Mid Valley Airport
Business Development Plan

Weslaco, Texas · December 2016

WESLACO
MidVALLEY
AIRPORT

Mid Valley Airport

BUSINESS DEVELOPMENT PLAN

FINAL REPORT
December 2016

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Executive Summary

Mid Valley Airport is at a critical point in determining how to invest in the future of the facility. With an ongoing runway rehabilitation project and 1,000-foot runway extension underway, strategic planning is absolutely necessary to ensure the continued growth and success of the airport and surrounding communities.

What is a business plan?

Airport business planning is an essential element in planning the future of an airport. Sound business planning provides airport managers and policymakers with the tools to make informed, prudent, and defensible business decisions relating to the operation and management of the airport.

What are the primary objectives of the Airport Business Plan?

The study must determine the airport's market area; provide an assessment of that area, including competitive airports; conduct the airport market assessment, including development strategies and potential financial implications; and provide specific facility development alternatives to supplement those included in the current master plan. After an evaluation of development alternatives the study must provide realistic recommendations that the Airport can act on to meet the following key objectives:

- What type of airport does the City of Weslaco want in the future
- What infrastructure or redevelopment is needed to support the airport's future
- What are the target markets for the airport
- How can the airport best reach their target markets
- What image does the airport have
- What branding changes does the airport need to make
- What steps can be taken to maximize and enhance airport image and exposure: conferences, publications, contacts, advertisements, website, etc.

Key Elements

The following policies and revenue streams were evaluated to provide input to maximizing the airport's potential. By streamlining operating procedures and adding additional revenue streams, the airport will be well positions to take advantage of growth opportunities in the future.

Leasing and Development – An advantage the airport has is the ability to grown revenue and provide development opportunities for both private and public investment. A long-term and consistent leasing policy with market driven cost structures will help ensure the sustainability of the airport as it grows in the future.

Fuel Sales – Fuel sales have grown steadily over the previous years with Jet A fuel having the highest yield. Emphasis should be put on maximizing this revenue stream for the airport.

Services – Expanded hours, high end customer service, rental cars, and updated terminal facilities are a focus in order to grow a share of the target customers in the region.

Management Structure – Operating under the City of Weslaco, airport staff should be supported for a minimum of five positions to ensure the operation of airfield maintenance and FBO services be maintained. Additional positions may be warranted with additional services and activity at the airport.

To provide an inclusive and holistic input to the business plan, a complete SWOT Analysis (Strengths, Weaknesses, Opportunities, and Threats) was conducted with stakeholders at the airport. This meeting was conducted at the outset of the planning exercise to provide a foundation for recommendations that would be founded in reality. Airport tenants, local government staff, airport staff, and economic development representatives participated in this exercise.

The SWOT analysis concluded that there were two clear goals for the airport:

1. Become a more significant resource to the Rio Grande Valley non-commercial aviation market after completion of a runway extension

2. Become a more effective economic engine for Weslaco and the greater Rio Grande Valley

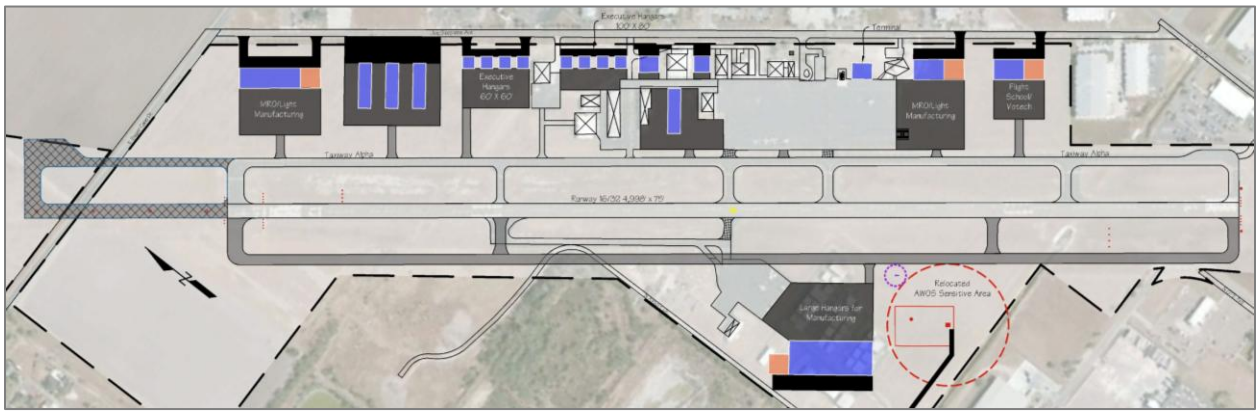
In the interest of those goals, a Vision Statement was created to assist in strategically planning for the future.

***Vision**: By 2025, the Mid Valley Airport will become an active and economically vibrant regional contributor to the entire Rio Grande Valley.*

Mid Valley Airport Facilities

Recently named the most improved General Aviation Airport by the Texas Department of Transportation Aviation Division, Weslaco Mid Valley Airport is making great investment in its future. Located centrally in the Rio Grande Valley, the airport has a great advantage in serving the general aviation needs of the entire region. A new 6,000 foot long runway will allow for larger aircraft to conduct flights out of the airport creating more business in the community.

Alternatives were designed to present options for development at the airport in the future based on the target market. It is important to note that the development shown is conceptual and no cost estimates were conducted for the development proposed. The recommended concept shows long term (10+ years) redevelopment of the west portion of the airport for purpose built industry apron and hangar development. Based on the vision and goals of the airport, this option gives the airport the ability to redevelop overtime and relocate T-Hangars to the east side of the airport while not displacing tenants.



This concept can be used by the airport to attract new tenants and also provide areas for development. It will require additional detail and planning for drainage and other relocated utilities. Phased development will allow for adequate repurposing of existing areas on the airport as needed. Focus should be put forth on building hangars in the immediate infill terminal area first.

Customer Development Strategy

The business plan has developed a strategy to capitalize on the expected economic growth in the Rio Grande Valley. By investment in longer runway infrastructure, the airport will try to increase demand by capturing a consistent piece of the regional aviation population and delivering a unique value to target customers, beyond what other airports provide. By increasing the portion of the market share at Mid Valley, it could have a profound economic impact on Weslaco and nearby municipalities. Mid Valley Airport should continue to cater to the general aviation market in which it currently serves. However, the following industries are well suited to grow, expand, and or relocate to the airport in the future:

1. Corporate Business Jets
2. Maintenance, Repair, and Overhaul Business
3. Flight Training and Educational Institutions
4. Advanced Aeronautical Manufacturing
5. Based General Aviation Aircraft

Implementation Strategy

In conjunction with ongoing airport projects, the airport must move ahead with strategies to capitalize on the new airport infrastructure. The analysis concluded that there were two clear goals for the airport moving forward:

1. Become a more significant resource to the Rio Grande Valley non-commercial aviation market after completion of a runway extension
2. Become a more effective economic engine for Weslaco and the greater Rio Grande Valley

In order to realize these goals and ensure implementation is of the business plan is successful, Mid Valley Airport must continue to track, monitor, and invest in the following actions:

- Development plan execution
- Airfield maintenance
- Leasing Policies
- Airport Traffic Levels
- Revenue growth
- Marketing and web presence
- FBO and Airport Service
- Promote airport infrastructure

The subsequent chapters of this document will evaluate in detail the airport's possible actions moving forward.

Chapter 1 – Airport and Regional Overview

Understanding the context of the airport including its location and facility inventory are very important components of an airport business planning process. The most recent planning process at Mid Valley Airport was the preparation of an Airport Master Plan in 2001. This master plan documented the need for many of the significant airport improvements undertaken over the past 15 years. In 2001, it was evident that the location of Mid Valley Airport would make it an attractive facility for general aviation users ranging from the recreational pilots to business travelers. As the facilities and conditions have changed over time, it is important to prepare an updated inventory to ensure the most current and updated information is used as a foundation for subsequent tasks. Additionally, the demographic and market area of the airport has changed dramatically since the last formal planning process was conducted for the airport.

1.1 – Local Area

This chapter will include an overview of the airport, local communities, and influences in the surrounding region that may affect the conditions at the airport.

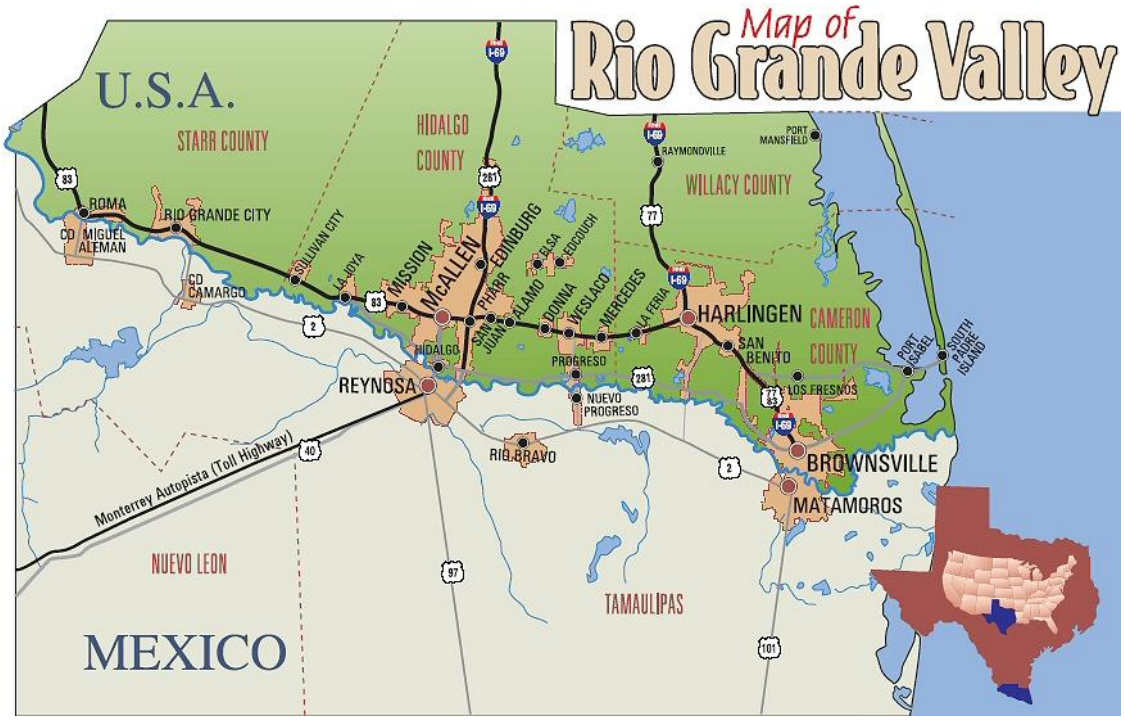
Rio Grande Valley

Four Texas counties located at the southernmost border with Mexico make up the main Rio Grande Valley (RGV) region. Starr, Hidalgo, Willacy, and Cameron Counties are geographically separated from Mexico by the Rio Bravo River, known as the Rio Grande in the United States, which runs from the San Juan Mountains in Colorado ending at the tip of the Rio Grande Valley as a Delta of the Gulf of Mexico. Hidalgo County alone has over 800,000 residents.

Agribusiness is a main economic driver of the RGV economy. Prime agricultural land surrounds the Rio Grande Valley which contains alluvial soil. Citrus fruits have been grown in the area since 1904 and have historically been the most important crop in the RGV. Texas is one of largest producers of citrus in the United States. Of the several citrus fruits grown in the RGV, including oranges, tangerines, tangelo, and grape fruit makes up over 70 percent of the citrus crop. Cotton, Sorghum, maize, and sugarcane are other leading crops grown in the RGV.

The RGV economy has also benefitted from the development of industrial plants, known as maquiladoras, in the border area. In the 1960's the Mexican government established these plants to facilitate economic development near the border region. Maquiladoras have been a catalyst for industrial development along the border and the construction of international bridges linking Mexico and the United States. This development, combined with the North American Free Trade Agreement (NAFTA) in 1994, has eliminated many of the barriers to trade and investment between the United States, Mexico, and Canada, and has shifted the primary economic activity in the RBV from agriculture to international trade and retail.

Figure 1.1 Rio Grande Valley



Source: Rio Grande Valley Chamber of Commerce

Mexico

Weslaco is located just under 10 miles from the Mexican border town of Nuevo Progreso. Weslaco's proximity to Mexico promotes heavy through traffic from Mexican tourists traveling to the United States via the Progreso International Bridge connecting Progreso, TX with Nuevo Progreso, Mexico. Shopping centers, such as the Rio Grande Valley Premium Outlets just eight miles from the Mid Valley Airport, also attract millions of Mexican citizens to the area. Many Mexican citizens live or maintain homes in Weslaco.

The City of Weslaco, Texas

W.E. Stewart Land Company lent its acronym for what we know today as WES-LA-CO. Early settlers were mostly from excursions originating in Chicago, Kansas City and the Midwest. What was once wild brush land was converted into thriving agricultural land irrigated by pump stations and canal systems.

The estimated population of Weslaco in 2014 was 37,601. However, with neighboring cities included, such as Mercedes and Donna, the immediate vicinity is home to approximately 75,000 residents. The estimated 2013 gender breakdown was 46.9 percent females and 53.1 percent males. According to the 2010 census bureau, 85 percent of the population is Hispanic or Latino and 13.3 percent is Caucasian. Between 2009 and 2013, the median household income in Weslaco was $36,111. In 2013, the estimated median house or condo value was $70,860. The estimated median gross rent in 2013 was $659.

2015-2040 Hidalgo County Metropolitan Transportation Plan

The Hidalgo County Metropolitan Planning Organization (HCMPO) is a federally-funded program that works with Hidalgo County communities and the Texas Department of Transportation (TxDOT) to plan for the county's future transportation needs. Under federal law, every metropolitan area with a population of 50,000 or greater must have a designated Metropolitan Planning Organization and is required to develop a long range transportation plan.

The purpose of the Metropolitan Transportation Plan (MTP) is to assess necessary transportation needs and plan for funding those needs in Hidalgo County over a 25-year period. The document identifies specific projects that will facilitate economic prosperity and continued mobility throughout the county. The MTP is a planning tool that establishes transportation development programs on a priority basis. The financial goal of the MTP is to maintain balance of county transportation investments, accounting for government sources, while being flexible enough to react to changes in regional needs or resources.

One of the major planning initiatives in the HCMPO is to extend Hidalgo County freight corridors to connect with the future NAFTA I-69 "super highway" that will link major economic metropolitan areas in Mexico, the United States, and Canada. Roadway linkage with the I-69 corridor will help open freight routes to the Rio Grande Valley, thus supporting trade and economic development in Hidalgo county and surrounding areas.

Weslaco 2040 – Comprehensive Plan

The City of Weslaco is currently undergoing a comprehensive planning process to develop a framework for the future of the community. *Weslaco 2040*, commonly referred to as the Comprehensive Plan, is a City Charter-mandated planning framework for the core systems that shape Weslaco's physical, social, environmental, and economic future. Billed as a "new look at the City", the comprehensive plan will identify current and future needs of the City of Weslaco citizens. Vision and goals are also established in the planning process as benchmarks to achieving those needs by year 2040.

Regional Airport Concept

Recently, local leaders in the Rio Grande Valley have discussed the possibility of a consolidated airport location. This very preliminary and long-term scenario suggests that with three commercial service airports in close proximity, there may be a diluted air service market that may limit routes, competition, and fair market pricing. An alternative, as proposed, would be to consider adding a new regional airport that serves all three markets through one location. There are both proponents and opponents of this idea citing pros and cons for each. Although it is too early to tell if this idea will come to fruition, it is worth analyzing and considering the impacts on Weslaco. While this assessment will not discuss the validity of such an argument, it should be prepared to discuss potential outcomes given the pressure on the topic. A full regional airport system planning approach for this area would be beneficial in the future to analyze such scenarios.

The City of Weslaco should discuss how a regional airport may potentially affect Mid Valley Airport including implications for how to attract business that are best suited for general aviation airports.

1.2 – Airport Background

The first landing at Mid Valley Airport (T65) in Weslaco, Texas was in June 1945, flown by a newly established crop dusting service, using a Sterman Bi-Plane, the same year of initial construction of the Mid Valley Airport. Following the construction of the airports first hangars, Fleetwood Airways began service between T65 and San Antonio in January 1946. Later that year, Fleetwood Airways expanded airline service to several additional Texas cities, including Brownsville and Laredo. A bond ordinance was approved by the City of Weslaco in February, 1946, to pave the runway. The pavement project was completed on April, 25 1946 at a cost of $36,500.

Stearman Bi-Plane
Source: pilotfriend.com

A shift in demographics in Weslaco in the 1950's resulted in discontinued commercial airline service at T65. Airlines moved away from Weslaco to the neighboring cities of McAllen and Harlingen. However, growth in the Rio Grande Valley in the following decades drew general aviation activities to T65 resulting in a resurgence in airport use and operations.

With funding from TxDOT, the existing terminal building at Mid Valley Airport was built in 1993. The need for a full-time airport manager became apparent to oversee the facilities and operate the airport in the most efficient manner. This compelled the City of Weslaco to hire an Airport Manager in 1994. With improvements in airport management and airport facilities, Weslaco Mid Valley Airport earned the title of "Most Improved Airport in Texas" by the TxDOT Aviation Division. Later in 1994, self service fuel was installed at T65 and Runway 13/31 was extended from 4,400 feet to just less than 5,000 feet (4,998 feet).

In 2011, Mid Valley Airport opened a U.S. Customs and Border Protection Facility to inspect flights to and from Mexico and other international cities. This service is still in its infancy and hasn't realized its full potential.

Currently, with funding support from the City of Weslaco and a grant from TxDOT, the runway is being rehabilitated, widened, and extended to a total length of 6,000 feet. This project will greatly enhance the infrastructure at the airport and provide additional operational capability for larger aircraft.

Existing Facilities

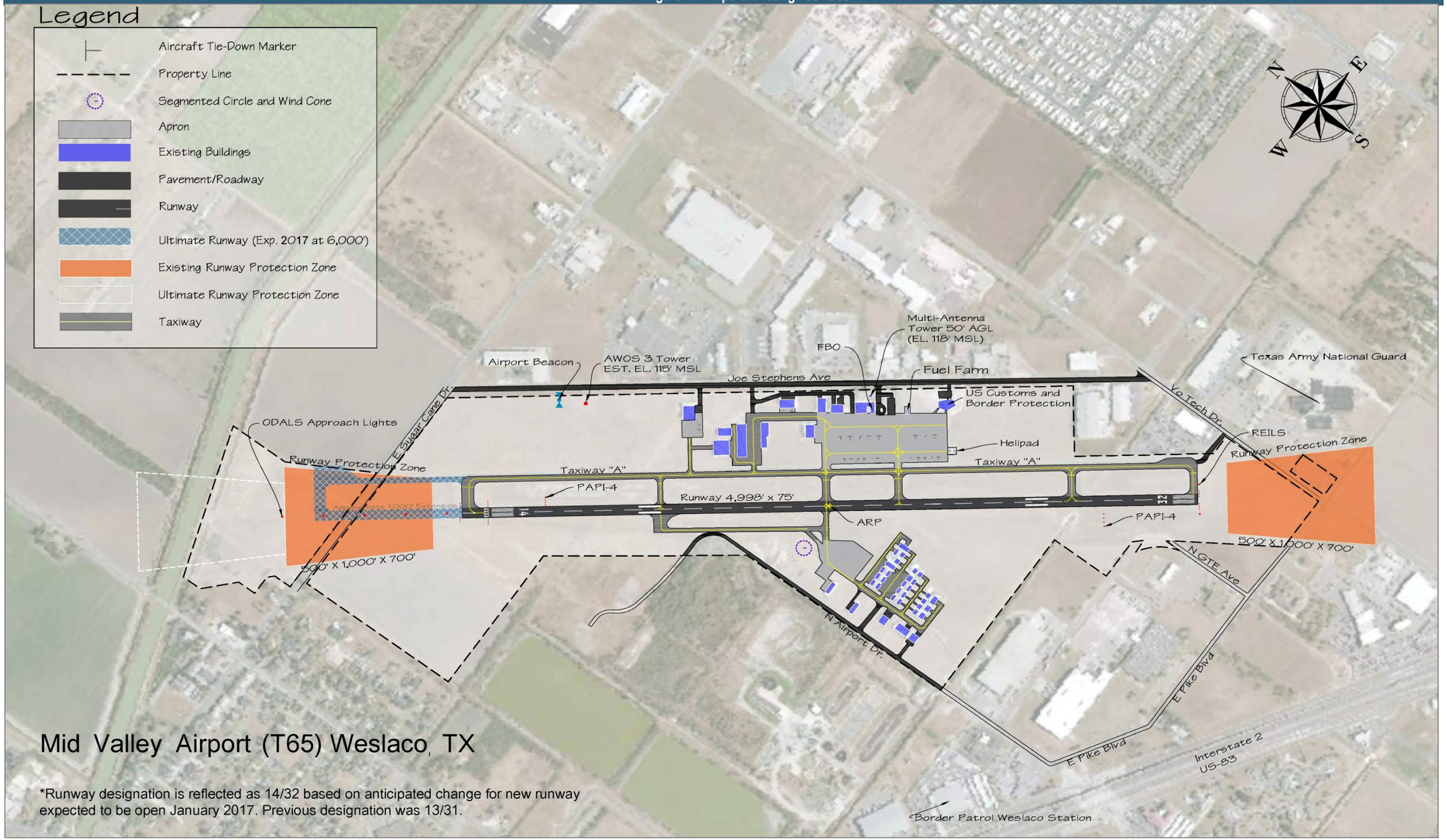
Mid Valley Airport has a single runway alignment of 13/31 which is 4,998 feet long by 75 feet wide, constructed of asphalt, and in good condition. Runway 13/31 details are presented in **Table 1.1 and Figure 1.2**.

