. The criteria above may be modified as needed to improve the evaluation of prospective lessees.

5.2.2.3. The above criteria will be evaluated by the Consultant using the rating scale stated in Attachment B, which may be modified as needed to improve the evaluation of prospective lessees. An applicant receiving a score of 25-32 shall be eligible for a lease over 5 years. An applicant receiving a score of 17 – 24 may be considered for a short-term lease. An applicant receiving a score of 16 and under, or a score of "0" for criteria A or B shall not be considered for a lease.

5.2.3. After authorization by the Administration, the Airport Manager will initiate the legislative approval process by drafting an Agenda Bill and scheduling the matter to be heard at the next available City Council meeting. The City Council may choose to send the lease or operating permit to the Transportation Committee for further consideration. The Transportation Committee will recommend approval or denial of the lease or operating permit to the City Council. The City Council will then determine whether the lease or operating permit should be approved or denied, see Attachment A – Lease/Operating Permit Application Process Flowchart.

5.3. Appeals

An applicant who receives a score of 24 or less, as described in paragraphs 5.2.2.1, 5.2.2.2, and 5.2.2.3, above, may appeal the assigned score to the City Council.

5.3.1. Requirements for Notice of Commencing Appeal

5.3.1.1. Notice of Appeal: Within 14 calendar days of receiving notice from the Airport Manager of the score described in 5.2.2.1, 5.2.2.2, and 5.2.2.3, above, the applicant must file with the City Clerk, a written Notice of Appeal, which shall fully, clearly, and thoroughly specify the grounds for appeal, guided by the requirements in paragraph 5.3.3, below.

5.3.1.1.a. This document shall be called a Notice of Appeal signed by the Applicant/Appellant

5.3.1.1.b. For purposes of this subsection, the notice from the Airport Manager must be in writing and will be deemed received on the date of personal delivery OR three (3) days from the date said notice is posted in the United States Mail if delivery is by mail

5.3.1.1.c. The Notice of Appeal may not contain any factual information that was not submitted to the Consultant. Any new factual information will

be removed from the Notice of Appeal and will not be considered by the City Council. The appeal will be referred to the Transportation Committee of the City Council for its consideration and recommendation to the full City Council.

5.3.1.2. Appeal Fee: The Notice of Appeal shall be accompanied by a fee in the amount provided for appeals of land use decisions, as described in RMC 4-1-170A, as that provision is currently worded and as hereafter amended.

5.3.1.3. Facsimile Filing: The required Notice of Appeal may be filed by facsimile. However, such facsimile filing is subject to the following limitations and requirements:

5.3.1.3.a. Any facsimile filing received at the City Clerk's office after five o'clock (5:00) p.m., on any business day will be deemed to have been received on the following business day.

5.3.1.3.b. Any facsimile filing received after five o'clock (5:00) p.m., on the last date for filing will be considered an untimely filing

5.3.1.3.c. Any party desiring to make a facsimile filing after four o'clock (4:00) p.m., on the last day for the filing must call the City Clerk's office and indicate that the filing is being made by facsimile and the number to which the facsimile copy is being sent. The filing party bears the burden to ensure that the facsimile filing is transmitted in adequate time so that it will be completely received by the City before five o'clock (5:00) p.m.

5.3.1.3.d. In all instances in which filing fees are to accompany the filing of an appeal, those filing fees must be received by the City before the end of the business day on the last day of the filing period or the filing will be considered incomplete and will be rejected.

5.3.2. Referral to Committee

The appeal will be referred to the Transportation Committee of the City Council for its consideration and recommendation to the full City Council

5.3.3. Record on Appeal

5.3.3.1. The Record on Appeal shall consist of the materials submitted to the Consultant, the City's Airport Leasing Policies, the Renton Municipal Airport Development Study, and the Notice of Appeal.

5.3.3.2. No public hearing will be held by the City Council.

5.3.3.3. No new or additional evidence or testimony will be accepted by the City Council unless a showing is made by the party offering the evidence that the evidence could not reasonably have been available at the time of the submissions to the Consultant. If the Council determines that additional evidence is required, the Council shall remand the matter to the Administration with directions to submit the new information to the Consultant for a new analysis.