Table 1.1 Runway 13/31 Data

Dimensions	4,998 x 75 ft. / 1,523 x 23 m.	
Surface	Asphalt, Good Condition	
Runway Edge Lighting	Medium Intensity	
Weight Bearing Capacity	Single Wheel	12,500 lbs.
	Runway 13	Runway 31
Latitude	26-10.980617N	26-10.334317N
Longitude	097-58.667350W	097-58.099133W
Elevation	68.2 ft.	69.3 ft.
Traffic Pattern	Left	Right
Runway Heading	135 magnetic, 142 true	315 magnetic, 322 true
Markings	Non-precision, Fair Condition	Non-precision, Fair Condition
Visual Slope Indicator	4-light PAPI on Left (3.00 Degrees Glide path)	4-light PAPI on Left (3.00 Degrees Glide path)
Runway End Identifier Lights	Yes	Yes
Touchdown Point	Yes, No Lights	Yes, No Lights
Instrument Approach	GPS (1 mile), VOR/DME-A	VOR/DME-A

Sources: Airport records, FAA Form 5010

Figure 1.2 Airport Existing Facilities



Taxiways

Parallel Taxiway Alpha (A) is 45 feet wide and extends the full length of Runway 13/31. Taxiways Bravo (B), Charlie (C), and Echo (E) are connector taxiways that provide access from the runway to parallel Taxiway A. Taxiway Delta (D) crosses near the midpoint of Runway 13/31 and connects the east aviation facilities and the west aviation facilities. Taxiway D is the only taxiway on the west side of the airfield and is considered a partial parallel to 13/31. Aircraft taxiing from the Westside facilities on D are required to do a "back-taxi" maneuver to takeoff from either end of Runway 13/31.

Aprons

The main apron at Mid Valley Airport is approximately 270,000 square feet with access to the general aviation terminal and FBO, the fuel farm, and U.S. Customs and Border Protection facility. The apron space contains 18 aircraft parking tie-downs and one helipad.

Aeronautical Role

Airports serve many different roles in the airspace and transportation system. These are usually dictated by the services, infrastructure, tenants, and communities they serve. Each classification is important to note as it relates to the varying levels of airport categorization.

National Plan of Integrated Airport Systems (NPIAS): The NPIAS identifies airports with a significant role in the national aviation system. Airports in the NPIAS are eligible for Federal Aviation Administration (FAA) Airport Improvement Program (AIP) funding so long as established grant assurances are met. There are different categories that classify the specific role the airport serves. The 2015-2019 NPIAS classifies Mid Valley Airport as a General Aviation Airport.

FAA General Aviation Airport Asset Study: This 2012 study identifies 2,952 general aviation airports, selected to be part of the NPIAS that contribute to U.S. economy and support activity that is not feasible at most commercial service airport due to capacity constraints. The various categories of general aviation airports are shown in **Table 1.2**. Mid Valley Airport is categorized as a General Aviation-Local Airport defined in the Asset Study as it, "supplements local communities by providing access to local and regional markets." Local airports can serve flight activity and community needs through a variety of different activities.

Texas Airport System Plan (TASP): The *2010 Texas Airport System Plan Update* identifies airports and heliports that are a necessity to the economic and social development of Texas. There are five main service levels defined in the TASP: Primary and Non-Primary Commercial Service airports, Relievers, General Aviation airports, and heliports. Each service level is then broken down in to more specific roles shown in **Table 1.3** below. Mid Valley Airport is classified under the TASP as a General Aviation- Business/Corporate Airport.

TABLE 1.2 NPIAS General Aviation Airport Categories			
National	Regional	Local	Basic
Supports the national airport system by providing communities with access to national and global markets. These airports have very high levels of activity with many jets and multiengine propeller aircraft. These airports average about 200 total based aircraft, including 30 jets.	Supports regional economies by connecting communities to regional and national markets. These airports have high levels of activity with some jets and multiengine propeller aircraft. These airports average about 90 total based aircraft, including 3 jets.	Supplements local communities by providing access to local and regional markets. These airports have moderate levels of activity with some multiengine propeller aircraft. These airports average about 33-based propeller-driven aircraft and no jets.	Supports general aviation activities, often serving aeronautical functions within the local community such as emergency response and access to remote communities. These airports have moderate levels of activity with an average of 10 propeller-driven aircraft and no jets.

Source: Federal Aviation Administration

Table 1.3 TASP Service Level And Classification		
Service Level	Airport Role	Description
Primary Commercial Service	Commercial Service	Supports scheduled passenger service by large and medium transport aircraft; enplanes at least 10,000 passengers annually.
Non-Primary Commercial Service	Commercial Service	Supports scheduled passenger service by smaller transport aircraft; enplanes fewer than 10,000 but more than 2,500 passengers annually.
Reliever	Reliever	Relieves congestion at Commercial Service airport by providing alternative general aviation facilities.
General Aviation	Business/Corporate	Provides community access by business jets.
General Aviation	Community Service	Provides community access by single and light twin-engine aircraft, and a limited number of business jets.
General Aviation	Basic Service	Provides air access for communities less than 30 minutes drive from Commercial Service, Reliever, Business/Corporate, and Community Service airports; and/or supports essential but low level activity.
General Aviation	Heliport	Accommodates helicopters used by individuals, corporations and helicopter air taxi services. Scheduled passenger service may be available if sufficient demand exists.

Source: Texas Department of Transportation 2010

Table 1.4 below describes types of essential services provided by such airports.

Table 1.4 Types of Aeronautical Functions Serving Public Interest

Emergency Preparedness and Response	Aeromedical Flights Law Enforcement/National Security/Border Security Emergency Response Aerial Fire Fighting Support	Emergency Diversionary Airport Disaster Relief and Search and Rescue Critical Federal Functions
Critical Community Access	Remote Population/Island Access Air Taxi/Charter Services	Essential Scheduled Air Services Cargo
Other Aviation Specific Functions	Self-Piloted Business Flights Corporate Flight Instructions Personal Flying Charter Passenger Services	Aircraft/Avionics Manufacturing/Maintenance Aircraft Storage Aerospace Engineering/Research
Commercial Industrial and Economic Activities	Agricultural Support Aerial Surveying and Observation Low-Orbit Space Launch and Landing Oil and Mineral Exploration/Survey Utility/Pipeline Control and Inspection Business Execution Flight Service	Manufacturing and Distribution Express Delivery Service Air Cargo
Destination and Special Events	Tourism and Success to Special Events Intermodal Connections (rail/ship)	Special Aeronautical (skydiving/airshows)

Source: FAA ASSET Study, KSA

Airport Flight Activity

Weslaco Mid Valley Airport is an active facility with over 44,800 flight operations annually. An operation is described as either a takeoff or a landing. The broad categorization of aviation activity at Mid Valley is shown in **Table 1.5**, as provided by the FAA Form 5010 Master Record.

Table 1.5 Airport Activity

Based Aircraft		Airport Activity Type	
Single-engine	36	Commercial Airlines	0.0%
Multi-engine	9	Air Taxi	1.0%
Jet	1	Military	0.5%
Total Based Aircraft	46	General Aviation-Local	74.0%
Ultra-light	3	General Aviation-Itinerant	24.5%
Helicopters	4	Total	100%

Source: Airport Records, Form 5010
**For 12-Month Period Ending September 10, 2014*

Fixed-Base Operator (FBO)

Every airport provides an array of aviation services depending on individual characteristics of their location and operational demand. These services usually have a direct correlation between the surrounding markets and needs of the aviation community. **Table 1.6** provides a broad list of Mid Valley Airport's current services. The majority of these services are provided by the fixed-base operator, owned and operated by the City of Weslaco.

Table 1.6 Existing Aviation Services

Aviation Fuel (100LL, Jet-A)	Enterprise Car Rental
Aircraft Maintenance and Repair (Major)	Customer and Pilot Lounge
Aircraft Parking Transient (Hangars)	Automated Weather (AWOS)
Charter Service	Flight Instruction
Courtesy Car	Aircraft Rental
Limousine Services	U.S. Customs and Border Protection

Sources: Airport records, FAA Form 5010

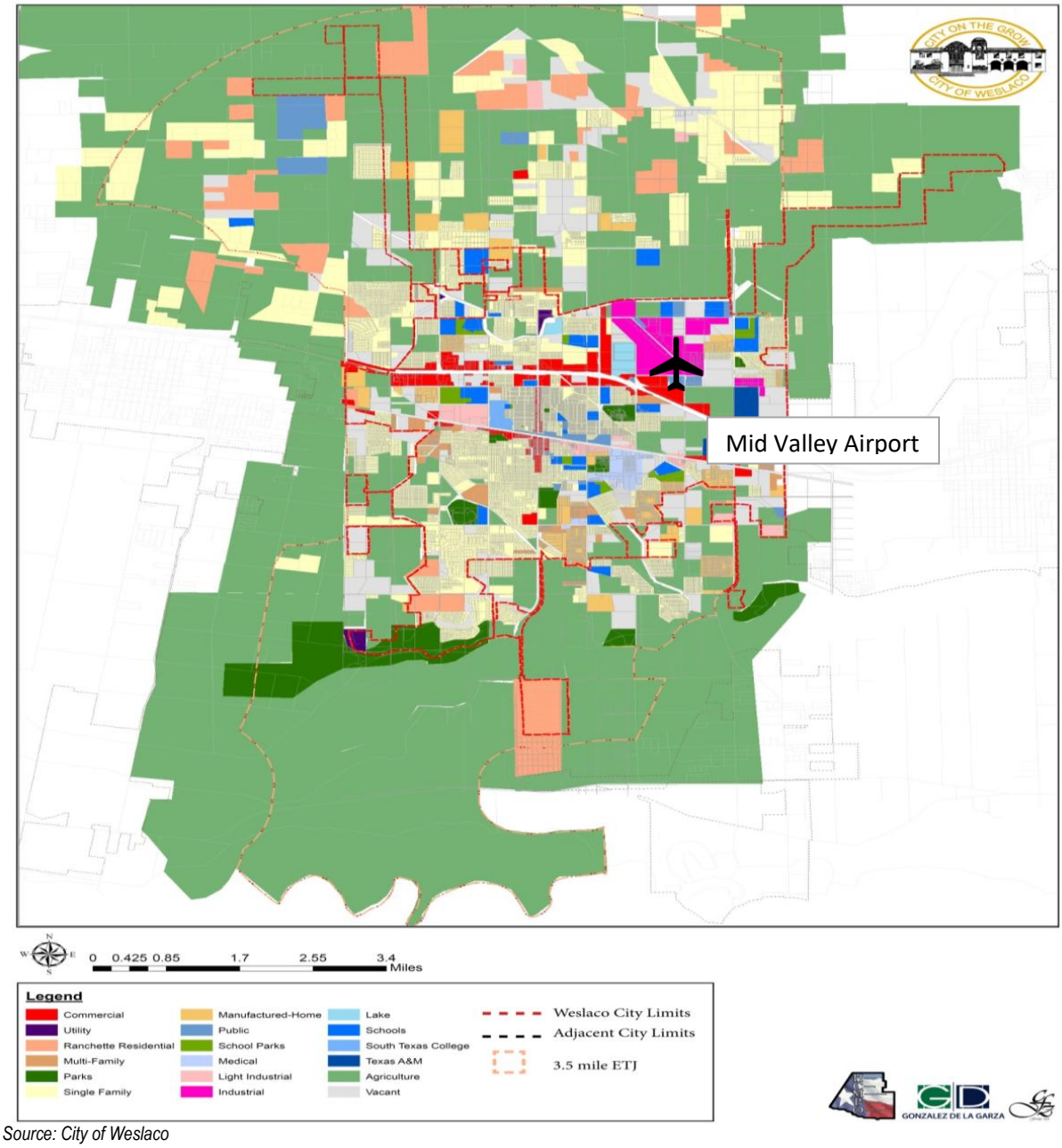
Mid Valley Airport is home to a variety of businesses that provide essential services to aircraft operating out of the airport. These are outlined below:

- **Morse Air** - provides aircraft maintenance, repair, for single/multi-engine
- **Sterling Air Service** - a part 135 Air Carrier operating passenger, cargo, and air ambulance flights
- **Garric War Birds** - provides restoration of WWII War Birds with a specialization in Russian TAK's

1.3 – Airport Land Use

Mid Valley Airport is located within the city boundary in the northern limits of the City of Weslaco. Industrial land tracks surround the Mid Valley Airport property line on all sides, except a sliver of land, zoned for public use just northeast of Runway 13. A complete zoning map for the City of Weslaco is shown in **Figure 1.3** below.

Figure 1.3 City of Weslaco 2014 Existing Land Uses



Source: City of Weslaco

Height Hazard Zoning

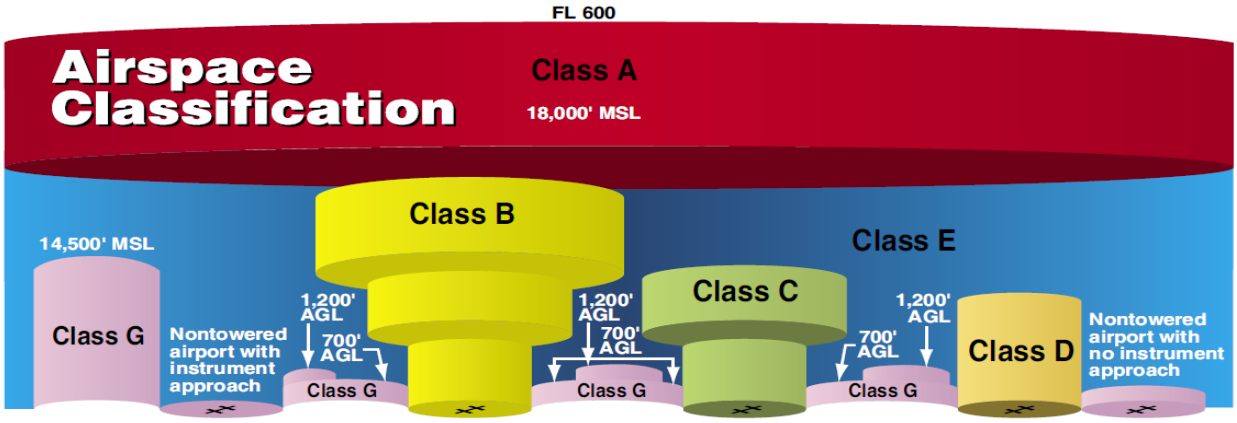
The State of Texas recognizes that airspace above and in the vicinity of airports warrants special zoning to mitigate hazards that may diminish the airport's usefulness. Through the Airport Zoning Act (AZA), municipalities can adopt airport compatible land use and hazard zoning regulations. Airport compatible land use protects property and its occupants adjacent to the airport from injury, damages, and excessive noise from the operation of aircraft. Airport hazard zoning protects the airspace from structures or objects of natural growth that could obstruct the flight path of an aircraft.

Specific standards are not identified in the AZA, however, preferred standards for clearing possible airport obstructions can be found in the Federal Aviation Regulations (FAR) Part 77. The city of Weslaco is currently in the process of implementing these updates and completion is expected by the end of 2016.

1.4 – National Airspace System (NAS)

To ensure a safe and efficient airspace environment for all aspects of aviation, the FAA has established an airspace structure through the Federal Aviation Regulations (FAR) that regulates and establishes procedures for aircraft that use the NAS. This airspace structure essentially provides for two basic categories of airspace: controlled (classified as Class A, B, C, D, and E) and uncontrolled (classified as Class G). **Figure 1.4** below illustrates each airspace type.

Figure 1.4 FAA Airspace Sectional Chart



Source: Federal Aviation Administration

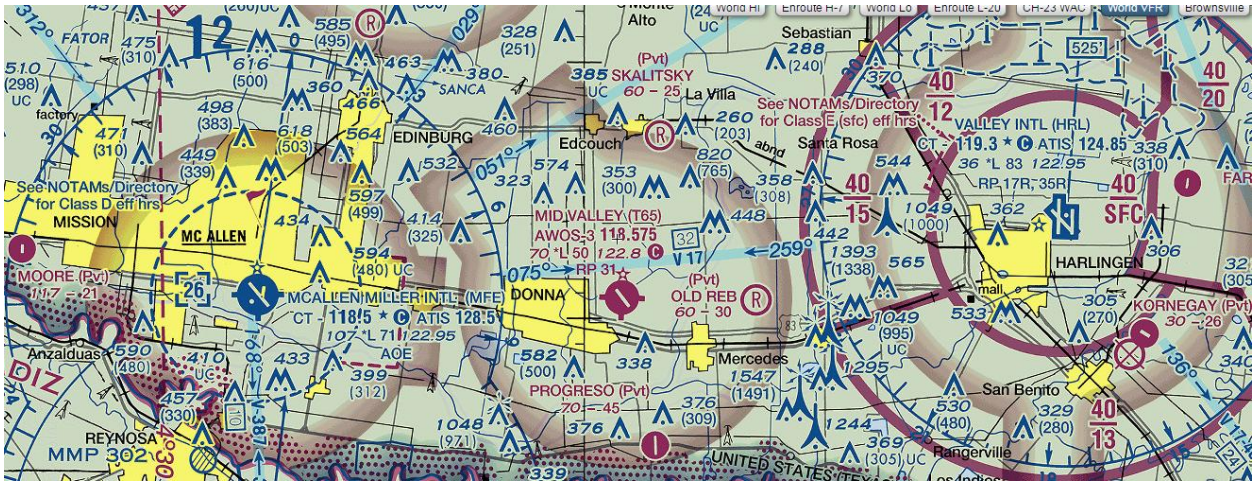
FAR Part 71 and FAR Part 73 establish these classifications of airspace with the following characteristics defined in **Table 1.7**:

Table 1.7 Airspace Class Definitions	
Class	Definition
A	Generally the airspace from 18,000 feet mean sea level (MSL) up to Flight Level 600 (approximately 60,000 feet MSL). Unless otherwise authorized, all operation in Class A airspace is conducted under instrument flight rules (IFR).
B	Generally airspace from the surface to 10,000 feet MSL surrounding the nation's busiest airports in terms of airport operations or passenger enplanements. An ATC clearance is required for all aircraft to operate in the area, and all aircraft that are so cleared receive separation services within the airspace.
C	Generally airspace from the surface to 4,000 feet above the airport elevation (charted in MSL) surrounding those airports that have an operational control tower are serviced by a radar approach control and have a certain number of IFR operations or passenger enplanements. Each aircraft must establish two-way radio communications with the ATC facility providing air traffic services prior to entering the airspace and, thereafter, maintain those communications while within the airspace.
D	Generally airspace from the surface to 2,500 feet above the airport elevation (charted in MSL) surrounding those airports that have an operational control tower. Unless otherwise authorized, each aircraft must establish two-way radio communications with the ATC facility providing air traffic services prior to entering the airspace and thereafter maintain those communications while in the airspace.
E	If the airspace is not Class A, B, C, or D, and is controlled airspace, then it is **Class E** airspace. Class E airspace extends upward from either the surface or a designated altitude to the overlying or adjacent controlled airspace. Only aircraft operating under IFR are required to be in contact with air traffic control when operating within Class E airspace.
G	Uncontrolled airspace is the portion of the airspace that has not been designated with any of the above classifications. It extends from the surface to the base of the overlying Class E airspace. Although ATC has no authority or responsibility to control air traffic, pilots must still abide by visual flight rules (VFR) minimums in Class G airspace.

Source: FAA Pilot's Handbook of Aeronautical Knowledge

As outlined in **Table 1.7,** Mid Valley Airport is located within Class E airspace that is configured to contain all instrument procedures associated with the airport. The floor of this Class E airspace is established at 700 feet above ground level (AGL) and extends to 1,200 feet MSL. **Figure 1.5** shows a portion of the sectional aeronautical chart published by the FAA's National Aeronautical Charting Office for the regional airspace surrounding Mid Valley Airport. The magenta shaded area around Mid Valley indicates the boundary of the Class E airspace around the airport.

Figure 1.5 FAA Airspace Sectional Chart



Source: Federal Aviation Administration

Instrument Approach Procedures

In 2003, the FAA implemented Wide Area Augmentation Systems (WAAS) availability to public airports. Pilots are now benefiting from the large number of Area Navigation (RNAV) Global Positioning System (GPS) approaches and lower minimums provided by WAAS-enabled systems. These systems are greatly more abundant than instrument landing systems (ILS) and other ground-based systems from the 20th Century. As of June 2015, there are 3,554 Wide Area Augmentation System (WAAS) Localizer Performance with Vertical guidance (LPV) approach procedures serving 1,732 airports. 989 of these airports are Non-ILS airports. Currently, there are also 594 Localizer Performance (LP) approach procedures in the U.S. serving 429 airports.

At Mid Valley Airport, there are two published instrument approach procedures: a GPS approach to Runway 13 and a second approach to the airport via VOR/DME. These include straight-in and circling approaches. **Table 1.8** presents the current lowest approach minima for these published instrument procedures.

Table 1.8 Approach Procedures

Instrument Approach	Lowest straight-in Minimums		Lowest circling minimums	
	Ceiling (AGL)	Visibility	Ceiling (AGL)	Visibility
(GPS) RWY 13	500’	1 mile	600’	1 mile
VOR/DME-A	N/A	N/A	600’	1 mile

Source: U.S. Terminal Procedures

Part 77 Airspace Surfaces

FAR Part 77, Objects Affecting Navigable Airspace, is a tool used to protect the airspace over/around a given airport and each of its runway approaches from potential obstructions to air navigation. It is important to note that as a federal regulation, all airports included in the NAS are subject to the requirements of Part 77. To determine whether an object is an obstruction to air navigation, Part 77 establishes several imaginary airspace surfaces in relation to an airport and each runway end. The dimensions and slopes of these surfaces depend on the configuration and approach categories of each airport's runway system. The size of the imaginary surfaces depends largely upon the type of approach to the runway in question.

Primary Surface: Longitudinally centered on the runway at the same elevation as the nearest point on the runway centerline.

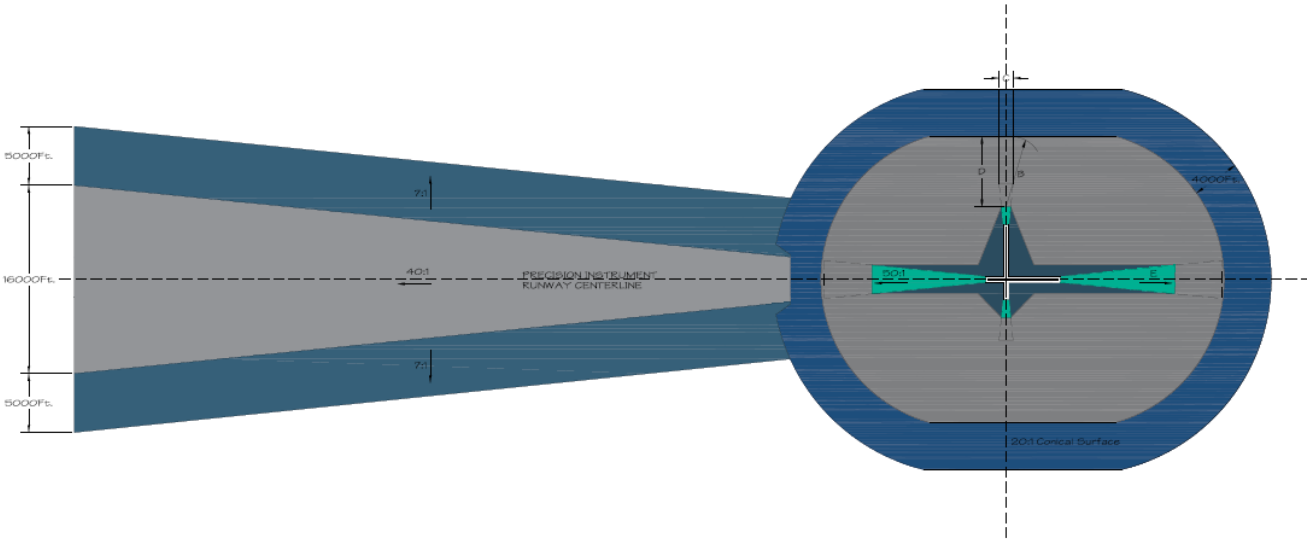
Horizontal Surface: Located 150 feet above the established airport elevation, the perimeter of which is established by swinging arcs of specified radii from the center of each the primary surface end and connected via tangent lines.

Conical Surface: Extends outward and upward from the periphery of the horizontal surface at a slope of 20:1 for a horizontal distance of 4,000 feet.

Approach Surface: Longitudinally centered on the extended centerline, and extending outward and upward from each runway end at a designated slope
(e.g. 20:1, 34:1, 40:1, and 50:1) based on the runway approach.

Transitional Surface: Extends outward and upward at a right angle to the runway centerline at a slope of 7:1 up to the horizontal surface.

Figure 1.6 Part 77 Graphic Representation



Source: Federal Aviation Administration, KSA

1.5 – Area Airports

As part of the planning process it is important to recognize that Mid Valley Airport is part of a system of airports that serve the RGV, each with its own identity, role, and opportunities. **Table 1.9** and **Figure 1.9** list public-use airports in the vicinity of Mid Valley Airport.

The two closest airports, and largest in market share and activity, are McAllen International and Valley International in Harlingen.

McAllen International Airport (MFE)

The McAllen International Airport is located in McAllen, Texas, south of Expressway 83 between 10th Street and Bicentennial Boulevard. The Airport is located directly across La Plaza Mall, and the terminal was built in 1993 and expanded/remodeled in 2015 and is approximately 138,000 square feet. Approximately 2.4 million people pass through the terminal annually.

The airport offers six airline gates and has non-stop service to Houston, Dallas-Fort Worth, Mexico City, Las Vegas and seasonal service to Los Angles and Orlando. Airlines currently serving the airport include:

- Allegiant Air
- American Airlines
- United Airlines

McCreery Aviation is a full service FBO serving McAllen since 1946. Hours of operation are from 0500 to 2200 and available after hours on request. They offer complete line service with Jet A and 100LL fuel, U.S. Customs ramp, hangar and tie downs, computer weather, pilot lounge and conference room. Additional departments are aircraft charter, air ambulance, flight instruction, aircraft rental, aircraft sales and management, maintenance, parts, pilot supplies, and avionics services.

Other businesses:

- Western Flyers
- Kingdom Aviation

Valley International Airport (HRL)

Located in Harlingen, Texas, HRL is the largest airport in the Rio Grande Valley. Approximately 700,000 passengers travel through the airport annually. Southwest Airlines offers nonstop service to Houston/Hobby and Austin Bergstrom. United Express offers nonstop service to Houston/ Intercontinental. Sun Country Airlines offers nonstop flights to Minneapolis/St. Paul between October and April, as well as seasonal nonstop service to Dallas/Ft. Worth. Delta Air Lines offers seasonal nonstop service to Minneapolis/St. Paul between December and April. Allegiant Air, Republic Airlines and Sun Country Airlines offer scheduled casino charter flights year-round.

Figure 1.7 Regional Airport Characteristics

Airport	ID	Longest Runway	Based Aircraft (Jets)	Total Operations	Approach Capability	ATC	Jet A	NPIAS/ASSET Role	Texas Airport System Plan
Weslaco – Mid Valley	**T65**	**4,998**	**54 (2)**	**44,800**	**Non-Precision**	**No**	**Yes**	**General Aviation - Local**	**Business Corporate**
McAllen – Miller International	MFE	7,120	150 (35)	53,918	Precision	Yes	Yes	Primary - Nonhub	Commercial Service
Harlingen – Valley International	HRL	8,301	45	36,623	Precision	Yes	No	Primary - Small	Commercial Service
Edinburg – South Texas International	EBG	5,000	31	4,140	Non-Precision	No	Yes	General Aviation - Local	Business Corporate
Port Mansfield – Charles R. Johnson	T05	3,200	0	1,100	Visual	No	No	-	Community Service
Port Isabel – Cameron County	PIL	8,001	13	4,250	Non-Precision	No	Yes	General Aviation - Regional	Business Corporate
Brownsville – South Padre Island Intl.	BRO	7,399	60 (3)	27,154	Precision	Yes	Yes	Primary - Nonhub	Commercial Service
Rio Grande City – Rio Grande City Muni	67R	4,000	1	1,550	Visual	No	No	-	Community Service

Regional Airport Locations

McAllen-Miller International Airport, Brownsville-South Padre Island International, and Harlingen-Valley Airport serve scheduled airline service, have precision runway markings, an ATC control tower, and are considered primary in the NPIAS.

Other nearby general aviation airports with similar roles include: Port Isabel, which maintains an 8,000 foot non-precision runway, serves general aviation traffic, and has Jet-A fuel onsite. Edinburg-South Texas International has a 5,000 foot runway, Jet-A fuel onsite, and serves general aviation activity. Port Mansfield is a community service with a smaller 3,200 foot visual runway and does serve the same customer base as Mid Valley Airport.

These airports serve different roles in the Rio Grande Valley and are not necessarily direct competitors to the Mid Valley Airport. However, certain types of aircraft and related businesses located at these facilities are part of the same market for the region and could be relocated, expanded, or duplicated at Mid Valley Airport.

Chapter 2 - Market Analysis and Strategy

Airport markets are unique and are often a mixture of community industry, demographics, and facility infrastructure and services. Each airport must clearly understand the market in which they operate and develop a strategy for how to capture, retain, and grow the markets that they are best suited to serve.

The purpose of this chapter is to detail potential or appropriate markets for the Mid Valley Airport and discuss strategies for establishing new growth opportunities.

Portions of this analysis will be focused on the airport infrastructure and services, while others will detail the opportunity and industries in the Rio Grande Valley region. Suggested businesses and industry profiles will provide an overview of current and future tenants that may provide economic impacts to the airport and the region.

2.1 – Customer Development Strategy

The purpose of this element is to identify a vision and strategy for Mid Valley Airport. In order to gain the most out of a business plan, a clear understanding of the appropriate target market and airport goals and objectives is critical. Part of this analysis includes evaluating what the airport does well and can improve upon while focusing on areas of improvement that are controllable by internal influences.

To provide an inclusive and holistic input to the business plan, a complete SWOT Analysis (Strengths, Weaknesses, Opportunities, and Threats) was conducted with stakeholders at the airport. This meeting was conducted at the outset of the planning exercise to provide a foundation for recommendations that would be founded in reality. Airport tenants, local government staff, airport staff, and economic development representatives participated in this exercise.

***Vision**: By 2025, the Mid Valley Airport will become an active and economically vibrant regional contributor to the entire Rio Grande Valley.*

The analysis concluded that there were two clear goals for the airport moving forward:

1. Become a more significant resource to the Rio Grande Valley non-commercial aviation market after completion of a runway extension
2. Become a more effective economic engine for Weslaco and the greater Rio Grande Valley

Participants in the SWOT session were asked to describe what their vision for the airport's future would ideally include. The consensus envisioned that, by 2025, they would like to see the Mid Valley Airport become an active and economically vibrant regional contributor to the entire Rio Grande Valley. This vision would establish Mid Valley Airport in a manner similar to how Arlington Municipal Airport serves the North Texas region and Sugar Land Regional Airport serves the Houston Metropolitan area.

In order to realize this vision, stakeholders were asked to identify key advantages the Mid Valley Airport has over other competitors in the region. The following four items were suggested:

1. Central location comparative to other Rio Grande Valley airports
2. Lack of constraints or congestion
3. Improved infrastructure with the runway extension to 6,000 feet
4. Ability to develop facilities cost effectively with state grant funding eligibility

All businesses must focus on market advantages and help exploit these to gain market share. Airports are no different and this plan will utilize these advantages to provide a strategy to capitalize on the expected economic growth in the Rio Grande Valley. Growth could be realized from either capturing a consistent piece of the regional aviation population (flat percentage share of a growing market), or delivering a unique value to target customers, beyond what its competition provides (increasing percentage share of a growing pie). By increasing the portion of the market share at Mid Valley, it could have a profound economic impact on Weslaco and nearby municipalities. However, in order to take advantage of these opportunities and realize this vision, the Mid Valley Airport has certain challenges to address and overcome such as:

1. Lack of a customer-perceived value (reputation)
2. Certain facility shortfalls versus target customer expectations
3. Funding and staffing shortages

The SWOT analysis detailed two options for next steps in order to prioritize how the airport should focus efforts moving forward shown in **Table 2.1**. These recommendations are broad in nature and will be further evaluated in the subsequent parts of the business plan. However, it is important context to note the initial results of the SWOT analysis before moving forward. These options will be further refined and detailed in the final recommendations of the plan.

Table 2.1 SWOT Analysis Recommended Next Steps

Option 1 – **Reactive** Status Quo	Option 2 – **Proactive** Customer Centric
Complete ongoing facility infrastructure projects (current runway extension)	Complete ongoing facility infrastructure projects (current runway extension)
Resume business with existing conditions as usual	Present plans for additional investment in the airport
Local marketing and outreach effort to promote new infrastructure improvements and help perception of the airport	Conduct further research into target customer needs, and perceptions versus competition
React to any growth opportunities that may present themselves at the airport	Devise and implement an integrated plan with multiple options for improving and marketing the airport to attract more target customers

A complete report on the findings of the SWOT analysis and recommendations on customer strategy can be found in **Appendix A.**

2.2 – Aviation Intensive Industries

Certain industries make greater use of aviation services than others. Aviation-related industries are particularly valuable assets in the promotion and development of airport business activity, revenue generation and land development. These types of industries often act as an "anchor" or primary growth drivers for airports at which they operate. By identifying these industries and cataloging how regional business may grow, an airport can position itself to capture these activities.

Mid Valley Airport currently serves the General Aviation industry. It is within this framework that the airport should evaluate segments that utilize GA and plan to continue to attract this niche market. The Federal Aviation Administration defines general aviation as all flights that are not conducted by the military or the scheduled airlines. In fact, most flights are a derivative of GA as flight training is a core activity that contributes to the development of pilots in all industry segments. According to the General Aviation Manufacturers Association (GAMA), the GA fleet includes over 362,000 aircraft worldwide, ranging from two-seat training aircraft and utility helicopters to intercontinental business jets. Of that total, over 199,000 aircraft are based in the United States and supports $219 billion in total economic output including 1.1 million total jobs. GA flights are conducted at more than 5,000 U.S. airports, while scheduled airlines serve less than 500 airports.

Business/Corporate Aviation (FBO, Charter, Sales) - One of the most lucrative and active sectors of the GA industry is corporate/business aviation. This is defined by the use of any general aviation aircraft for a business purpose. In the U.S., of the almost 23 million flight hours flown, two-thirds are flown for business purposes. A wide array of business activity exists including aircraft charter flights, aircraft sales, fixed base operators, and corporate flight departments.

Primarily, these businesses require large hangar and landside development space that serve as aircraft storage, administrative offices, and maintenance buildings. Depending on the business, they may have many employees and positions such as sales representatives, flight crew, mechanics, and administrative staff. Given the nature of the business, aircraft are flown regularly and serve as catalyst for bringing in business travelers from out of town and fuel sales. Given that business aviation can require longer flights with multiple passengers, the aircraft are usually either turbo prop, or jet and require more runway length and fuel than most recreational aircraft.

A Fixed Base Operator, or FBO, can serve most business aviation needs. Whether operated through private enterprise or municipal government, FBO's offer fuel sales, light maintenance, aircraft rentals, catering, flight planning and crew lounge areas, and rental cars. The City of Weslaco currently operates the FBO at Mid Valley Airport. There is also one aircraft charter operator on the airfield, Sterling Air Service, offering Part 135 Air Carrier operations in the United States, Mexico and Central America.

Flight Training (Flight Schools) - Flight training, or flight instruction, is the business of teaching new pilots how to fly aircraft. These schools can come in a variety of different formats and can include varying levels of complexity. The Federal Aviation Administration (FAA) recognizes and certifies flight training in two standards. As such, flight schools are either operating under Part 61 or Part 141, which refer to the parts of the Federal Aviation Regulations (FARs). A common distinction between the two is the minimum flight time required for the private pilot certificate (or pilot license)—40 hours under Part 61, and 35 hours under Part 141. Part 141 schools are periodically audited by the FAA and must have detailed, FAA-approved course outlines and meet student pilot performance rates. Part 61 schools don't have the same paperwork and accountability requirements. Flight schools can operate as independent private enterprises, or be housed within academic institutions.

In 2014, Boeing forecasted more than 500,000 new commercial pilots will be needed by 2034. The industry has commonly referenced an increased need for new pilots as higher licensing requirements and an aging airline pilot population is forced into retirement. This may drive the need for more flight schools as global economic growth is making travel possible for millions of new fliers around the world. The state of Texas has put particular emphasis on training aerospace and aviation labor force.

Agriculture and Aerial Application - A large part of agriculture in many states include the application of aerial crop management tools such as pesticides, herbicides, and other techniques for precision agriculture. Commonly referred to as "crop dusters", a variety of general aviation aircraft can serve this business need. Many are highly specialized and performance turbine aircraft capable of large payloads. Recently, the industry has been evaluating new technology such as unmanned aircraft to assist with certain applications of crop management.

Emergency and Government Services - Public aircraft often operated out of general aviation airports include a variety of federal, state or local government purposes, such as firefighting, search and rescue, law enforcement, wildlife or land management, or aeronautical research. For instance, the FAA operates a fleet of aircraft for evaluating instrument approaches and obstructions at airports. The U.S. Customs and Border Patrol is very active in South Texas and performs important activities such as "line watch" which involves the detection, prevention and apprehension of terrorists, illegal aliens and smugglers near the land border by aircraft. These operations are conducted with helicopters, unmanned aircraft, and fixed wing aircraft to support U.S. Border Patrol, U.S. Coast Guard and local law enforcement agencies throughout the region.

The Texas Department of Public Safety (DPS) responds to a large spectrum of law enforcement support requests including pursuits, manhunts, search and rescue, disaster relief, surveillance, aerial photography, criminal transport, domestic marijuana eradication, and border security operations. They currently operate a fleet American Eurocopter helicopters, single engine Cessna airplanes and a twin engine Aero Commander airplane.

Manufacturing - General Aviation Aircraft manufacturing is a $219 billion industry that directly employs over 100,000 U.S. workers with an average salary of $112,000, according to GAMA's *General Aviation Statistical Databook & 2015 Industry Outlook*. Texas is in the top three states for total U.S. Gross Domestic Product (GDP) impact of general aviation. In 2014, the general aviation industry delivered 3,425 new type-certificated airplanes and rotorcraft for a total value of $29.4 billion. New technologies are emerging including the equipage of NextGen air navigation and airspace systems and advanced manufacturing techniques such as composites, nanotechnologies, and computer aided design.

Major categories of manufacturing include airframe/aircraft, avionics, engine, and component parts. These types of airport tenants bring skilled, well-paying jobs and can produce a steady amount of lease revenue and aircraft activity. Shipments of parts and materials are needed frequently and can be brought in internationally. Flight testing and other operations are necessary in this industry and can drive airport activity. Airport highway access is critical to manufacturing operations as well as larger high-end hangars, supply/storage facilities, and office buildings.

Maintenance, Repair, and Overhaul (MRO) - The largest MRO providers typically offer the three main capabilities: airframe, engine and component services at airports. MRO's are not only beneficial to local airport tenants needing service on their aircraft, but can attract aircraft from all over the world for specialized service. Specifically, general aviation aircraft owners from Mexico often frequent the U.S. for aircraft service and repair. Specialized service and repair can be a great way to attract itinerant business to the airport, especially with facilities that achieve manufacturer certification for certain types of aircraft. Owner support networks such as this can attract business from a large geographical area.

2.3 Local Aviation Employers

Although General Aviation is the primary market and industry for Mid Valley Airport, other major employers and aviation/aerospace industries in the region should be noted. These employers sometimes utilize GA airports, or aircraft, to conduct business. The airport should keep these in mind while evaluating future growth opportunities.

GE Aviation

GE Aviation is a world-leading provider of jet engines, components and integrated systems for commercial and military aircraft. GE Aviation has a global service network to support these offerings. Organized in 2000, the Material Services division of GE Aviation provides new, and used serviceable, spare parts support and materials management. In addition to locations throughout the globe, this division provides comprehensive component repair at its facility in McAllen, Texas.

ULA®
United Launch Alliance

ULA is a joint venture between Lockheed Martin and The Boeing Company formed in 2006 to provide reliable, cost-efficient access to space for U.S. government missions. The company consists of approximately 3,400 employees working at sites across the country in job category functions such as program management, engineering, test, manufacturing, launch site operations, mission and business support. ULA operates three manufacturing facilities in the U.S., including a plant in Harlingen, TX, which fabricates and assembles payload fairings and adapters for the Atlas V expendable launch vehicle. The plant forms the core of the Rio Grande Valley aerospace sector and employs about 200 workers.