5.3.3.4. The Applicant/Appellant, as well as a representative of the City, may submit written arguments based on the record. However, no new evidence will be permitted in these submissions, except as provided in paragraph 5.3.3.3, above. New evidence submitted that is not in compliance with paragraph 5.3.3.3, above, shall be removed from these submissions. These submissions shall become part of the record on appeal.

5.3.4. Standard of Review

It shall be the Applicant/Appellant's burden to show by clear and convincing evidence that

5.3.4.1. The Consultant committed a substantial error in his/her analysis, OR

5.3.4.2. The information provided to the Consultant shows there is good cause to refrain from applying one (not more than one) of the criteria in paragraph 5.2.2.2, above, AND the non-application of said criterion will result in (a) a score of 17 or higher, if the appeal is taken from a score of 16 or lower, or (b) 25 or higher, if the appeal is taken from a score of 24 or lower.

5.3.4.3. For purposes of this subsection, "good cause" shall mean the application of the criterion would result in an unreasonable prejudice to this particular applicant because of this applicant's unique situation that was not created through any act of the applicant. In no event will "good cause" be found where the waiver of the criterion would, on balance, be prejudicial to the interests of the City of Renton or the Renton Municipal Airport, where the waiver of the criterion would not further the Renton Municipal Airport Development Plan, or where the waiver of the criterion would cause a conflict with other Airport Leasing Policies.

5.3.5. Findings and Conclusions Required

If, upon appeal of the score assigned, pursuant to paragraphs 5.2.2.1, 5.2.2.2, and 5.2.2.3, above, and after examination of the record and submissions by the parties, the Council determines that there is clear and convincing evidence that the Consultant committed a substantial error, or that good cause exists to refrain from applying one (not more than one) of the criteria in paragraph 5.2.2.2, above, it shall adopt written Findings and Conclusions supported by the record.

5.3.6. Council Action

5.3.6.1. Upon a finding by clear and convincing evidence that the Consultant committed a substantial error OR that the information provided to the Consultant showed a good cause to refrain from applying a criterion in paragraph 5.2.2.2, the Council may approve the lease as follows:

5.3.6.1.a. An appeal from a score of 16 or less may be considered for a short term lease of less than 5 years.

5.3.6.1.b. An appeal from a score of less than 24, but greater than 16, may be considered for a lease term of 5 years or more.

5.3.6.1.c. The action of the City Council shall be final.

6. General Leasing Policies

6.1. Applicability/Scope

6.1.1. The Effective Date of each section of the Leasing Policies is the date of the adoption of the Resolution approving the Airport Leasing Policies

6.1.2. The Leasing Policies apply to all leases, operating permits and agreements, extensions, amendments, or assignments of leases, or subleases of such land or facilities requested or approved after the effective date of the Leasing Policy.

6.2. Use of Premises Policy

6.2.1. The space leased to any lessee may be limited to space demonstrably needed for the lessee's immediate use. Where facilities must be built or developed, a reasonable amount of lead-time for such development shall be negotiated.

6.2.2. In leases, the Use of Premises shall be closely defined to allow intended uses and to prohibit unintended or impermissible uses.

6.2.3. Changes in use shall not be permitted without the written agreement of the City Council. Where a facility was leased based on representations that the tenant would provide specific services identified by the City as serving aeronautical demand by the public, changes in use shall be disfavored. Permission for other changes in aeronautical uses shall not be unreasonably withheld.

6.3. Lease Term Policy for Land

6.3.1. The base lease term for land leases shall be no longer than 25 years. Longer lease terms may be negotiated at the time of initiating the lease based on a proven need for additional years to amortize the investment made on airport property.

6.3.2. All leases shall contain a clause allowing the City to conduct a yearly maintenance inspection of the property to ensure the facilities are being properly maintained. If an inspection of the property reveals deficiencies in maintenance of the facilities, the tenant will be issued a correction notice and a date on which a re-inspection of the premises will occur. If the next inspection of the property reveals that the leaseholder has not corrected the deficiencies, the lease will be terminated.

6.3.3. All new leases will contain a provision requiring the leaseholder conducting a commercial aeronautical activity, to provide restroom facilities to the flying public.

6.3.4. Tenants may apply to the City to negotiate a new lease five years prior to the expiration of the current lease. When the City Council considers the granting of a new lease, the performance of the existing tenant, conformity to existing Airport Regulations and Minimum Standards, and provisions of the tenants' lease requirements will carry significant weight.