LONE STAR UAS
CENTER OF EXCELLENCE & INNOVATION

The Lone Star Unmanned Aircraft Center of Excellence is one of six Unmanned Aircraft System (UAS) test sites selected by the FAA in 2013. Its primary role is research and development of this emerging technology and operations are administered by Texas A&M Corpus Christi. There are over a dozen test ranges throughout Texas that help assess and document applications of unmanned aircraft. The closest active range to Weslaco is the Padre Range with active test flights taking place out of the Port Mansfield airport. Port Mansfield is the busiest of 11 test

sites that span as far as the Davis Mountains in West Texas. The tests are designed to safely integrate UAS into the national airspace, developing protocols to deal with runways in use by piloted craft and ensuring air traffic control communications between the UAS and mission control center.

The use of unmanned aircraft is expected to be a major industry in the coming years. It provides enhancements to a variety of existing industries and will have an estimated economic impact of about $6.5 billion and 8,256 jobs statewide from 2015 to 2025. This technology and designation from FAA may provide an opportunity to attract emerging businesses in UAS to other airports.

Universities, Colleges, and Advanced Education Facilities

With the demand for skilled aviation professionals increasing, and more programs in Texas being supported, partnerships with collegiate training programs are a growth opportunity for airport expansion. Mid Valley currently neighbors the Weslaco campus of the South Texas Vocational Technical Institute. There is no direct impact on the airport and currently no aviation courses are offered there. As the demand for aviation specialization in the region grows, however, aviation course offerings may be a possibility. A few other local institutions listed below may be options for partnerships on aviation programs.

Texas State Technical College (TSTC) is the single biggest provider of aerospace and aviation programs in Texas. At its primary aerospace campus in Waco, TX, TSTC operates the nation's largest airport owned by a public educational institution. The college offers a full range of FAA-approved programs including aviation maintenance, air traffic control, avionics, aircraft dispatch and aircraft pilot training. TSTC also offers aviation maintenance programs at its Harlingen and Abilene campuses. Valley International Airport in Harlingen houses TSTC on site and provides both Airframe & Powerplant courses.

TEXAS A&M
UNIVERSITY

Texas A&M University is a public research university located in College Station, Texas and is the fourth-largest university in the United States and the largest university in Texas. In September 2015, TAMU announced that a new campus will be built in McAllen, Texas. The facility will be an extension of Texas A&M in College Station and will share funding from the Permanent University Funds and be run by A&M President Michael Young. The university anticipates an initial investment of at least $30 million and will be one of the unique campus locations that is directly tied to the flagship campus in College Station. TAMU is one of the leading aviation and aerospace engineering schools in the country.

Air Cargo

Air Cargo represents a significant segment in the aviation industry and provides essential movement of high value and low weight goods. Harlingen is home to the Valley International Airport, also known as Rio Grande Valley International Airport, and has a very active air cargo segment. Development of the NAFTA CargoPort has helped to promote usage of the airport for major cargo carriers in the region such as Federal Express, Southwest Air Cargo, DB Schenker, DHL and Continental Airlines Cargo.

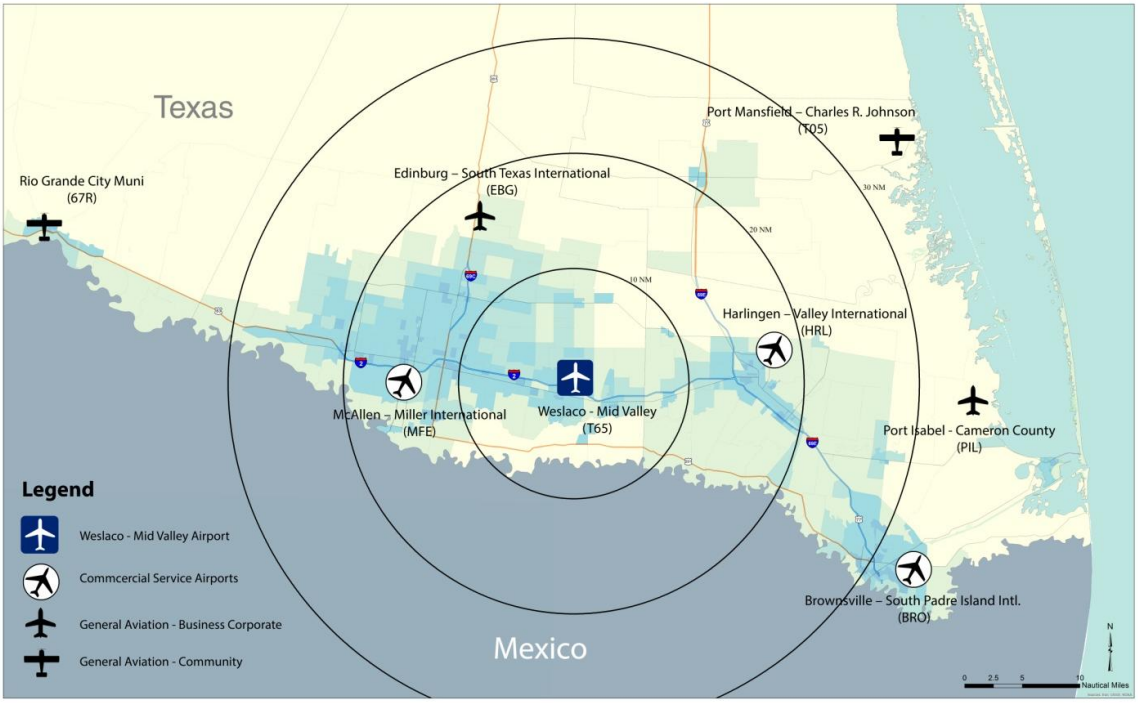
Harlingen Aerotropolis - In 2015, approximately 450 acres designated as the Harlingen Aerotropolis at Valley International Airport was awarded a certification and "shovel ready" development in Texas for a Large Park category. The objective is to make the area more attractive to international corporations, logistics companies and others that would benefit from Harlingen Aerotropolis strategic location that is minutes from the U.S./Mexico border. The site will have access to the existing airport runways and is also located near adjacent freeway corridors such as Texas FM 509 and the Free Trade International Bridge at Los Indios, leading into Matamoros, Mexico. Once completed, Harlingen Aerotropolis is expected to consist of several compatible development districts including aeronautical, light industrial, business complex, and general retail space.

Given the momentum and investment in Harlingen, air cargo should not be a target market for Mid Valley airport. With infrastructure and political support already in place at the Valley International Airport, the market opportunity for catering to this industry is small and not well suited for the Mid Valley Airport. However, complimentary and ancillary businesses should still be considered in the market evaluation and current tenants at Valley International airport may wish to relocate if they do not fit with its aerotropolis goal for growth.

2.4 Regional Growth Factors

It is important to understand the region of the entire Rio Grande Valley in terms of how economic growth and other factors may affect the Mid Valley Airport. Weslaco is located in heart of the region and thus may benefit from the surrounding influences in the entire Valley. **Figure 2.1** displays population density in blue shading.

Figure 2.1 Population Density



Source: Texas State Data Center (2010 Census), KSA

Population and Employment

The Rio Grande Valley, encompassing the four counties Cameron, Hidalgo, Starr, and Willacy, is anticipated to grow to over 1.6 million people in 2020 and further expand to over 2.2 million by 2040. With its central location in the Valley, the City of Weslaco reaches a population of over 200,000 within a 10-mile radius and over 500,000 within a 30-mile radius. According to data from the U.S. Census Bureau, as of 2014 the Rio Grande Valley added more than 66,000 residents over the past four years - pushing the total population to more than 1.3 million. In the year from from July 1, 2013, to July 1, 2014:

- Hidalgo County added about 12,100 residents, bringing the total population to about 831,000 people, according to the Census Bureau.
- Cameron County added nearly 2,200 residents, bringing the total population to about 420,000 people, according to the Census Bureau.
- Starr County added 565 residents, bringing the total population to nearly 63,000 residents, according to the Census Bureau.

The Rio Grande Valley is one of the fastest growing Metropolitan Statistical Areas (MSA) in the country in terms of Job Growth. With the McAllen, Edinburg, Mission MSA topping out at 34% growth in Quarter 4, 2015, it led the entire United States during that period according to a recent Manpower Employment Outlook Survey. This survey is one of the most utilized tools to measure employment activity in the world and every quarter more than 11,000 U.S. hiring managers are queried about their upcoming hiring needs. Survey results identify the strongest and weakest metropolitan areas, states and industries for hiring and pursuing jobs. The McAllen MSA was near the top of this list for the entirety of 2015.

However, it is also important to note that in 2014, McAllen-Edinburg-Mission, TX (MSA) had a per capita personal income (PCPI) of $23,753. This PCPI ranked 381st in the United States and was 58 percent of the state average, $40,742, and 52 percent of the national average, $46,049. Positively though, the 2014 PCPI reflected an increase of 3.4 percent from 2013.

Weslaco's labor force is strongly tied to education and healthcare, similar to neighboring McAllen. **Table 2.2** shows the top employers for both Weslaco and McAllen. South Texas Community College in Weslaco offers customized training to meet the needs of new and existing companies. Weslaco also has an active veteran community with more than 230 U.S. Veterans seeking employment.

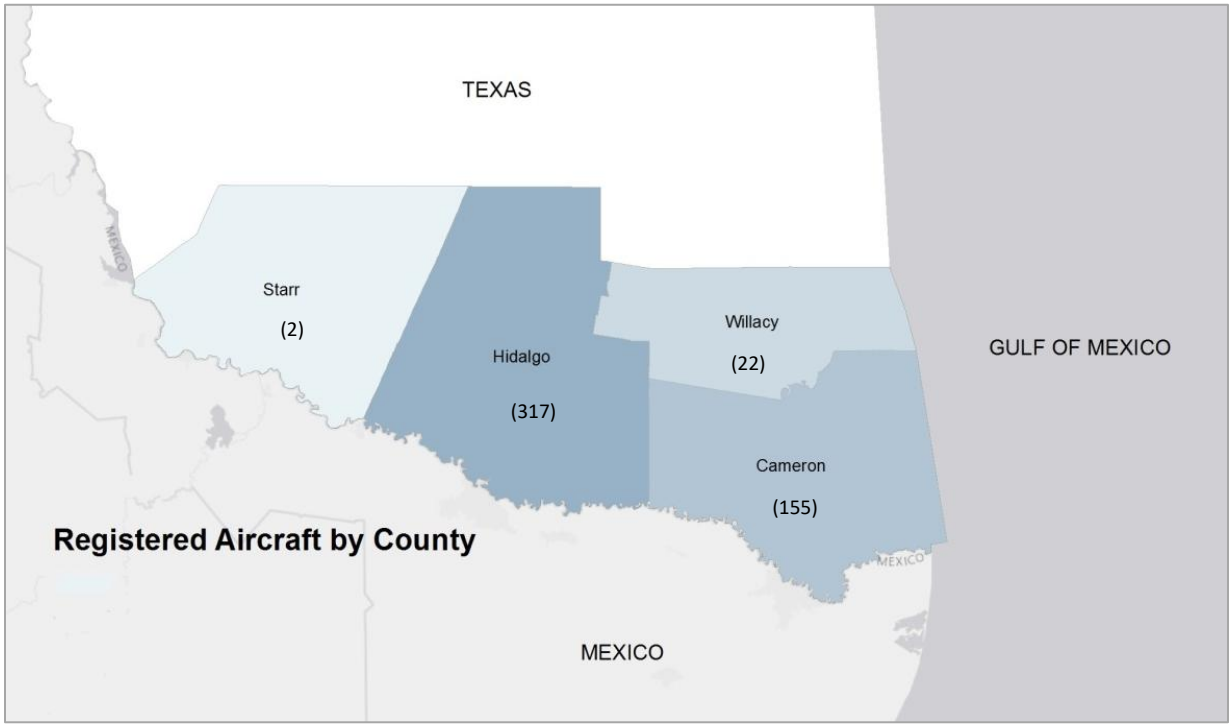
Table 2.2 Top Regional Employers

Weslaco Top Employers		McAllen Top Employers	
1	Weslaco ISD: Education – 2,825	1	McAllen ISD: Education – 3,200
2	Knapp Medical Center: Hospital – 980	2	South Texas College Education – 2,200
3	Woodcrafters: Manufacturer – 541	3	McAllen Medical Center Healthcare – 2,000
4	Wal-Mart: Retail Dept. Store – 455	4	RGV Regional Hospital Healthcare – 2,000
5	H-E-B (3 locations): Retail Grocery – 407	5	City of McAllen Government – 2,000
6	City of Weslaco: Government – 390	6	BBVA Compass Bank Finance – 1,500
7	Payne Auto Group: Retail Auto Sales – 330	7	IBC Bank Finance – 1,200
8	JC Penney: Retail Dept. Store – 146		
Source: Weslaco EDC		*Source: Real Estate Center Market Overview 2013*	

Aircraft Ownership

All aircraft owners must register their aircraft with the FAA. The Aircraft Registry collects information necessary to establish and maintain the record for all United States civil aircraft. This database has many uses and consists of three distinct elements; information about the registered owner, aircraft security interests, and the airworthiness of the aircraft. Although this is not an absolute count of all aircraft that may reside at airports, it is a good guideline to assess the market of potential aircraft in the surrounding area. **Figure 2.2** shows registered aircraft by county.

Figure 2.2 Registered Aircraft in the Rio Grande Valley



Source: FAA Aircraft Registration Database, KSA

Shopping and Retail

The Rio Grande Valley is a major destination shopping hub. With numerous malls, outlets, and other major retailers, it serves a great center of commerce for both South Texas and nearby Mexico.

Just 30 minutes away in McAllen, the La Plaza Mall has 1,215,000 square feet of gross leasable space and is one of the highest grossing properties from retail mall developer Simon. It features more than 150 specialty stores and pulls from a consumer base of more than ten million people within a 200-mile radius. The shopping center attracts a very large Mexican National population and the mall is known to generate more than 18 million visitors annually. Additionally, the mall will be expanding in 2016 to include about 60 new specialty stores and eight restaurants, which are set to be completed by 2017.

November 2006 marked the grand opening of the Rio Grande Valley Premium Outlets. With a collection of more than 140 outlet stores, it is the only mall of its kind south of San Marcos. This creates an ideal location for Valley shoppers including Mexico and some as far away as Monterrey. Rio Grande Valley Premium Outlets feature some of the world's finest designers and name brand clothing such as Burberry, Ann Taylor, Betsy Johnson, Brooks Brothers, Coach, Nike and Calvin Klein.

Another growing retail area adjacent to the Mid Valley Airport is the Valley Crossing Shopping Center which includes anchors such as a Walmart Supercenter, JC Penney, TJ Maxx, Lowe's, Petco and Academy Sports+Outdoors. There are vacant pad sites available for development and new retailers may wish to utilize the airport while conducting site evaluations.

Historically, violence in certain areas of adjacent Mexican states increased to where it was becoming harder to cross safely into the U.S. and conduct business or shop at local retailers. Mexicans with means to take weekend trips to Texas have increasingly used private and commercial aviation instead of driving into the area. People as far away as Monterrey travel to visit family or shop in McAllen and Brownsville. According to U.S. Customs and Border Protection, the number of passengers arriving from across the border on private planes was up 93 percent at McAllen Miller International Airport in the first six months of 2011 when compared with the first six months of 2009. At Brownsville South Padre Island International Airport, the number is up 63 percent. It is believed this trend continues today.

Sports and Attractions

The Rio Grande Valley offers an abundance of sports related venues, activities and attractions. Nearby State Farm Arena in Hidalgo hosts a variety of events throughout the year including concerts, professional wrestling, basketball games, and motorsports events. The $20-million multi-purpose complex will accommodate up to 5,500-seats for ice hockey, football and soccer and a center stage concert capacity of 6,800-seats. It also features 25 suites and 500 club seats.

Sports fans can also enjoy the Rio Grande Valley Sol (professional arena football), and La Fiera (professional indoor soccer) at the State Farm Arena. There is also the Rio Grande Valley NBA D-League Basketball team, the Rio Grande Valley Vipers.

Additionally, the Rio Grande Valley Livestock Show & Rodeo is a highly recognized event that draws over 220,000 people a year. People from the entire state and Mexico attend the 10th largest livestock show and rodeo in Texas held in neighboring Mercedes, TX. The event includes an array of rides, car shows, kid's attractions, and live concerts. During the year the fair grounds are also used for other events, such as monster truck shows, the annual RGV boat and RV shows, and live concerts.

Source: Mercedes EDC

2.3 Airport Target Industry Analysis

After consideration and review of the local employment base, regional growth factors, and current airport capabilities, there are a few targeted industries that make sense for the airport to pursue. In order to attract these types of industries, the facilities must be well maintained, fully capable, and attractive for users.

Facility Needs

The Mid Valley Airport is undergoing enhancements to the existing infrastructure. In 2014, a grant secured by the City of Weslaco and the Economic Development Corporation from the TXDOT Aviation Division, was utilized to extend the runway 1,000-feet as well as add an additional five feet to its width. The $7 million project, started in August 2014, will include rehabilitated taxiways, extended runway lights and new drainage enhancements as well. This expansion will accommodate corporate aircraft carrying up to 20 passengers and prepare the airport for military aircraft in the event of a crisis or disaster relief situation.

Although such improvements will drastically change the marketability of the airport to certain users, there is still more that may be necessary when considering future target users. **Table 2.3** is a brief overview of suggested target industries and their anticipated needs.

Table 2.3 Airport User Facility Needs

Tenant	Typical Facility Needs	Existing	Recommended Improvements
Fixed Base Operator (FBO)	Terminal with adequate passenger lounge, fuel (100LL and Jet A), rental or courtesy cars, transient aircraft storage	Yes	Future dedicated terminal building
Business/Corporate Flight Department	Large conventional box hangars with office space, jet capable runway over 5,000' and instrument approaches less than one mile visibility	No	Runway project underway to extend to over 5,000' – RNAV GPS needed
Manufacturing	Warehouse space, large box hangars, roadway access, utilities	No	"Build-to-suit" to accommodate as able
Flight School	Office/administrative space, hangars, ramp with tie downs, maintenance	Yes	Additional apron space with tie downs
Agriculture	Executive hangar space	Yes	None
Emergency/Government Services	Secure hangar areas with controlled access, may include helipads	Yes	Controlled access gates, develop land
Maintenance, Repair, and Overhaul (MRO)	Large conventional hangars, office space, large apron, MES building	Yes	Develop or build to suit open land

Incentives

Weslaco frequently passes additional measures during its legislative session to help promote a business-friendly environment in the form of tax incentives. This concept is not unlike many municipalities across Texas and the surrounding Valley. However, each city may offer unique incentives to attract certain types of industry to their community. Mid Valley Airport and the City of Weslaco should focus on marketing a few of these few programs based on the targeted industries of choice. A few examples include the Quality Jobs Tax Credit Program and Job Training Program.

Foreign Trade Zone Program & US Customs

Weslaco has a strong competitive advantage in the fact that it contains Foreign-Trade Zone Number 156, while also having onsite customs at Mid Valley Airport. U.S. foreign-trade zones (FTZ's) are the domestic equivalents of what are referred to internationally as *free-trade zones*. Within an FTZ, a company can unload, manufacture, reassemble, test, sample, process, repackage, and re-export goods without the intervention of U.S. customs authorities. To become subject to U.S. customs duties, goods must be moved outside the FTZ. FTZ's may also be eligible for state and local tax benefits and are usually strategically located based on geography that is conducive with international trade, such as ports, airports, borders and bridge crossings. The primary manufacturing industries benefitting from FTZ's are oil refining, automotive or aircraft parts, consumer electronics, and pharmaceuticals. Logistics-related industries also benefit, as companies utilize FTZ's for warehousing, inspection, labeling, salvaging, and distribution. Retail trade is prohibited however.

U.S. Customs provides service for International aircraft wishing to land at the airport. A 2,000 square foot building was opened in 2010 along the main apron to help clear arriving aircraft. In order to use this service, aircraft must call the U.S. Customs and Border Protection checkpoint in Progreso one hour before the plane lands. A customs officer will then come from the border to the airport to inspect the aircraft and passengers. This may help attract not only itinerant corporate aircraft, but also manufacturers who wish to use the FTZ.

2.4 Summary

There is a robust local airport system in the Rio Grande Valley with vibrant job growth and industry in the area. With rapid growth projections expected over the next 20 years, there is an abundance of market potential. Mid Valley Airport, and the community of Weslaco, are very well positioned to take advantage of this market with proper planning and targeted development.

Mid Valley Airport should continue to cater to the general aviation market in which it currently serves. However, the following industries are well suited to grow, expand, and or relocate to the airport in the future. Future development alternatives will show what this may look like on the airport in the future with approximate facility sizes by type. Many of these could be accommodated with the existing airside infrastructure Mid Valley Airport has to offer after the ongoing runway project is complete.

Land is the biggest advantage the airport has over the regional competition and is ready to accommodate a variety of the industries listed in this chapter. However, the following are best suited in the near term:

1. *Corporate Business* – Given the retail shopping, tourism, and Mexican influences on the area, the airport could easily continue to attract corporate aviation to the facility. Although FBO services and hours of operation will need to be evaluated for high-end customers, this will require little changes to infrastructure in the near team (within 5 years) and allows for investment in the airport by private industry or municipal ownership.
2. *Maintenance, Repair, and Overhaul* – With convenience and ease of access, many Mexican aircraft owners would be attracted to coming to the U.S. for maintenance.
3. *Flight Training* – With a central location and away from congested airspace, the airport is ideal for a flight school and partnership with local colleges. The state is investing in Science, Technology, Engineering, and Mathematics (STEM) careers and funding is available for local school districts wishing to pursue this technology. With a proclaimed pilot shortage, more flight training is needed.
4. *Manufacturing* – This segment provides high paying and technical jobs; however this will be a difficult market to attract given the competition. Emerging flight technologies and smaller innovative companies may want a great launching pad for their business. Weslaco can compete in bringing them to the area especially if they have Mexican customers.
5. *Based Aircraft* - The airport has ample space to accommodate additional corporate aircraft and will soon have airfield facilities to meet their runway length requirements. The growth and development of other area airports may influence area aircraft owners to move their aircraft to a less crowded, more capable airport that caters to their needs, such as Mid Valley Airport.

Chapter 3 – Business and Financial Analysis

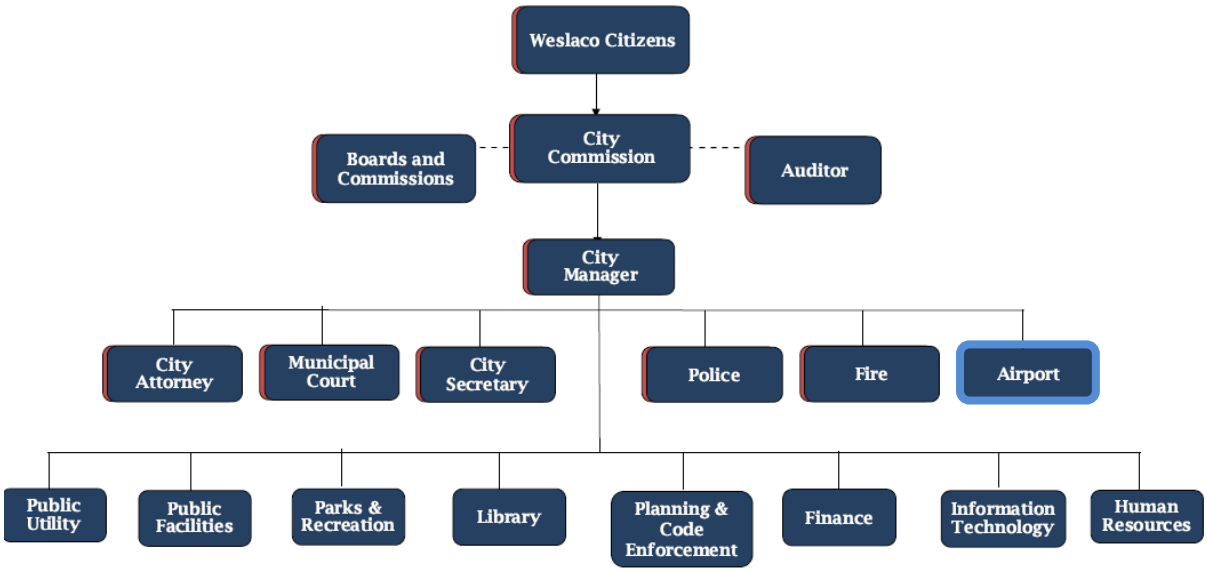
This chapter will discuss the overall financial profile and revenue sources for the Weslaco Mid Valley Airport. In addition, a full lease review has been conducted. It is important in this phase of the business plan to identify the key contributors to the overall financial goals of the airport prior to making recommendations.

3.1 Financial Structure

Mid Valley Airport is owned by the City of Weslaco and therefore falls into the overall financial umbrella of the city. The City of Weslaco has operated under the Council-Manager form of government since incorporation in 1928. Policy-making and legislative authority are vested in a City Commission consisting of a Mayor and six Commissioners. The City Commission is responsible for adopting the overall municipal budget that is recommended by the City Manager.

As with most municipalities in Texas, Weslaco provides a full range of services, including police and fire protection; emergency management services; the construction and maintenance of highways, streets, and other infrastructure; and recreational activities and cultural events. Water and wastewater services are also provided by the City. The City also is financially accountable for a legally separate economic development corporation, which is reported separately within the City of Weslaco's financial statements as a component unit.

Figure 3.1 City of Weslaco Organizational Chart



Source: City of Weslaco CAFR

The Weslaco annual budget serves as the foundation for the financial planning and control for the entire city and its departments such as the airport. All departments of the City are required to submit requests for appropriation to the City Manager during the budget process. The City Manager uses these requests to initiate a proposed budget. The City Manager then presents this proposed budget to the Commission for review.

The fiscal year and budget adoption is based on a start date of October 1st and runs through September 30th each year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g. police). Department directors may, with City Manager's approval, make transfers of appropriations within their department. Transfers of appropriations between departments, however, require the approval of the City Commission.

Proprietary funds provide the same type of information as the business-type activities section of the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and wastewater fund, the solid waste fund, and the airport fund, all of which are considered to be major enterprise funds of the City of Weslaco.

3.2 Existing Financials and Revenue

As a publicly owned and public-use airport, the intent of the facility is to provide an essential transportation service to the National Air Space System (NAS). Being included in the National Plan of Integrated Airports System (NPIAS) entitles the airport to certain federal funding sources that are intended to provide grant support for capital improvements in the airport infrastructure. However, each airport also has a task in producing revenue to assist with operating costs and local grant matching requirements providing the ability to enhance services and maintain the airport. In order to meet this goal, general aviation airports produce revenue in a variety of ways primarily focusing on the following types of revenue streams:

1. Fuel Sales or Fuel Flowage Fees
2. Hangar Rental (Leases)
3. Landing and Transient Aircraft Fees
4. Land Leases (aeronautical an non-aeronautical)

Depending on the airport's characteristics, one or all of these revenue sources may be contributors. Largely, fuel sales can be one of the most profitable areas of revenue if the airport owns and sells the fuel concessions at the airport. Weslaco Mid Valley Airport owns and operates the FBO fuel sales and manages the airport leases. This allows for funding airport operating expenses. In other instances where private FBO's are operating on the airport, there are mechanisms in place, namely fuel flowage and access fees that allow the airport to derive revenue from that operation.

Operating Budget and Expenditures

The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and wastewater fund, for its solid waste fund and for its airport fund.

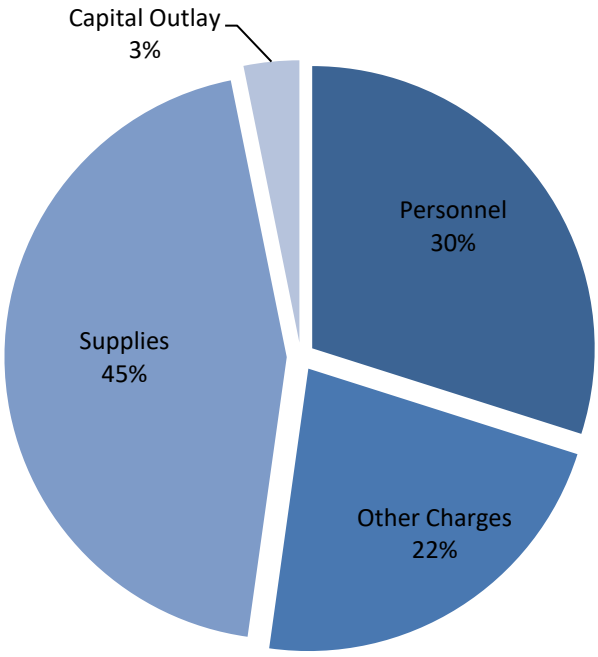
The Airport Fund accounts for the provision of airport facilities to area residents and all activities necessary to provide such services. The fund is financed primarily by the City of Weslaco operating grants, hangar rentals and tie-down fees, although contributions may be made to this fund from the General Fund of the city. Proprietary funds, such as the Airport Fund, distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a

proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

As stated in the City of Weslaco annual budget, the purpose of the Airport Fund is to, "provide economic development support as an avenue of transportation, and to support corporate & general aviation in the Lower Rio Grande Valley." Total expenditures estimated for FY 2015-2016 airport fund is $545,349. Total revenues estimated for the same period is $552,823, including a transfer contribution from the general fund in the amount of $200,000. However, in 2015, the net position of the Airport Fund increased by $3,465,001, due to the receipt of a TxDOT grant in the amount of $3,773,179. The Airport Fund receives revenues from fuel sales, hangar rentals, and grants. However, this year is not a typical year due to this grant and project and without the grant funding the airport fund would be operating at a loss due to the impact of runway closure. This will be discussed under the revenue section of this chapter.

Expenditures are categorized as personnel, other charges, supplies, and capital outlay. The largest expenditure in the FY 2014 budget was supplies totaling $227,380. The supplies category includes office supplies, motor fuel, chemicals, and fuel delivery, the most expensive item in the category. The expenditure in the personnel category includes wages and benefits for 3 full-time airport employees totaling $152,411. The other charges category includes marketing, utilities, insurance and bonds, facility maintenance, bank service, and totaled $113,770 in the FY 2014 adopted budget. The capital outlay accounted for $16,200 for the lease of a new fuel truck in the FY 2014 adopted budget. **Figure 3.2** below shows each category of expenditure as a percentage of the total airport fund.

Figure 3.2 FY 2014 Expenditures Breakdown



Source: City of Weslaco

Note: FY 2014 was used in analysis due to the impact of the runway project ongoing in 2015 and 2016

Revenue Analysis

As a publicly owned and public-use airport, the intent of the facility is to provide an essential transportation service to the National Air Space System (NAS). Being included in the National Plan of Integrated Airports System (NPIAS) entitles the airport to certain federal funding sources that are intended to provide grant support for capital improvements in the airport infrastructure. However, each airport also has a task in producing revenue to assist with operating costs and local grant matching requirements providing the ability to enhance services and maintain the airport. In order to meet this goal, general aviation airports produce revenue in a variety of ways primarily focusing on the following types of revenue streams:

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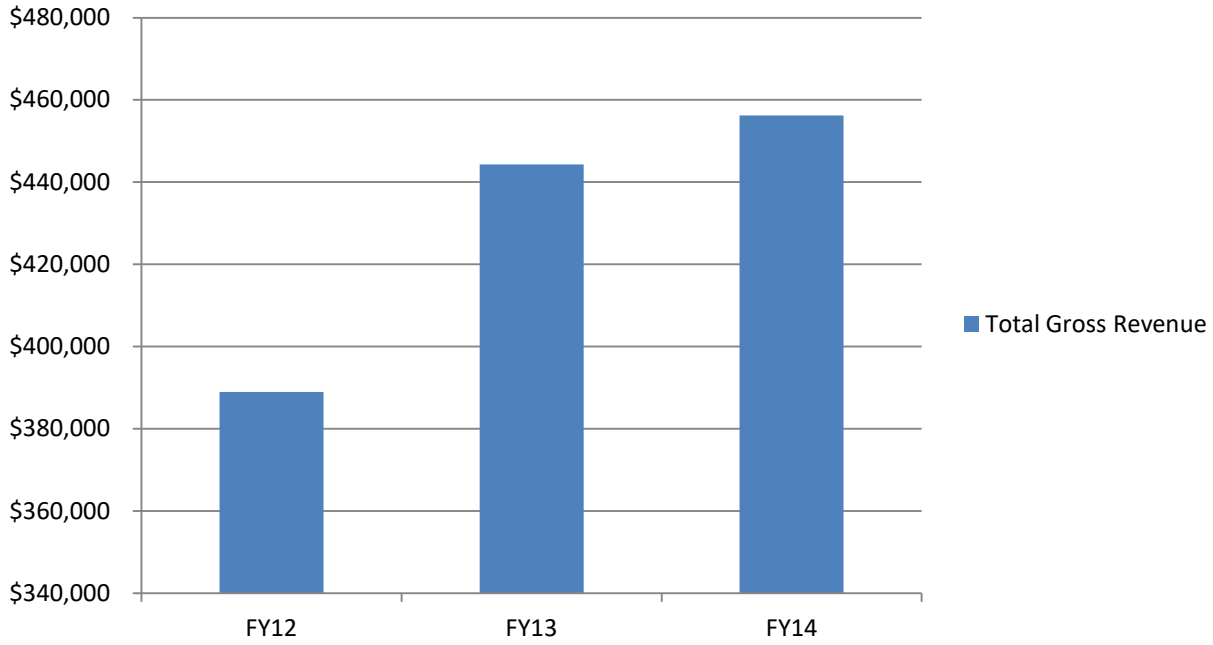
For the purpose of this analysis, Fiscal Years 2012-2014 were analyzed to determine revenue generation by type. It is important to note that in FY2015 the airport underwent a major airport improvement project including a runway extension. This extension is expected to have significant positive impacts on the airport by attracting larger aircraft. However, the ongoing construction has limited normal operation of the airport including periods of runway closure. Although the net gain from this project in the future will far outweigh negative, it did reduce annual revenue generation from fuel sales. For this reason, it has not been included in the following analysis. Upon completion of the runway project airport operations and revenue is expected to return and grow from previous years. Total Gross Revenue for the previous three Fiscal Years is provided in **Table 3.1** and **Figure 3.3** below.

Table 3.1 Total Gross Airport Revenue (FY12-14)

	Total	Quarter One	Quarter Two	Quarter Three	Quarter Four
FY14	$456,244.37	$ 109,003	$ 133,818	$ 113,279	$ 100,142
FY13	$444,344.00	$ 94,762	$ 127,398	$ 92,176	$ 130,006
FY12	$388,980.66	$ 88,053	$ 63,594	$ 125,856	$ 111,475

Gross revenues collected by the airport have grown steadily over the past few years and can be broken into three major revenue categories for service charges, farm land rental (too small to be shown in the table below), and other income.

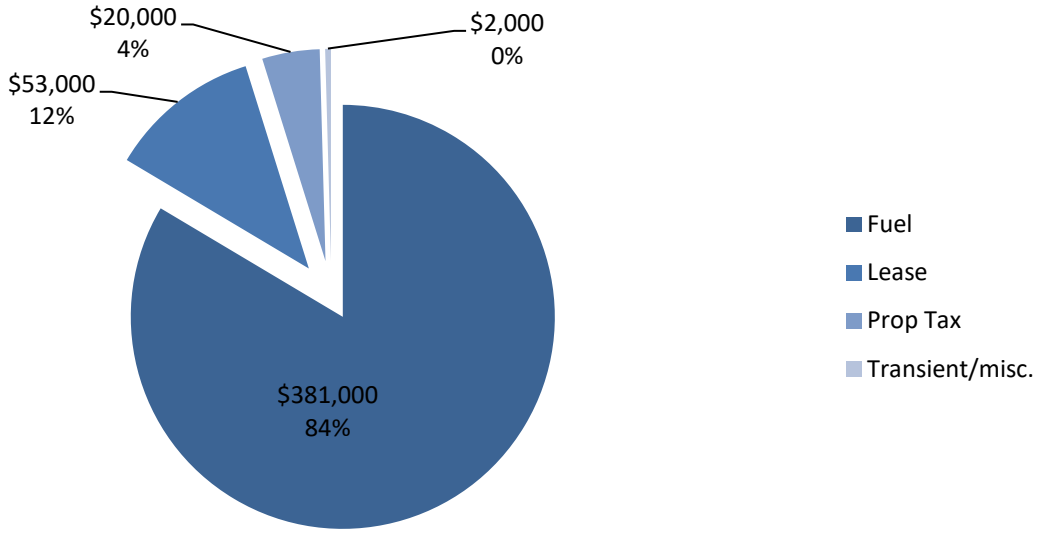
Figure 3.3 Historical Gross Revenue



Source: City of Weslaco and Airport Records

As important as total gross revenue is the breakdown of the type of revenue that is being produced. Thus, the airport will be able to focus on what portions of the services provide may be able to be increased significantly in the future. **Figure 3.4** shows each category of revenue as a percentage of the total airport fund.

Figure 3.4 FY 2014 Revenues Breakdown



Source: City of Weslaco

Fuel Sales

The majority of revenue collected by the airport fund is from the sale of aviation low lead fuel (100LL) and jet fuel (Jet A) under the service charges category in the airport fund. Other sources of revenue in the service charges category include long-term and daily hangar rentals ($0.17/sq. ft.), utilities, and tie-down fees.

In general, fuel sales are directly related to the activity level of operations at the airport. It is easy to assume the more operations at the airport the more fuel will be purchased. However, some activity such as transient aircraft may elect not to purchase fuel if not needed or can be purchased at their home airport for a more competitive price. Thus, growing based aircraft should also have a direct correlation to airport fuel sales. **Table 3.2** and **Table 3.3** show fuel sales over the last few years by type.

Table 3.2 Annual Fuel Sales

Gallons Sold		
	100LL	Jet A
FY14	36,095	28,658
FY13	36,182	30,574
FY12	36,244	25,231

100LL Sales: This fuel is sold largely to single engine piston aircraft. Commonly referred to as Avgas, this fuel can only be used in piston aircraft which make up a large portion of the recreational general aviation fleet in the United States. However, many single engine aircraft and larger twin engine piston aircraft are flown for business purposes.

Aircraft using 100LL have comparatively shorter ranges and fuel capacity than larger jet powered aircraft. This means that less fuel is sold by the gallon for each refueling operation on average than Jet A aircraft. However, very active piston aircraft fleets such as a flight school, may buy larger quantities of 100LL during peak periods.

Jet A Sales: This kerosene based fuel is used in jet and turboprop aircraft. Predominately for larger corporate flight aircraft such as business jets, large amounts of fuel may be taken per aircraft given their increased fuel capacity and range. For example, one Cessna Citation X aircraft has a fuel capacity of nearly 2,000 gallons. Many factors determine how much fuel each aircraft operator may take at the airport including runway length. The longer runway allows for additional fuel to be taken by aircraft wishing to depart with a heavier gross takeoff weight.

As detailed in **Table 3.3**, Jet A fuel sales have a much more substantial profit margin comparative to 100LL. Jet A should be a target for increasing total gallons sold to larger aircraft to enhance the revenue generation of the airport. 100LL will still be a major contributor; however Jet A will yield a higher profit margin.

Table 3.3 Fuel Sales Profit Margin

Profit Margin		
	100LL	Jet A
FY14	33%	42%
FY13	27%	38%
FY12	22%	32%
Avg. Net(+-)	27%	37%
Comparative Margin Gain	Jet A (+10%)	

3.3 Airport Lease Analysis and Policies

An important part of the financial fitness of the airport is the lease structure. For purposes of this business plan, existing leases were reviewed and analyzed to help ensure best practices and market conditions favor the airport's sustainability. This process allows the airport to evaluate the longevity, cost structure, and legal strength of their leasing policies.

Existing Lease Review

The initial review of the lease documents indicated that there is both a mixture of land leases on the airport and standard improvement leases relating to typical on-airport properties such as t-hangars and other forms of storage hangars. This information is shown in table format located in **Supplemental Exhibit A**, which summarizes the leases and addresses a number of factors relating to the terms which are spelled out in them and other policy related issues such as whether or not the lease has the proper exhibit attached and if the lease is executed by both the landlord and the tenant.

In general, the vast majority of the leases were found to need improvement and standardization. In general, the following areas need to be addressed:

- Approximately 95% need clarity to executed document including updates to reflect active lease terms and agreements. Some have incorrect representations of the rental payable, but for the most part the leases are correct in this regard.
- The majority of the leases are essentially a land lease form, whether or not the actual property is a land lease.
- The overwhelming majority of the exhibits that purport to represent the property under lease are incorrect.
- Virtually all of the leases are for five years, whether or not they are a ground lease or some form of an improvement lease, and this may not be appropriate, depending on the property type.
- Almost all of the leases with few exceptions were issued in 2015 or 2013.

It is important to recognize that certain types of property, such as t-hangar units, do not require the same type of agreement that a parcel of land does. One recommendation regarding t-hangars is to have relatively simple documents and issue them as a license. The rationale for this is twofold. Most hangar leases are month-to-month on competitive airports and some airports in Texas don't have any sort of minimum requirements that outline what a tenant can and cannot do in their hangar. The license concept is useful in the event that the landlord wishes to get rid of a problem tenant. By having a license instead of the lease, legal action may be avoided.

Figure 3.5 representations of both the west side and east side of the airport buildings labeled with corresponding lease number provided by the airport.