6.3.5. Tenants with less than five years left on their current lease may apply to the City to negotiate a new lease pursuant to the provisions of paragraph 6.3.4. However, starting on May 1, 2008, if a leaseholder fails to commence renegotiation of a new lease with the City, the lease shall be terminated at the lease termination date.

6.4. Lease Term Policy for Buildings

6.4.1. Hangar space leased to aviation businesses for the provision of aircraft maintenance, fueling or other aviation business activities will be leased for a period of up to five years with no guaranteed renewal.

6.4.2. If major improvements or maintenance are needed to the City owned facility, the City Council may choose to offer an increased lease period, consistent with scheduled private investments in the facility.

6.4.3. After a lessee's building lease term has expired, the City Administration may suggest to the City Council that the premises should be offered up in an open public competitive process. The previous tenant may again compete with other potential tenants for the premises.

6.4.4. If the City Council chooses to retain the existing tenant, the parties will enter into a negotiation for a new lease.

6.4.5. Any new lease granted under the paragraph above will be considered, only if the lessee has met its obligations under the terms of the preceding lease. When the City Council considers the granting of a new lease, performance of existing tenant, conformity to existing Airport Regulations and Minimum Standards, and provisions of the tenants' lease requirements will carry significant weight.

6.5. Rates & Charges Policy

6.5.1. The City will not engage in unjust economic discrimination among tenants, nor will it impose discriminatory terms. The base ground and/or building lease rate for each leasehold will be determined based on fair market value. Building base lease rates will be determined through a current appraisal of the facility by a firm chosen by the City.

6.5.2. As new ground and building leases are entered into, or leases are amended, the City Council reserves the right to update lease rates to current values.

6.5.3. The City may set different rates for different tenants based on rational factors that shall include but not be limited to: the value of property to be leased, the amount and kind of the tenant's investment, the value of the business opportunity (for those providing services to the public), the amount of use projected of common facilities, the type of use being made, and the degree of competition for the facility to be leased.

6.5.4. Rates may be adjusted during the life of a lease. Adjustments shall be of two types; annual adjustment linked to the CPI for the Seattle-Tacoma-Bremerton urban area, and five year adjustments based on re-evaluation of property or some other measure as negotiated.

6.5.5. Land and building rates shall be set to maintain the Airport as a self-sustaining enterprise fund within the City. Ground and building rates shall be kept competitive with the rates at other airports in the region.

6.5.6. There shall be no granting of the exclusive right to provide or engage in any aeronautical activity at the Airport; and no lease, sublease, operating permit or other agreement that is or shall be in effect at the Airport shall be construed as creating such a right.

6.6. Subleasing and Assignments Policy

6.6.1. There shall be no assignments or transfers of leasehold interest, buildings or facilities on the Airport without the written consent of the City Council. Such approval shall not be unreasonably withheld.

6.6.2. There shall be no subleases providing space to aeronautical service providers without an Operating Permit approved by the City Council. All sublessees seeking to initiate a commercial activity on the Airport must apply for and obtain an Operating Permit with the City.

6.6.3. Lessees providing hangar space for private and corporate aircraft storage may do so without the written consent of the City.

6.6.4. Tenants leasing City-owned and operated hangar or tiedown space may not sublease their premises, except for short periods of time. Subleasing may only

occur with the written consent of the Airport Manager, under extenuating circumstances as defined by the City, or as expressly permitted in the lease.

6.7. Reversion Policy

6.7.1. At the end of the Base Term of the lease, the lessee shall quit and surrender the premises in as good a condition as reasonable use would permit, normal wear and tear excepted. However, the City Council shall have the option of requiring the tenant to remove its improvements and return the property to its pre-leased condition.

6.7.2. Tenants may apply to the City for an extension of the date of reversion of existing facilities to City ownership as established in the existing lease. There is no commitment by the City to grant a new lease, or extend the date of reversion. The City will examine the request and supporting documentation and make a decision based on the consideration given to the city for the extension as well as what is best for the City and its citizens and the Airport as a whole, at the City Council's sole discretion.

6.7.3. For an application to be considered, the tenant must demonstrate that he/she has made and/or commits to making substantial investments in the leased area and has maintained the property in good condition under terms of the current lease. The applicant must show that the length of the requested new lease is needed to amortize substantial investments (maintenance costs shall not be considered as investments).