Figure 3.5 East and West Side Hangar ID Locations

West Side

East Side

Despite the nature of the leases, the current rental rates are competitive with similar sized airport. Current ground lease rates are $.17 a square foot per annum on the west side of the airport. Specifically, these leases are called pad leases as the tenant only pays rent on the actual footprint of the building. There are several full-scale ground leases that were put in place 20 years ago and support sophisticated improvements that were paid for by the tenant. Most of the west side ground leases support smaller executive and box hangars as can be seen in the photos. The T-hangar monthly rental rates are deemed appropriate for the location.

It is important to determine the age of each hangar structure in regards to leases. Some of the hangars may be close to forty years old, and typically, would revert to the airport. Additionally, it is important to understand the nature of activity happening within leased hangars. Periodic inspections may be necessary to ensure FAA minimum standards are being obeyed.

Lease Recommendations

Future leases should require the lessee to have implemented preventive maintenance policies and a program to monitor closely the overall condition of the structure. It is important to periodically inspect the property and ascertain the overall condition of the building especially when considering a potential future reversion of the hangar to the airport. In general, there are two basic types of reversionary scenarios:

1. A long term lessee is surrendering title to the structure and does so with the intention of continuing a presence on the airport.
2. A building which is turned over to the airport owner as a result of both the expiration of the ground lease and the lessee's departure.

The latter of the two situations is by far the most complex for the airport owner. When the airport is evaluating the feasibility of accepting a reversionary improvement, the following challenges should be considered:

- What, if any, modifications need to be made in the property over the course of the lease
- Determine whether it is suitable for continued use and under what condition it will be used by the airport sponsor
- Ensure lead time is built into leases to evaluate the condition of the property to be vacated in order to ensure the vacant property is attractive for future use.
- Inspect and consider the essential building systems such as:
    - HVAC systems
    - hangar door system
    - office space and condition
    - aircraft ramp and associated access such as parking

In anticipation of the airport structure to be obtained on reversion, the airport should ideally allocate a modest sinking fund to cover expenses which may be necessary to bring the property up to leasable condition. This will recognize that even the best maintained structures need some form of investment by the airport owner. It is recommend the airport adopt a policy anticipating the reversion as early as five years prior and recognize that some amount of corrective action may be needed to bring the property up to standards. It is recommended that an engineer be contracted to inspect the property one to two years prior to reversion back to the airport.

If a tenant is interested in staying at the airport, then the reversionary process becomes simpler. The tenant who wishes to continue to occupy the structure will impose much less burden on the airport with regard to repairs and maintenance. The main challenge relates to agreeing to a rental rate. Because a tenant has built and occupied the structure for a period of time, the tenant's perception of value may be somewhat out of touch with the rental market for the type of property it occupies. Additional problems can be caused by growth of the airport which has affected the “highest and best use” of the property. A hangar which at one time was most valuable as an FBO hangar, may command much higher rentals if converted to corporate occupancy. This is a decision airport management has to make in determining where the most value can be obtained. If the airport elects to maintain a use consistent with the previous occupancy, comparable rentals can be gathered by examining similar type property at other airports and getting an overall feel for the market.

Hangar Redevelopment Strategies

The situation regarding the west side of the airport should be carefully evaluated. Some airport managers are extracting value through the extension of underlying ground leases. In this way, an airport can often increase the rental rate through renegotiations and a tenant can enjoy the benefits of ownership for a longer period of time. This can be particularly useful when a tenant wishes to make improvements to a property and amortize them. Since the average ground lease made today is approximately 10 years longer than ground leases made 10 to 15 years ago, the extension of a ground lease term is favorably viewed by most airside tenants. This is particularly true for those which obtain long-term financing on their improvements.

In general, if it is the desire of airport management to both relocate a certain number of hangars from the west side of the airport and also demolish hangars that may not be suitable for long-term operational applications, there are two evaluations that are necessary.

1. **Relocation:** With regard to the relocation of any existing units, the new sites for these hangars must be carefully considered in conjunction with a planning and policy decision regarding available land on the airport. Certain locations on the east side should not be considered due to their critical capacity to support future development which can considerably enhance the Weslaco Airport environment. If the relocation involves hangars that are effectively out of land lease term, it may be possible to get the owners to pay for the costs of relocating their units in exchange for a new, long-term land lease. This assumes that an appropriate location can be found that does not adversely impact the long-term development potential for the airport.

2. **Demolition:** In the case of hangars that have reached the end of their useful life and are appropriate for demolition, the salvage value relating to the steel which may comprise them probably represents the most realistic value. This can be calculated in terms of pounds or some other measurement and will not require an appraisal due to the fact that if the hangars are at the end of their physical useful life, their continued existence as real estate need not be considered. All salvage of demolished steel structures incurs some sort of expense to the entity that salvages the buildings and there may be a trade-off offered for the investment in time and labor to remove the building.

Consideration should be given to the ability to obtain grant funding for new hangar development. This may be applicable under the category of site preparation that relates to non-exclusive use, or some combination of economic incentive/infrastructure development program that is available to eligible Texas airports.

3.4 Rates and Charges Overview

As previously mentioned, despite the lack of structure exemplified by the existing inventory of leases, the general scope of rental rates and other applicable sources of revenue is in line with the marketplace for comparable airports in Texas. One of the three main categories includes airport improvements that are generally exemplified by open bay hangars of varying size and operational application. The second category involves airport land. These comparables range from vast assemblages of acreage, to small sites which essentially are confined to the footprint of the hangar located upon it. The policy that has been pursued at Weslaco, particularly on the West side of the airport, is mirrored at other comparable facilities in the state. Small "pad leases" are common throughout the state, and are often given to users that build their own executive type hangar adjacent to a public apron that can be utilized for operational purposes. The third category relates to the lease of t-hangar properties. This type of shelter is ubiquitous throughout

the state and recognized as an important part of any general aviation airport which hopes to garner a significant market share of single- and multi-engine piston powered aircraft.

In general, the market related data and the matrix of rates and charges that Weslaco suggests that the critical existing elements of airport revenue producing property are appropriately priced. **Tables 3.4** and **3.5** compare T-hangar and land lease rates at other Texas airports.

Table 3.4 T-Hangar Rental Rate Comparison

Identifier	*Airport Name*	*Monthly Rate*
AUS	Austin-Bergstrom International Airport	$500 - $750
EDC	Austin Executive Airport	$499
GTU	Georgetown Airport	$300-450
SSF	Stinson Field	$250-$300
HYI	San Marcos Municipal Airport	$200-$300
FTW	Fort Worth Meacham International Airport	$350
TKI	McKinney National Airport	$398-$650
GVT	Majors Greenville Airport	$180-$250
GYI	North Texas Regional/Perrin Field	$185-$235
TRL	Terrell Municipal Airport	$150-$290
GPM	Grand Prairie Municipal Airport	$200-$549
GKY	Arlington Municipal Airport	$215-$315
MFE	McAllen Miller International Airport	$300

The T-hangar structures located on the facility are modern structures that are in good condition. These facilities serve the majority of the piston powered aircraft which tend to be based at an airport like Weslaco. These hangars have been fully occupied over the last five years and there is currently a waiting list for customers who desire to hangar space at the airport.

The competitive environment is most directly affected by the major facilities in South Texas such as Harlingen and McAllen that are close enough to Weslaco to have impact the choices that are made by aircraft owners with regard to where they will base their plane. However, there is a lack of similar sized market general aviation airports to compare to in the Valley. Nearby South Texas International at Edinburg currently does not have available T-hangars, however

will be adding facilities in the near future. The T-hangar market in South Texas has not exhibited dynamic growth with regard to rental rates. However, it is important for airport sponsors to understand that progressively raising hangar rates to keep pace with rising costs of construction is imperative to yield enough revenue to operate the airport.

Table 3.5 Land Rental Rate Comparison

Identifier	*Airport Name*	*Rate*
AUS	Austin-Bergstrom International Airport	$.23 psf
ADS	Addison Airport	$.65 psf
FWS	Fort Worth Spinks Airport	$.20 psf
VCT	Victoria Regional Airport	$.20 psf
HYI	San Marcos Municipal Airport	$.20 psf
FTW	Fort Worth Meacham International Airport	$.30-$.35 psf
TKI	McKinney National Airport	$.30 psf
GVT	Majors Greenville Airport	$.27 psf
HDO	South Texas Regional Airport at Hondo	$.15 psf
GTU	Georgetown Municipal Airport	$.20 psf
CNW	Texas State Technical College	$.09 PSF
SGR	Sugar Land Regional Airport	$.27-$.30 psf

In all three major categories, Weslaco's structure of rates and charges is appropriate given the location and the physical characteristics of the airport property. The upper range of general aviation rates and charges is represented at reliever airports in the Dallas and Houston area. In high net worth demographics such as those surrounding McKinney National Airport and Addison Airport in Dallas, land rental rates can cost over $.45 per square foot for smaller parcels. The current asking rentals at Sugar Land, a reliever airport outside Houston, range from $.32-$.35 a square foot. All of these locations are in larger market areas compared to Weslaco.

At airports further from the Metropolitan regions, land rentals decrease to the mid $.20 per square foot range to as low as the $.15 to $.18 per square foot area as previously mentioned, Weslaco has a valuable geographic location relative to South Texas. The Mid-Valley Airport area is comparable to locations like Hondo and North Texas Regional, fairly substantial facilities, but located well outside the San Antonio and Dallas region respectively.

3.5 Grant Assurances

When airport owners or sponsors, planning agencies, or other organizations accept funds from FAA-administered airport financial assistance programs, they must agree to certain obligations (or assurances). These obligations require the recipients to maintain and operate their facilities safely and efficiently and in accordance with specified conditions.

One specific importance as it applies to airport revenues, the following assurances should be considered:

Grant Assurance 24 - Fee and Rental Structure: *It [airport sponsor] will maintain a fee and rental structure for the facilities and services at the airport which will make the airport as self-sustaining as possible under the circumstances existing at the particular airport, taking into account such factors as the volume of traffic and economy of collection. No part of the Federal share of an airport development, airport planning or noise compatibility project for which a grant is made under Title 49, United States Code, the Airport and Airway Improvement Act of 1982, the Federal Airport Act or the Airport and Airway Development Act of 1970 shall be included in the rate basis in establishing fees, rates, and charges for users of that airport.*

Grant Assurance 25 – Airport Revenues: *All revenues generated by the airport and any local taxes on aviation fuel established after December 30, 1987, will be expended by it for the capital or operating costs of the airport; the local airport system; or other local facilities which are owned or operated by the owner or operator of the airport and which are directly and substantially related to the actual air transportation of passengers or property; or for noise mitigation purposes on or off the airport.*

Airport revenue must be kept on airport and utilized to further airport growth and development. This should not be confused with the economic impact that the airport has on the community which is discussed in the following sections of this report.

See **Appendix D** for full FAA Airport Sponsor Grant Assurances.

Chapter 3 - Supplemental Exhibit A

West Side

On Airport Location Designator	Type of Improvement	Size of Leasehold (Sq. Ft.)	Annual Rent		Unit Rent		Type of Lease	Lease Exhibit	Term	Execution Status	Year Drafted
W-2	Box Hangar	2,760	$469.20	$	0.17	Per/Yr	Land Lease	Correct	Five Years 2015-2020	Fully Executed	2015
W-3	Box Hangar	2,760	$469.20	$	0.17	Per/Yr	Land Lease	Incorrect	Five Years 2015-2020	Not Executed	2015
W-4	Box Hangar	3,224	$548.08	$	0.17	Per/Yr	Land Lease	Incorrect	Five Years 2015-2020	Not Executed	2015
W-5	Box Hangar	5,151	$875.67	$	0.17	Per/Yr	Land Lease	Incorrect	Five Years 2015-2020	Not Executed	2015
W-6	Box Hangar	3,660	$622.20	$	0.17	Per/Yr	Land Lease	Incorrect	Five Years 2015-2020	Not Executed	2015
W-7	Box Hangar	1,333	$226.61	$	0.17	Per/Yr	Land Lease	Incorrect	Five Years 2015-2020	Not Executed	2015
W-8	Box Hangar	1,271	$216.07	$	0.17	Per/Yr	Land Lease	Incorrect	Five Years 2015-2020	Not Executed	2015
W-9	Box Hangar	1,271	$216.07	$	0.17	Per/Yr	Land Lease	Incorrect	Five Years 2015-2020	Not Executed	2015
W-10	Box Hangar	3,621	$615.57	$	0.17	Per/Yr	Land Lease	Incorrect	Five Years 2015-2020	Not Executed	2015
W-11	Box Hangar	1,271	$216.07	$	0.17	Per/Yr	Land Lease	Incorrect	Five Years 2015-2020	Not Executed	2015
W-12	Box Hangar	1,333	$226.61	$	0.17	Per/Yr	Land Lease	Incorrect	Five Years 2015-2020	Lessee Executed	2015
W-13	Box Hangar	1,333	$226.61	$	0.17	Per/Yr	Land Lease	Incorrect	Five Years 2015-2020	Lessee Executed	2015
W-14	Box Hangar	1,333	$226.61	$	0.17	Per/Yr	Land Lease	Incorrect	Five Years 2015-2020	Lessee Executed	2015
W-15	Box Hangar	1,333	$226.61	$	0.17	Per/Yr	Land Lease	Incorrect	Five Years 2015-2020	Not Executed	2015
W-16	Box Hangar	1,333	$226.61	$	0.17	Per/Yr	Land Lease	Incorrect	Five Years 2015-2020	Not Executed	2015
W-17	Box Hangar	3,321	$564.57	$	0.17	Per/Yr	Land Lease	Incorrect	Five Years 2015-2020	Not Executed	2015
W-18	Box Hangar	1,408	$239.36	$	0.17	Per/Yr	Land Lease	Incorrect	Five Years 2015-2020	Not Executed	2015
W-19	Box Hangar	1,395	$237.15	$	0.17	Per/Yr	Land Lease	Incorrect	Five Years 2015-2020	Not Executed	2015
W-20	Box Hangar	1,364	$231.88	$	0.17	Per/Yr	Land Lease	Incorrect	Five Years 2015-2020	Not Executed	2015
W-21	Box Hangar	1,476	$250.92	$	0.17	Per/Yr	Land Lease	Incorrect	Five Years 2015-2020	Not Executed	2015
W-21A	Not Provided										
W-22	Box Hangar	1,333	$226.61	$	0.17	Per/Yr	Land Lease	Incorrect	Five Years 2015-2020	Not Executed	2015
W-23	Box Hangar	1,333	$226.61	$	0.17	Per/Yr	Land Lease	Incorrect	Five Years 2015-2020	Not Executed	2015
W-24	Box Hangar	1,333	$226.61	$	0.17	Per/Yr	Land Lease	Incorrect	Five Years 2015-2020	Not Executed	2015
W-25	Box Hangar	1,302	$221.34	$	0.17	Per/Yr	Land Lease	Incorrect	Five Years 2015-2020	Lessee Executed	2015
W-26	Box Hangar	1,333	$226.61	$	0.17	Per/Yr	Land Lease	Incorrect	Five Years 2015-2020	Not Executed	2015
W-27	Box Hangar	1,419	$241.23	$	0.17	Per/Yr	Land Lease	Incorrect	Five Years 2015-2020	Lessee Executed	2015
W-28	Box Hangar	1,419	$241.23	$	0.17	Per/Yr	Land Lease	Incorrect	Five Years 2015-2020	Not Executed	2015
W-29	Box Hangar	1,683	$286.11	$	0.17	Per/Yr	Land Lease	Incorrect	Five Years 2015-2020	Not Executed	2015
W-30	Box Hangar	1,419	$241.23	$	0.17	Per/Yr	Land Lease	Incorrect	Five Years 2015-2020	Not Executed	2015
W-31	Box Hangar	2,346	$398.82	$	0.17	Per/Yr	Land Lease	Incorrect	Five Years 2015-2020	Not Executed	2015
W-32	Box Hangar	2,550	$433.50	$	0.17	Per/Yr	Land Lease	Incorrect	Five Years 2015-2020	Not Executed	2015
W-33	Box Hangar	2,911	$494.87	$	0.17	Per/Yr	Land Lease	Incorrect	Five Years 2015-2020	Not Executed	2015

East Side

On Airport Location Designator	Type of Improvement	Size of Leasehold (Sq. Ft.)	Monthly Rent		Unit Rent		Type of Lease	Lease Exhibit	Term	Execution Status	Year Drafted
E-1	T Hangar	1,534	$278.28	$	2.18	Per/Yr	Hangar Lease	Incorrect	Five Years 2015-2020	Not Executed	2013
E-2	T Hangar	1,059	$197.53	$	2.24	Per/Yr	Hangar Lease	Incorrect	Five Years 2015-2020	Not Executed	2013
E-3	T Hangar	1,059	$197.53	$	2.24	Per/Yr	Hangar Lease	Incorrect	Five Years 2015-2020	Not Executed	2013
E-4	T Hangar	1,059	$197.53	$	2.24	Per/Yr	Hangar Lease	Incorrect	Five Years 2015-2020	Not Executed	2013
E-5	T Hangar	1,238	$227.96	$	2.21	Per/Yr	Hangar Lease	Incorrect	Five Years 2015-2020	Not Executed	2013
E-6	T Hangar	1,534	$278.28	$	2.18	Per/Yr	Hangar Lease	No Exhibit	Five Years 2013-2018	Lessee Executed	2013
E-7	T Hangar	1,059	$197.53	$	2.24	Per/Yr	Hangar Lease	Incorrect	Five Years 2015-2020	Not Executed	2013
E-8	T Hangar	1,059	$197.53	$	2.24	Per/Yr	Hangar Lease	Incorrect	Five Years 2015-2020	Not Executed	2013
E-9	T Hangar	1,059	$197.53	$	2.24	Per/Yr	Hangar Lease	Incorrect	Five Years 2015-2020	Not Executed	2015
E-10	T Hangar	1,238	$227.96	$	2.21	Per/Yr	Hangar Lease	Incorrect	Five Years 2015-2020	Not Executed	Blank

On Airport Location Designator	Type of Improvement	Size of Leasehold (Sq. Ft.)	Annual Rent		Unit Rent		Type of Lease	Lease Exhibit	Term	Execution Status	Year Drafted
E-11	Box Hangar	2,601	$442.17	$	0.17	Per/Yr	Land Lease	Incorrect	Five Years 2015-2020	Lessee Executed	2015
E-12	Box Hangar	2,601	$442.17	$	0.17	Per/Yr	Land Lease	Incorrect	Five Years 2015-2020	Lessee Executed	2015
E-13	Box Hangar	1,428	$242.76	$	0.17	Per/Yr	Land Lease	Incorrect	Five Years 2015-2020	Not Executed	2015
E-14	Box Hangar	1,428	$242.76	$	0.17	Per/Yr	Land Lease	Incorrect	Five Years 2015-2020	Not Executed	2015
E-19	Open Bay Hangar	6,161	$1,047.17	$	0.17	Per/Yr	Land Lease	Incorrect	Five Years 2015-2020	Lessee Executed	2015
E-21	Open Bay Hangar	6,161	$720.00	$	0.12	Per/Yr	Land Lease	Correct	Thirty Years 1997-2027	Fully Executed	1997
E-22	Open Bay Hangar	6,161	$1,047.17	$	0.17	Per/Yr	Land Lease	Incorrect	Five Years 2015-2020	Not Executed	2015
E-25	Open Bay Hangar	9,090	$990.00	$	0.11	Per/Yr	Land Lease	Correct	Twenty Years 1999-2019	Fully Executed	1999
E-26	Open Bay Hangar	3,111	$528.87	$	0.17	Per/Yr	Land Lease	Incorrect	Five Years 2015-2020	Not Executed	2015
B	Open Bay Hangar	2,500	$750.00	$	3.60	Per/Yr	Hangar Lease	Correct	Five Years 2015-2020	Not Executed	2015

Chapter 4 – Development Plan

After identifying the vision and goal for the Weslaco Mid Valley Airport, development alternatives have been developed to assist in the planning for the future of the airport. This is not designed to replace the planning conducted in other studies such as an Airport Master Plan and will not include an update to the Airport Layout Plan; rather it should be conceptual to provide possible development areas based on the goals of the business plan. It may be the desire of the airport to use one of these alternatives as a plan for updating the Airport Layout Plan in the future or to help guide development in the interim before a full Airport Master Plan update.

Areas of the airport will be classified for development showing the possible layouts of landside development based on the type of tenants that will be anticipated in the future. Upon the selection of the recommended development alternative, the airport may wish to use this plan to help market to industries willing to relocate or build/invest in being in Weslaco.

Development Assumptions

Currently, the airport is undergoing a major airport runway project including overlay and rehabilitation of the runway and the extension of a 1,000' to the north. This will enhance the airport's ability to accommodate larger aircraft and may attract a diverse group of aircraft operators. Although the project is not complete at the time of this planning effort, it has been shown and assumed as future development in each alternative. As such, the planning for alternatives did not consider any additional runway capacity or changes.