6.8. Standards and Guidance Policy

Lessees and sublessees on the Airport shall be required to comply with all applicable Airport Regulations and Minimum Standards, located at the Airport Office and City Clerk's Office. Such Regulations and Minimum Standards may be updated and revised from time to time as appropriate.

6.9. Termination for Default or Pursuant to Airport Plans

6.9.1. In the event of default by the lessee, the City may, if it so elects, at any time thereafter, terminate the lease and terms thereof, by giving the lessee, in writing, a 30-day notice of its intention to do so if the default is not corrected to the satisfaction of the City.

6.9.2. If the City Council makes a determination, in accordance with the Airport Master Plan and the FAA-approved Airport Layout Plan, that the leased premises are needed for Airport development:

6.9.2.1. And where the Lessee has not constructed any permanent facilities on the premises, the City may offer the Lessee an alternative site if such a site is available on Airport property. If no alternative site is available OR the

Lessee chooses not to relocate on the Airport, the lease may be terminated by either party upon 30 days' written notice.

6.9.2.2. And where the Lessee has constructed a permanent facility on the premises, the City may buy-out the remaining base term of the lease upon 30-days written notice of the City's intent to do so. The base term buy-out will be determined by amortizing the construction cost of the improvements on the premises in a straight-line depreciation of the premises over the base term, adjusted for inflation based on the region's consumer or construction price index.

6.10. Conformity with Laws, Ordinances, Rules and Regulations Policy

The lessee shall comply with all applicable local, state and federal laws, ordinances, rules and regulations, including all rules and regulations of the Federal Aviation Administration and the State and National Environmental Policy Acts. In addition, the lessee shall abide by and be subject to all City rules and regulations now in effect or enacted from time to time concerning the management, operation or use of the Airport.

6.11. Insurance Requirements Policy

6.11.1. All leases, operating permits and subleases will contain an insurance clause.

6.11.2. All leases, operating permits, and subleases will be subject to periodic adjustments of insurance requirements as imposed by the City of Renton.

6.11.3. Each lessee shall meet all State of Washington and the City of Renton insurance requirements and therefore maintain the types and amounts of insurance as specified in the lease or agreement.

6.12. Policy on Competitive Request for Proposal (RFP) Process

The City maintains the right, but not the duty, to seek competitive proposals for all leasehold space at Renton Municipal Airport. The proposal process will include public notices and information, and proposal documents will be available to the public at the Airport Office. All Requests for Proposals will be consistent with applicable City policies and be reviewed and evaluated by the City. A fair and objective evaluation process will be used to select the proposals that best meet the City's interests based on the criteria listed in the proposal documents. The criteria may include, but not be limited to, the priority of uses listed below. The City Council will grant priority to competing offers for the use of space and/or facilities as follows:

6.12.1. Non-aeronautical uses of aeronautical property are permitted only on an interim basis, with FAA approval, and with necessary zoning in place. Airport land is limited, and due to the nature of the Airport Deed and the classifications of land in the Airport Layout Plan, non-aeronautical uses are likely to be rare.

6.12.2. New through-the-fence use (use that requires access to the Airport over the North and South Boeing bridges) is not allowed unless specifically approved by the City Council.

6.12.3. When space becomes available at the Airport, the City Council may issue a targeted request for proposal (RFP) for specific services or facilities that are consistent with the most current demand forecast, Airport Business Plan, and Airport Layout Plan. Responses inconsistent with the scope of the RFP will be deemed non-responsive.

6.12.4. The City will review and score the proposals and refer the matter to the City Council for approval.

6.13. Policy on New Leases

The Airport is a mature facility, and the property is largely built out, and it may happen that demand for aeronautical leasehold facilities exceeds availability. Oversubscribed facilities will be managed using a process that is fair, transparent and uniformly applied.

6.13.1. Noncommercial facilities

If there is more demand for more T-hangars and/or tiedowns than can be met, the City will:

6.13.1.1. For the facilities it owns and operates, maintain a waiting list in order of application, and offer facilities to those on the waiting list as they become available; and

6.13.1.2. For facilities owned or operated by others, encourage those owning or operating said facilities to maintain a waiting list in order of application, and offer facilities to those on the waiting list as they become available.