A strength of the airport is the amount of available airport property that can be developed to accommodate new landside facilities such as hangars. In addition to developing the vacant areas of the airport, a focus will be to redevelop the west side hangar area. This area includes hangars that are past useful life span and will need to be reconstructed or relocated. Each alternative will show this area being completely redeveloped.

The airport also currently has an Automate Weather Observation System (AWOS) that includes a critical area in which development should not occur. Because of this, the alternatives will not show development in that area unless a recommended relocation of this system is made. As identified in FAA Order 6560.20B – Siting Criteria for Automated Weather Observing Systems (AWOS), visibility, wind and other sensors should be placed well outside obstructions that may interfere with the accuracy of the system. For instance, it is desired that all obstructions (e.g., vegetation, buildings., etc.) be at least 15 feet lower than the height of the wind sensor within a 500 foot radius and be no greater than 10 feet above the sensor from 500 to 1000 feet. Also, controlling obstructions for wind sensors may be reduced to not to exceed three times the height of the nearest building. An approximate 300 foot radius was used to remain clear based on a 30 foot hangar height. This is for planning purposes only and exact affects on the AWOS would need to be evaluated further.

4.1 – Terminal Area Inventory

The current airport terminal area is defined in **Figure 4.1**. This area is generally described as the area that will see transient aircraft activity, house a terminal building and/or fueling operations and other shared services. It may also have community hangars or other private hangar development. For an airport the size of Weslaco Mid Valley, it may incorporate most of the entire development area on the airport.

Terminal Building

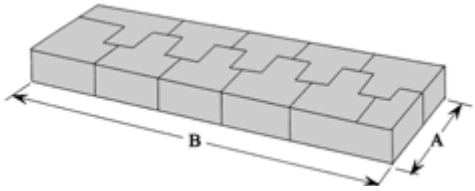
The existing terminal building at Weslaco is shared with a conventional hangar building and houses the FBO services, airport administration, a conference room, and common area including flight and pilot's lounge. It is approximately 1,500 square feet and is adequate for current demand. However, its location with associated parking lot may be limiting future development for hangar space given the apron area.

Hangars

The Mid Valley Airport has a variety of different sizes and types of hangars. These hangars accommodate a variety of single engine piston and light twin engine piston aircraft.

Conventional Hangars – There are eight conventional box style hangars in the terminal area. These range in size from approximately 80,000 square feet to 3,000 square feet. This type of hangar is ideal for larger aircraft and allows for maximum flexibility in storing a variety of different sizes. Typically, hangars of this size are purpose built for sharing aircraft or for corporate operators wishing to have dedicated large hangar space for operations including office and maintenance space. These hangars require more investment by either private developers or airport sponsors however can create a solid revenue stream for lease space (Ground or Improved).

T-Hangars - There is one 10 unit T-Hangar row in the existing terminal area. It houses largely single engine aircraft. T-Hangars provide a cost effective solution for individual aircraft owners of primarily piston powered aircraft. These units are provided as singular hangars for one aircraft and can provide a solid revenue stream for airport sponsors wishing to lease space quickly month to month.



Source: Erect-a-Tube

Fuel Farm

The fuel farm is located adjacent to the terminal parking lot and accessible to the main apron in the terminal area. Self-serve fuel is available for both 100LL and Jet A, however one fuel truck is also available. Fueling operations are in a good location on the apron area for the current activity level on the airport. One consideration should be how this may affect long term hangar development on existing apron. If the airport wishes to relocate other service areas it may be ideal to locate these near a new terminal building in the future.

Apron Area

The main apron at Mid Valley Airport is quite large at approximately 300,000 square feet. It contains 18 marked tie down locations but is capable of accommodating more depending on the size of aircraft. This apron has recently been rehabilitated and is good standing. It is deemed adequate for the terminal area for the future; however separate support apron may be desired based on hangar development on other portions of the airfield.

U.S. Customs

The United States Customs and Border Protection (CBP) controls and processes passengers, baggage, and cargo on aircraft arriving from origins outside the United States. A recently completed CBP facility is located on the south end of the main apron. This facility is approximately 2,500 square feet and houses customs agents periodically when called to the airport for arriving flights. A dedicated secure apron area is marked for arriving aircraft that have called ahead for customs clearance. These aircraft and their passengers and cargo must remain isolated in this area until they are cleared into the country. This apron area is clearly marked with yellow striping and is approximately 32,000 square feet with two aircraft parking positions.

4.2 – Terminal Area Requirements

As the airport identifies future tenant and development opportunities, additional facilities will be needed. The majority of needed improvements include landside facilities and will involve additional hangar space, apron areas, and improvements in services and access. Largely dependent on the type of tenant or operator, each area may be tailored to suite the following needs shown in **Table 4.1**.

Table 4.1 Airport User Facility Needs

Tenant	Typical Facility Needs	Existing	Action Needed
Fixed Base Operator (FBO)	Terminal with adequate passenger lounge, fuel (100LL and Jet A), rental or courtesy cars, transient aircraft storage	Yes	Future standalone terminal building
Business/Corporate Flight Department	Large conventional box hangars with office space, jet capable runway over 5,000' and instrument approaches less than one mile visibility	No	Runway project underway to extend to over 5,000' – RNAV GPS needed and additional corporate hangars
Manufacturing	Warehouse space, large box hangars, roadway access, utilities	No	"Build-to-suit" to accommodate as able
Flight School	Office/administrative space, hangars, ramp with tie downs, maintenance	Yes	Additional apron space with tie downs
Agriculture	Executive hangar space	Yes	None
Emergency/Government Services	Secure hangar areas with controlled access, may include helipads	Yes	Controlled access gates, develop land
Maintenance, Repair, and Overhaul (MRO)	Large conventional hangars, office space, large apron, MES building	Yes	Develop or build to suit open land
Parking and Auto Access	Parking for each hangar area, large space for terminal area and FBO building.	Yes	Parking arrangement could be relocated to maximize space

It is important to remember that these facility needs are estimated for certain tenants and are founded on recommendations from previous planning studies. Ideally, a forecast of aviation demand would be used as part of an Airport Master Plan to fully identify the exact fleet mix and amount of aircraft that may drive additional development needs. For this business planning effort, the recommendations in **Table 2.3** will be a foundation for the airport to build upon.

4.3 Development Alternatives

The following development alternatives have been developed for consideration in the future of the airport. These are conceptual and are not predicated on an official airport forecast of demand and should be evaluated as possible layout alternatives to accommodate growth. Ideally, the airport will attract the businesses outlined in this plan and fit their development needs into sectors of the airport that make the best utilization of the existing space. These alternatives consider a full build-out of the airport to use all available space and should be viewed as long term development options that will occur over several decades.

Alternative One

Alternative One includes full build out of the immediate terminal area including infill and additional hangar and apron space. This includes an additional T-Hangar and numerous executive hangars ranging in size from 60 feet by 60 feet to 100 feet by 100 feet. Ultimately, the size of these infill area hangars are to be determined by specific tenants and can be custom designed and built to ensure they maximize space in this area.

Support apron areas are also shown for infill and to extend the main apron to the south end. This creates one seamless large apron area to accommodate numerous transient aircraft and support for the growth of potential Maintenance, Repair, and Overall (MRO) facilities.

The AWOS antenna location is problematic as it prohibits additional development along the flight line on the east side of the airport.

West Side Redevelopment – This alternative redevelops the west side in the existing footprint of the hangars although replaces them with new T-Hangars and support apron area. A small taxiway extension is proposed to enhance aircraft mobility in that portion of the airfield.

This alternative provides the following space:

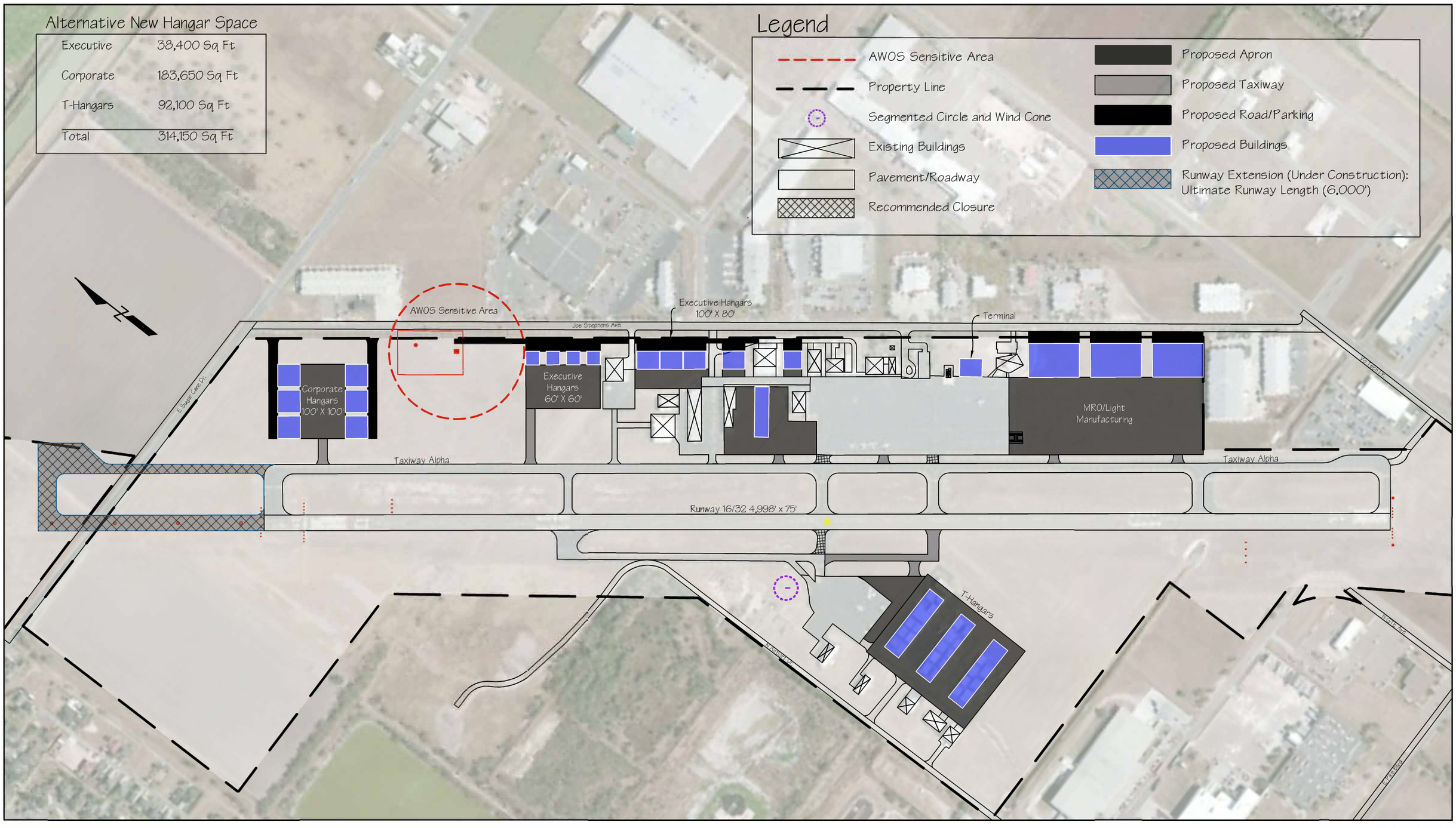
T-Hangar:	92,100 sqft.
Box/Corporate Hangar:	183,650 sqft.
Executive Hangar:	38,400 sqft.

Alternative New Hangar Space

Executive	38,400 Sq Ft
Corporate	183,650 Sq Ft
T-Hangars	92,100 Sq Ft
Total	314,150 Sq Ft

Legend

- AWOS Sensitive Area
- Property Line
- Segmented Circle and Wind Cone
- Existing Buildings
- Pavement/Roadway
- Recommended Closure
- Proposed Apron
- Proposed Taxiway
- Proposed Road/Parking
- Proposed Buildings
- Runway Extension (Under Construction): Ultimate Runway Length (6,000')



Alternative Two

Alternative Two places emphasis on corporate hangar development to the south of the existing terminal area. These hangar complexes provide space for largely independent aircraft owners and operators. The infill in the terminal area remains largely the same from the previous alternative. Given the lack of large MRO hangars this alternative has less overall hangar and apron space.

West Side Redevelopment – Alternative Two redevelops the west side apron area slightly different, however it keeps T-Hangars and light general aviation on this side of the airport. Additional taxiway infrastructure is provided and allows for more linear expansion in the future.

This alternative provides the following space:

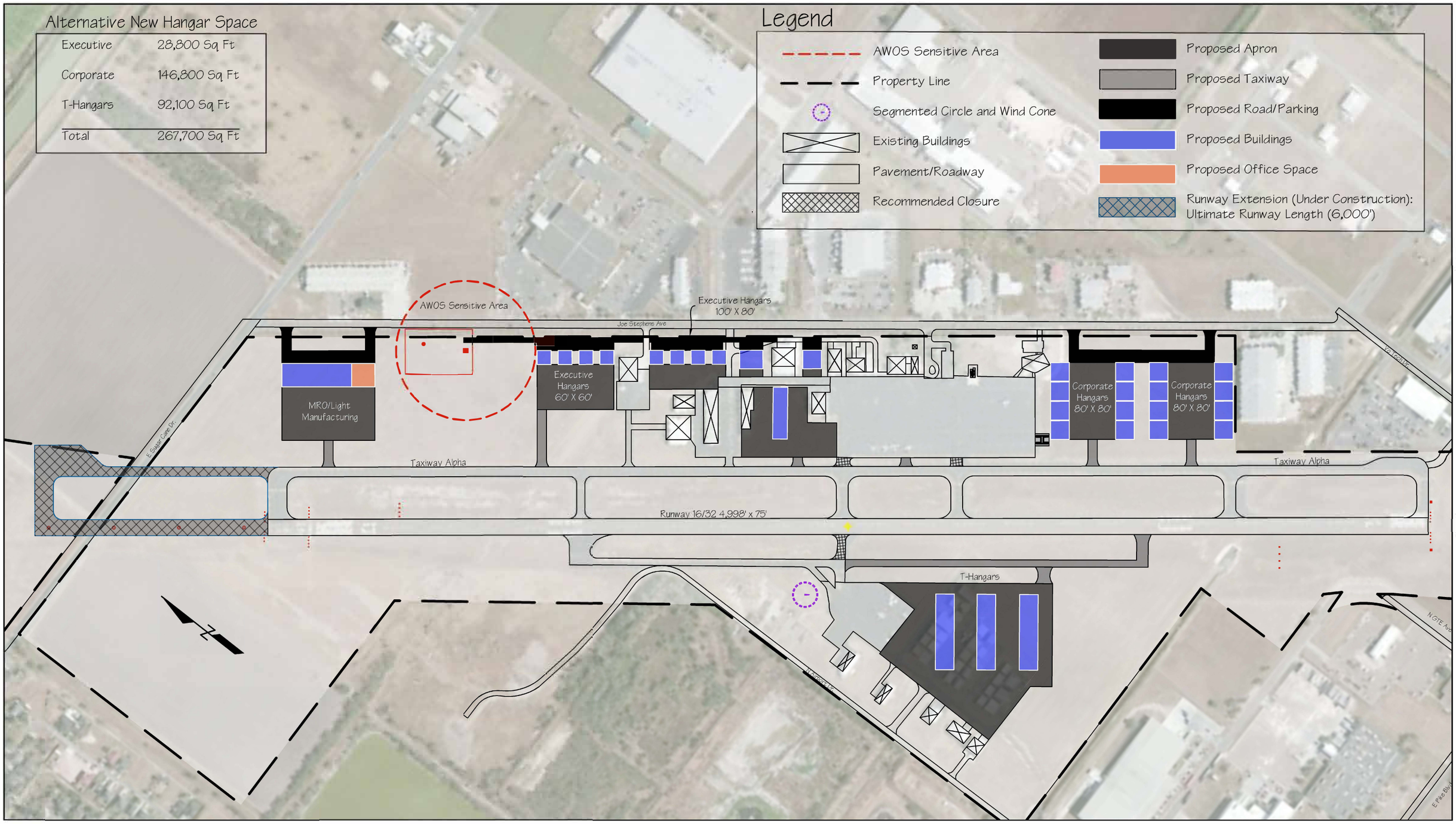
T-Hangar:	92,100 sqft.
Box/Corporate Hangar:	146,800 sqft.
Executive Hangar:	28,800 sqft.

Alternative New Hangar Space

Executive	28,800 Sq Ft
Corporate	146,800 Sq Ft
T-Hangars	92,100 Sq Ft
Total	267,700 Sq Ft

Legend

- AWOS Sensitive Area
- Property Line
- Segmented Circle and Wind Cone
- Existing Buildings
- Pavement/Roadway
- Recommended Closure
- Proposed Apron
- Proposed Taxiway
- Proposed Road/Parking
- Proposed Buildings
- Proposed Office Space
- Runway Extension (Under Construction): Ultimate Runway Length (6,000')



Alternative Three

This alternative fundamentally changes from the other previous alternatives as it proposes to move the AWOS from its current location on the east side of the airport and add a parallel taxiway. This is the only alternative that suggest additional taxiway infrastructure separately from the runway extension. By relocating the AWOS on the southwest portion of the airport, it will allow for future growth and development without impeding its operation.

The existing primary apron in the terminal area is expanded to the south to provide additional support for the Customs facility and is recommended to serve MRO operations. This is ideal as it will not only provide more room for aircraft needing to use Customs, but may allow for easy transition for any foreign parts manufacturing are deliveries to the neighboring MRO facility.

In-fill of the existing terminal area remains largely the same and extends to the north with general aviation executive hangars and T-Hangars. Importantly, the T-Hangars located in this alternative provide the ability to relocate small general aviation aircraft tenants to the east side without displacing them during redevelopment of the west portion of the airport.

West Side Redevelopment – Alternative Three redevelops the west side apron area completely different from previous alternatives and provides a separate area for large hangar and manufacturing space. This would be an ideal place to attract a large supplier, manufacturer, or MRO that has different operational requirements than the rest of the general aviation portion of the airport. A full length parallel taxiway has been provided as well giving full runway access to this high profile tenant location. This area provides the closest access to the interstate and may be ideal for operations that requirement frequent deliveries and highway access.

This alternative provides the following space:

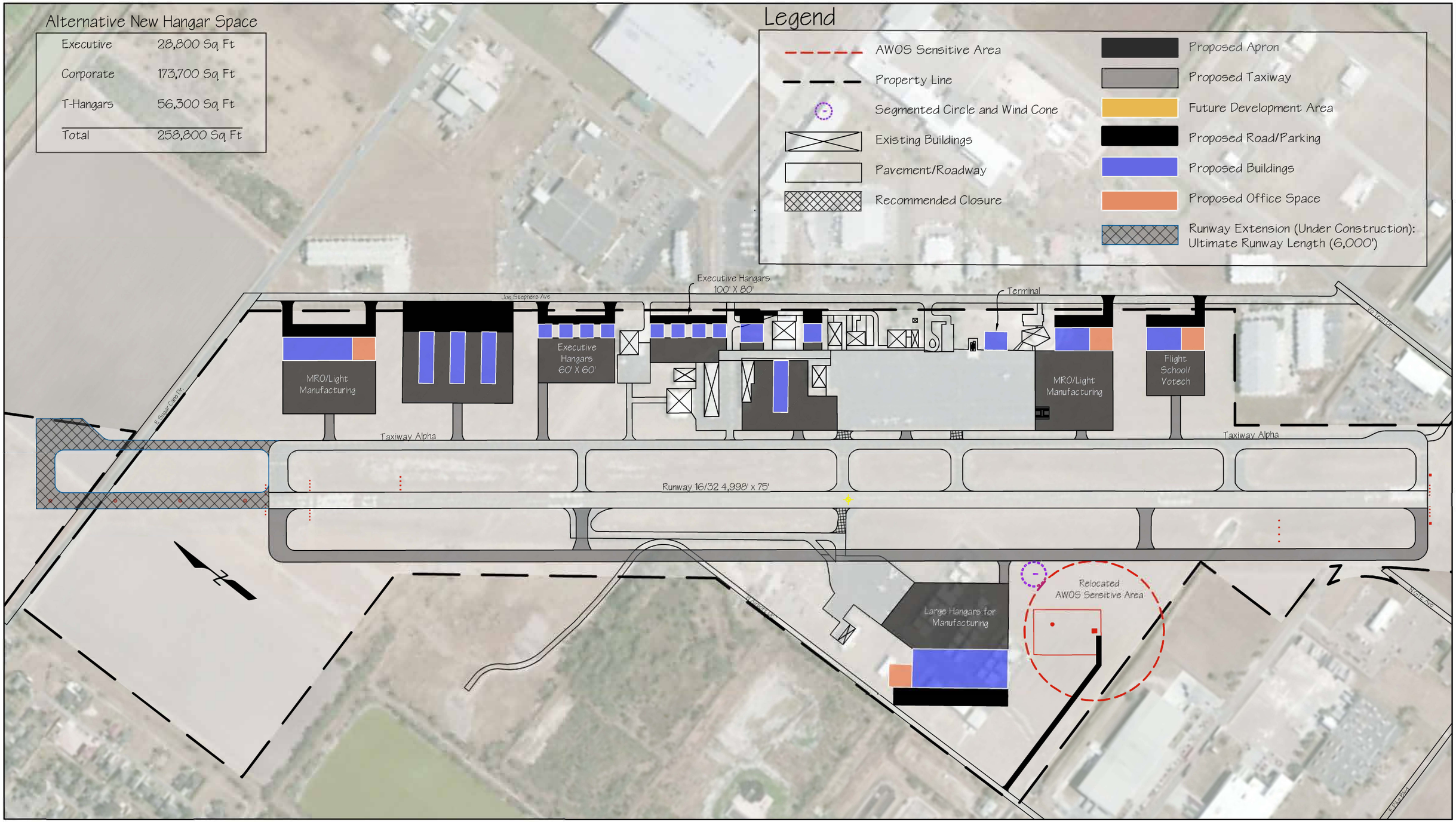
T-Hangar:	56,300 sqft.
Box/Corporate Hangar:	173,700 sqft.
Executive Hangar:	28,800 sqft.