6.13.2. Commercial facilities: the City will, where feasible, identify the aviation demand for services at the Airport and issue focused RFP's for the services needed.

6.14. No Exclusion of Qualified Existing Lessees Policy

Current lessees shall not be excluded from submitting competitive proposals to the City.

6.15. Proposal Evaluations Policy

Each Request for Proposal will contain specific information regarding the Airport property currently being considered. All proposals will include requirements for detailed information from the respondents regarding the ability of the lessee to use the property as proposed. For commercial service providers, the required information will include but not be limited to:

6.15.1. Proposed capital investment;

6.15.2. Qualifications;

6.15.3. Experience in services being offered;

6.15.4. Experience of management personnel;

6.15.5. Proposed services and products; and

6.15.6. Financial ability.

6.16. City Discretion Policy

6.16.1. The City has the discretion to accept the most financially advantageous offer for a given leasehold.

6.16.2. The City has the discretion to accept a less financially advantageous offer if the City finds that the proposal furthers the interests of the aeronautical users of the Airport.

6.16.3. The City has the discretion to require a City ownership interest, in whole or in part, in certain existing or new facilities. The City's discretion extends to the choice of such facilities as well as to the manner in which such ownership is achieved (e.g. City construction or City acquisition).

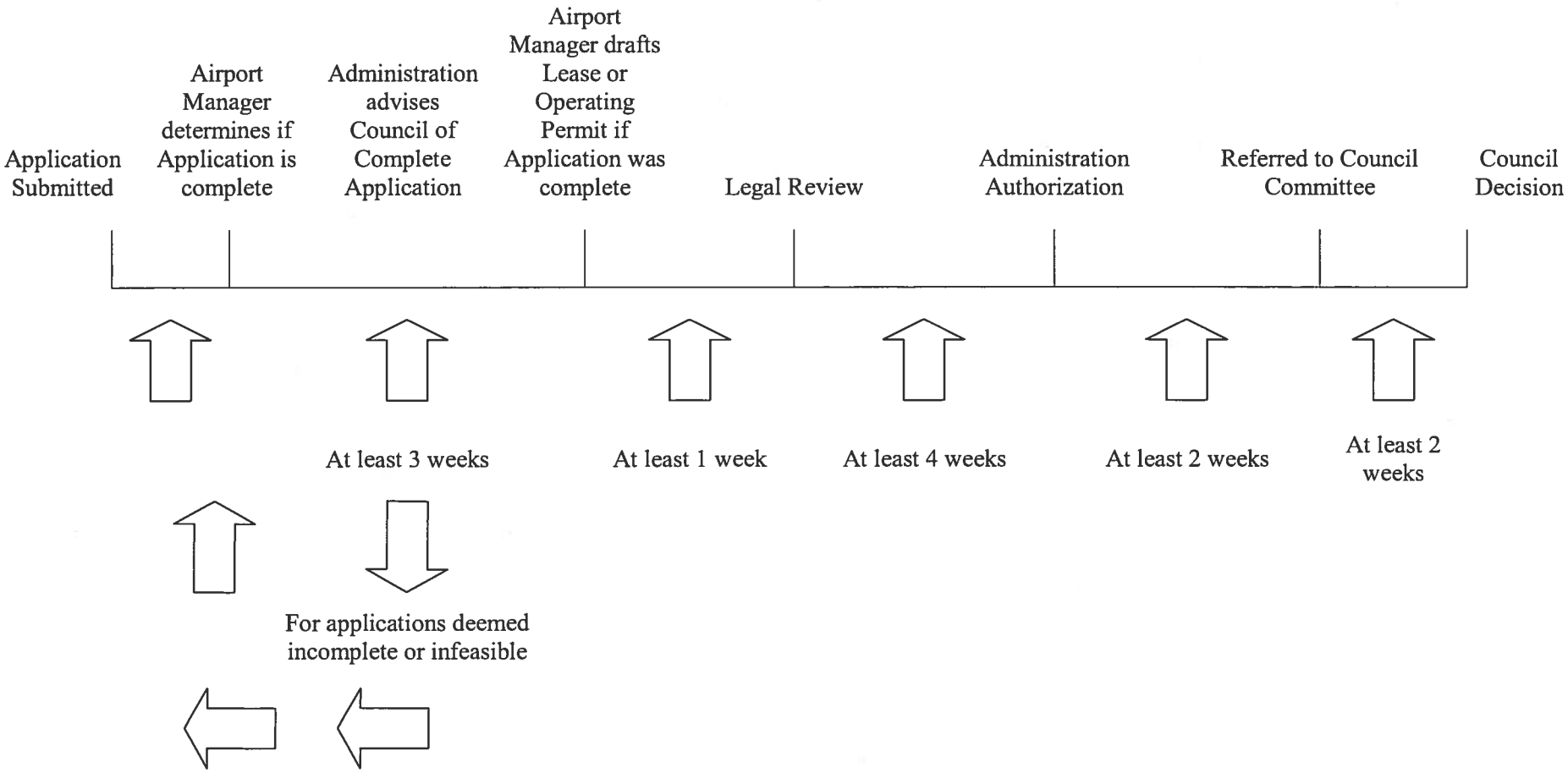
6.17. Indemnification Policy

All leases, operating permits and subleases will contain an Indemnification and Hold Harmless Agreement in a form acceptable to the City Attorney.

6.18. Hazardous Materials

All leases, operating permits and subleases will contain a provision, in a form acceptable to the City Attorney, regarding contribution by lessee/sublessee towards environmental cleanup of hazardous materials released by lessee or sublessee.

Lease/Operating Permit Application Process Flow Chart



Attachment B

Criteria	Rating Scale	Score
Years in airport-related business	No experience	0
	Less than 1-2.9 years	1
	3 – 6.9 years	2
	7 – 12 years	3
	more than 12 years	4
Airport-related management experience of principal owner/manager	No experience	0
	Less than 3 years	1
	3 – 6.9 years	2
	7 – 12 years	3
	more than 12 years	4
Dunn & Bradstreet Pay history/credit report	No credit history	0
	Pay History – high risk	1
	Pay History – medium risk	2
	Pay History – low risk	3
	Pay History – low risk and clear credit report (no bankruptcies, judgments, liens, etc.)	4
Viability of operations	Cannot demonstrate profitability	0
	Losses (net) in all 3 years	1
	Profitable (net) in 1 of last 3 years	2
	Profitable (net) in 2 of last 3 years	3
	Profitable (net) in past 3 years	4
Earnings net of cost of operations, taxes, depreciation/amortization, other debt/lease obligations (if new enterprise, use projected income and obligations)	Net Earnings less than annual lease payment	1
	Net Earnings equal to or less than 1.25x annual lease payment	2
	Net Earnings 1.25-2.0 times over annual lease payment	3
	Net Earnings more than 2.0 times over annual lease payment	4
Current ratio	Current ratio is less than 1.0x	1
	Current ratio is 1.0x – 1.5x	2
	Current ratio is 1.6x – 2.0x	3
	Current ratio is above 2.0x	4
Debt Service Coverage (DSC)	DSC is less than 1.0x	1
	DSC is 1.0x – 1.5x	2
	DSC is 1.6x – 2.0x	3
	DSC is above 2.0x	4
Net worth	Negative net worth	0
	Net worth is positive, but less than annual lease payment	1
	Net worth is equal to annual lease payment but less than 2x annual lease payment	2
	Net worth is 2x – 5x annual lease payment	3
	Net worth is more than 5x annual lease payment	4

Renton Airport

Clayton Scott Field
616 W. Perimeter Road – Unit A, Renton, WA 98057
Phone 425-430-7471 / Fax 425-430-7472

AIRPORT LEASE/OPERATING PERMIT APPLICATION FORM

Please read the Airport Leasing Policies and the Airport Regulations and Minimum Standards prior to filling in this application.

Applicant Name: _____

Contact Person: _____

Phone: _____ **Email:** _____

Mailing Address: _____

Lease Area Location, if known: _____

Type of Lease (circle all that apply):
Ground
Building
Operating Permit (for subleasing)

If Operating Permit Application, name of Business from whom Subleasing:

_____

Provide a detailed description (Purpose of Use) of the intended commercial aeronautical activities:

_____
_____
_____
_____

Describe the means and methods to accomplish the intended activities:

_____
_____
_____
_____

(Attach additional sheets as necessary)

Credit Score: _____

_____ _____
Applicant Signature (if sublease, signature of lessee) Date

_____ _____
Airport Manager Signature Date