Alternative New Hangar Space

Executive	28,800 Sq Ft
Corporate	173,700 Sq Ft
T-Hangars	56,300 Sq Ft
Total	258,800 Sq Ft

Legend

- AWOS Sensitive Area
- Property Line
- Segmented Circle and Wind Cone
- Existing Buildings
- Pavement/Roadway
- Recommended Closure
- Proposed Apron
- Proposed Taxiway
- Future Development Area
- Proposed Road/Parking
- Proposed Buildings
- Proposed Office Space
- Runway Extension (Under Construction): Ultimate Runway Length (6,000')



4.4 Recommended Development

These alternatives are designed to present options for the airport to use for moving forward and each have their advantages and disadvantages. It is also important to note that no cost estimates were conducted for the development proposed and each alternative will figure to vary in overall funding requirements.

For this plan, **Alternative Three** has been selected as the preferred alternative.

This alternative provides for the most attractive use of space for the airport by relocating the AWOS system. It also provides a redevelopment of the west portion of the airport for purpose built industry apron and hangar development. Based on the vision and goals of the airport, this option gives the airport the ability to redevelop overtime and relocate T-Hangars to the east side of the airport while not displacing tenants.

Implementation Strategy: This concept can be used by the airport to attract new tenants and also provide areas for development. It will require additional detail and planning for drainage and other relocated utilities. Phased development will allow for adequate repurposing of existing areas on the airport as needed. Focus should be put forth on building hangars in the immediate infill terminal area first.

4.5 Funding Sources

The following grant and funding sources have been indentified to assist with the development plan implementation. These sources are not all inclusive and may vary based on eligibility requirements and local match. Typically, in airport development is funded through a combination of FAA and TxDOT sources. The Texas Department of Transportation (TxDOT) Aviation Division oversees grant funding for General Aviation and Reliever Airports in the state of Texas, known as a block grant state. Texas is one of 10 Block Grant states that allocate funding on behalf of the FAA. Funding is eligible for cities and counties to obtain and disburse federal and state funds for these airports included in the 300-airport Texas Airport System Plan (TASP).

Aviation Capital Improvement Program (CIP)

The ACIP is a plan for general aviation airport development in Texas and is administered by TxDOT Aviation Division. This program details anticipated airport projects based on the projected funding levels of the FAA AIP program and the Texas Aviation Facilities Development Program. This multi-year program is amended annually and designed to give airport sponsors, the FAA, and TxDOT a realistic plan for potential projects including scope, cost, and schedule. However, inclusion of a project in the Aviation CIP is not a commitment for future funding; and will not guarantee that the project will be implemented during the year it is programmed. Continued justification and local sponsor cost share are determining factors in the timely implementation of these projects. Projects identified in the current year will go before the Texas Transportation Commission for approval prior to going out for proposals and funding. Most grant items funded through this program are a 90/10 cost share.

This program will fund the largest share of the airport's capital improvement needs over the duration of the master plan. Airport sponsors should consistently engage TxDOT Aviation staff on airport project needs for consideration in the ACIP.

TxDOT RAMP Program

TxDOT Aviation Division also administers the Routine Airport Maintenance Program (RAMP), which matches local government grants (50/50) up to $50,000 for basic improvements such as parking lots, fencing, and other airside and landside needs. This program is aimed at assisting airports continue to provide quality services and infrastructure through an annual maintenance basis. Projects that may not be eligible under other funding sources may be used

here after other obligations are met. The local government match is 50% of actual costs plus any excess of $100,000 total costs.

This program includes smaller budget airside and landside airport improvements such as:

- construction of airport entrance roads
- pavement of airport public parking lots
- installation of security fencing
- replacement of rotating beacon

TxDOT determines the eligibility of specific items and insists that airside improvements are secure before requesting assistance with landside maintenance and improvements.

TxDOT Terminal Program

One additional program that TxDOT Aviation provides is specific to general aviation terminal buildings. Many airports across the state are in need of upgrading or new terminal facilities for pilot lounges, FBO facilities, and airport staff administration. This program assists airport sponsors with funding these buildings with a local share of 50% up to a state maximum contribution of $500,000.

Alternative Funding Sources

Often when traditional aviation funding sources are not eligible or have been expended, other local and alternative funding options should be considered. Innovative financial strategies can be evaluated with the support of local elected officials and the general public. In addition to traditional municipal debt services such as general bond elections, other funding sources may be applicable. Additionally, Texas is committed to facilitating funding for companies and communities with expansion and relocation projects in the state. Asset-based loans for companies, leveraged loans to communities, and tax-exempt bond financing are just a few means of obtaining the capital necessary for a successful project.

Texas Enterprise Fund

The Texas Enterprise Fund (TEF) is the largest fund of its kind in the nation. The fund is used as a final incentive tool for projects that offer significant projected job creation and capital investment and where a single Texas site is competing with another viable out-of-state option. This may be useful in attracting aeronautical companies to the airport from other states that will significantly impact the local and state economy.

Tax Incentives

The state also offers a variety of tax incentives and innovative solutions for businesses expanding in or relocating to Texas. Programs include Enterprise Zone sales tax refunds, manufacturing sales tax exemptions, property tax value limitation, and “freeport” inventory tax exemptions.

Spaceport Trust Fund

The Spaceport Trust Fund is a tool to assist in fostering the growth of the aerospace industry in Texas. This includes job creation, capital investment, and energizing students to pursue an interest in space. The fund is a grant program that assists a spaceport development corporation establishes infrastructure needed to operate a launch facility.

Private Interest Funding

Through the course of this study, interest from third parties in developing privately owned hangar facilities have been identified. General aviation airports can benefit from private financing by providing business related benefit to community. Moreover, third party investments may help fund eligible projects that exceed funding assistance from AIP and TxDOT and even help fund airport projects that are not eligible for federal and state funding programs. General aviation airports typically use bank loans to finance smaller terminal area improvements as well as hangar development. Another financing option is to build and lease back to private interest.

In addition to possible funding sources mentioned above, there are numerous federal programs that assist with workforce and job creation along with research and innovation. Partnerships with area universities and junior colleges may be an exciting way to involve education in the airports development goals.

Municipal Debt Financing

Municipal debt service can include long-term loans that are typically used to finance the acquisition of land; the purchase of vehicles, equipment, or tools; and the development of infrastructure, improvements, or facilities not eligible for grant funding. Short-term loans or lines of credit are typically used to supplement working capital to cover operating expenses during cash flow short falls.

Various bonding mechanisms can be used to raise funds for projects not eligible for grants. A general obligation bond is typically backed by the general tax revenues of the airport sponsor. However, the airport's revenue stream, not the tax revenues of the airport sponsor or revenues specifically associated with the bonding project, is typically used to service the debt associated with revenue bonds. Special facility bonds can be used to fund the development of a single or multi-tenant facility and the revenue generated through leasing the facility can then be used to service the debt. More information on debt financing is provided in ACRP Synthesis 1: Innovative Finance and Alternative Sources of Revenue for Airports.

Chapter 5 - Financial Implications and Recommendations

Strategies and development discussed in previous sections of this plan have financial implications that should be understood and communicated. Additionally there are recommendations for how to best implement the findings and direction for the business plan and ensure the airport is suited for achieving the vision established for the airport. Having estimates for the overall potential investment in the airport development plan along with return on investment should make implementing the business plan more attainable. The following sections outline:

- Development Plan Cost Estimates
- Potential Hangar Rental Revenue Generation
- Recommendations on FBO Services
- Marketing and Outreach Strategies
- Summary and Implementation Tracking

5.1 Airport Revenue and Development Implications

Costs associated with the Recommended Development Alternative are for planning purposes and are not guaranteed to be an accurate representation of actual cost of construction during the time of implementation. Rather, these estimates give a rough order of magnitude for the overall breakdown of development costs for the airport. **Table 5.1** is an overview of the estimated costs.

Table 5.1 Recommended Development Plan Cost Estimates

Improvement	Size/Quantity	Estimated Cost Per.	Total Estimated Cost	Airport Share
Box/Corporate Hangars	200,000 sqft.	$150 sqft.	$30,000,000	Private Investment
T-Hangar Complex	4 (10 units each)	$500,000 per 10 unit	$2,000,000	$1,000,000 (50%)
Apron (asphalt)	Approx. 65,000 sy.	$110 sy.	$7,000,000	$700,000 (10%)
West Side Parallel Taxiway Addition	5,000 ft.	-	$3,500,000	$350,000 (10%)
AWOS Relocation	-	-	$150,000	$75,000 (50%)

Total Plan Estimated Cost: $42,650,000
Estimate Airport Sponsor Share: $2,112,500

Note: The runway extension project is not listed in this analysis as it will have already been completed and funded.

Most of the pavement infrastructure listed on this development plan may be eligible for grant funding that was identified in the previous chapter. The City of Weslaco should plan accordingly to set aside local match dollars for approximately 10% of the airport pavement costs. This will drastically offset most of the cost of this development plan. Also of extreme importance is the understanding that the development plan is not expected to be completed immediately. This is a long range plan that should be looked at in a 20 year horizon and ultimate build out perspective. Sections should be strategy implemented to fit the needs of the airport.

Revenue Generation

T-hangars are like any other property investment; they require an outlay of capital and that capital is expected to produce an adequate return on investment. This is particularly true when private investors enter the T-hangar market, but is also applicable when airport operators decide to develop a T-hangar project. Initial cost to construction T-Hangars may vary and include engineering design, site preparation, construction, and associated concrete or asphalt apron. Utilities and other miscellaneous items will also need to be accounted for during budgeting.

One of the biggest factors affecting adequate return on investment can be the existence of older T-hangars with low market value and unrealistic monthly rental. At many airports this can have a negative effect on the entire market value of the airport and create artificially low financial acceptance.

Within the state of Texas, average 10 unit T-Hangar complexes can be constructed with a total cost of around $800,000 including engineering and construction. However, the construction costs have been inflating recently and may be much more in the future. The useful life of such hangars is anticipated to be anywhere from 20-40 years depending on maintenance. Industry standard usually assumes this to reach the full 40 year lifecycle. From previously presented data, new T-Hangars are expected to rent monthly for approximately $200-$500. Current average at the airport is approximately $240 so it may be safe to assume a modest 15 percent increase with a brand new complex. Additionally, maintenance and operation costs are assumed to be minimal in a new complex (annual 1% of revenue may be deferred). Many new hangars are being built with utilities for each unit and bill renters separate from month rates.

An estimated it would use approximately $275 a month and produce the following revenue:

- Monthly Rental Rate per Unit $275
- Monthly Revenue for complex $2,750
- Projected Annual Revenue $33,000
- Annualized O&M Costs (1%) $330
- Useful Life (40 Year) Gross Revenue $1,320,000
- Total Cost of Construction Per Complex $800,000

  Net Gain over Life: $506,800

The Recommended Development Plan shows development for four additional 10 unit T-hangar complexes. A simple analysis will show that initial investment in these hangars could cost the $3,200,000. However, annual rent from these units will produce $132,000 in gross revenue. It is important to note that depending on how the hangar is financed, if it includes utilities, and additional apron access may greatly impact the cost and revenue potential. Each hangar complex is unique, but largely they will present sustainable revenue streams for airports.

With new corporate hangars being constructed on land leases on the east side of the airport in high demand areas of the airport, lease rates could be expected to raise to an average of $.20 per square foot based on other sampled airports in Texas. For this analysis, this average will be assumed for financial return on investment.

On average, a 10,000 square foot corporate hangar land lease may generate about $24,000 annually in rent. Additionally, the airport should consider the depreciated value of these hangars over a lease term. With a suggested reversion clause allowing the improvement to revert to the airport at the end of the lease may give additional assets to the airport.

Hangar Financing

If hangars can be paid with grant funds they may be able to leverage approximately 90% of the upfront cost. This will only be considered when most all airside aviation and safety related needs are met at an airport. If all airside needs are met, an airport sponsor may pursue funding for the construction of hangars. Airports may request to use Non-Primary Entitlement (NPE) monies for the construction of hangars. In Mid Valley Airport's case, their recent runway project should help in ensuring most pavement and runway needs have been addressed.

Additionally, the airport may be approached by private developers to build these complexes on a land lease. Although this may have positive gains for the airport, it is very risky to give a large portion of the airport for cash generation such as hangars. On large scale corporate complexes this may be advisable if the proposed development will attract large aircraft with high value and operations that create jobs, fuel sales, and tax revenue.

5.2 Airport Property Analysis

The airport is like any other real estate enterprise. Areas may be better suited for development and demand a higher price based on perceived value. Revenue producing land inventory on general aviation airports such as Mid Valley generally fall into three categories:

1. *Primary Airside Property* - These parcels exist in extremely desirable locations with regard to an airport's runway and taxiway systems and are chosen by users based on location in terms of access to the runway, their topography, the degree of site work needed to make them suitable for construction and their desirable physical capabilities with relationship to the type of aeronautical activity which is envisioned. These parcels allow airplanes to be expeditiously and safely taxied to and from the runway surface and are generally the most quickly absorbed and developed of all airside land on an airport.

2. *Secondary Airside Property* - Like Primary Airside Property, this land can be configured in such a way that runway and taxiway access is available to users. The primary distinguishing characteristic of this classification is that its position and general location on the airport is not advantageous with regard to the runway surfaces as primary airside land. Additionally, other mitigating factors may relate to the degree of site improvements relating to utilities and/or access roads which may be required to make secondary airside land suitable.

3. *Tertiary Airside Property* – This property is generally considered to have the least amount of perceived value for airport development and generally merges with the secondary property areas. It should be focused for development last and may be best suited for airport staff maintenance areas, electrical vaults, or other support functions rather than hangar development.

Depending on the size and shape of an airside parcel, portions of a particular site may not be operationally equivalent. It is generally acknowledged that the most desirable situation is to be able to operate the aircraft as close to the runway and taxiway system as possible. When airside property has great depth, land that is deeper in the site becomes harder to use for operational aircraft movement. It is often necessary to construct perpendicular taxiways in order to make this particular property feasible and the ingress and egress requirements, particularly regarding larger aircraft that utilize large quantities of land, cause inefficiency. Likewise, land which is far away from the operational surfaces, but well located with regard to landside roadway systems, is often better employed in some sort of commercial or industrial capacity. Large airports frequently have some portions of property dedicated for this type of purpose.

Although the overall economic conditions since 2008 has been less than optimum with regard to general aviation, airport locations in Texas have still exhibited respectable demand for airside land. Due to the size of Texas, the transportation of benefits offered by general aviation aircraft are appreciated and widely utilized. In contrast to other regions where demand factors were reduced by the adverse economic climate, Texas exhibited absorption in this regard. There are a number of factors which contributed to this and hangar waiting lists are normal across the state.

Texas is located in a centralized position with regard to the east and west coast and is regarded as an advantage by large and medium-sized airside users. Airports must have a robust and capable airport operational environment that not only provides the physical infrastructure for aircraft operations on the airport property but also have a sophisticated system of air traffic control which affords access to the airspace. Competitive airports in the industrial realm must also have a reasonably sized workforce capable of the particular technical demands of the aerospace industry as well as the attractiveness to draw workers as projects expand, requiring additional employees. This is most important with regard to technically related maintenance functions. Competitive airports must have reasonable financial capability with regard to augmenting existing improvements, or alternatively, creating new ones which may be required to support aerospace tenants. This pertains not only to existing infrastructure, but also to a flexible economic development system which provides adequate incentives for potential users to locate in a community.

In the case of the majority of the property on the east side of the airport, appropriate land use should include aircraft storage that utilizes both the open bay hangar characteristics and the office and shop space found within the hangars. This is where the commercial center of the airport exists. Further development will only complement the existing infrastructure and augment the capacity of the sponsor fixed base operator.

The airport has excellent access from the interstate interchange located to the south of the airport. There is also a respectable amount of development already present on the facility. Data collected for this business plan suggest that commercial and industrial applications that are located across Joe Stephens Avenue are a positive contribution to the general environment that surrounds the airport. Complementary development of off-airport commercial and industrial nature is a feature of successful airports in the State of Texas.

There is also a finite amount of primary airside land available on the preferred eastern side of the airport. The sites on the east side will be a highly desirable choice for any entity that require sites between 1 and 3 acres. This size user generally consists of corporate flight departments, aircraft management firms and other desirable users that will provide long-term benefit to Weslaco.

Redevelopment of Hangars

The most logical use of the west side of the airport is for continued aeronautical utilization that takes advantage of the already considerable infrastructure embodied in the existing development and the availability of supporting utilities. This general area is essentially capable of supporting a wide variety of aviation related development that does not require the same level of visibility from the runway and taxiway system has exists on the east side. This will require some form of redevelopment, and reconfiguration of the existing concentration of smaller executive type hangars.

The west side of the airport is a potentially large aggregate assemblage of land, and lacks some of the visibility which is attractive to users, particularly those in the commercial aviation realm. Like many airports in Texas, Weslaco would ideally market its aviation capabilities to large-scale aeronautical users, and other users that could potentially require large assemblages of land, and produce concomitant benefits to the local economy. The west side represents a feasible environment for this type of tenant. Large-scale development requires a significant amount of infrastructure and utilities to support development. Only economies of scale that are generated by large users are

likely to provide an opportunity to augment this side of the airport with the elements that will support large-scale development. The majority of this site can also be used for traditional aviation applications because of the proximity to the runway and taxiway system.

The economic impact of such a relocation program is straightforward to measure. Those hangars which are eliminated from consideration for relocation represent a net loss of revenue to the airport. Because each of the West side leaseholds tends to produce revenues measured in hundreds of dollars per annum, rather than thousands of dollars per annum, there is revenue potential for this program. This may be particularly true if the west side site can be redeployed to some other type of user or users.

5.3 Airport Economic Impact

Another important financial implication to evaluate is the overall economic impact the airport has on the community. Although sometimes hard to quantify, the investment in infrastructure can become a major job creator and economic generator for the entire surrounding area. The general aviation system in Texas provides important infrastructure that promotes both regional economic development and community recreational opportunities. The system's airports also generate economic activity through capital and operations expenditures, business activities of airport tenants, and spending by visitors using airport facilities. In total, the state's general aviation airports and general aviation activities at commercial airports create:

State of Texas:

- Economic Activity $14.6 billion
- Salary, Wages, and Benefits $3.1 billion
- Employment 56,635 permanent jobs

The most recent official study conducted for Mid Valley Airport was in 2011 by the TxDOT Aviation and the University of North Texas. During the period of the study, the airport's capital expenditures for infrastructure and other airport improvements from 2006-2010 generated $11 million in economic activity that created 121 job-years of employment. (A job-year equals one job lasting one year.) Travelers use the airport as a gateway for shopping trips to local malls; executives live in Weslaco and commute to jobs in Mexico; and companies on both sides of the border establish operations next to the airport for ease of access.

Mid Valley Airport:

- Economic Activity $ 5,738,019
- Salary, Wages, and Benefits $ 1,859,626
- Employment 42

Sources: Survey responses, IMPLAN and Authors' estimates

Ad Valorem Tax – Additionally, hangars that attract new business aircraft will help contribute to the tax base for the City of Weslaco. This must be accounted for in planning for the potential return on investment for airport development. Aircraft used for business purposes may be assessed a property tax based on the assessed value of the aircraft. General aviation aircraft owners in the state of Texas can be assessed an annual ad valorem (business personal property) tax, which applies at the county level. This applies unless an aircraft owner uses an aircraft exclusively for personal use. Like the comptroller's office, county appraisal districts across Texas have markedly increased their efforts to identify general aviation aircraft based in their respective jurisdictions and tax them

accordingly. A general aviation aircraft owner bears an affirmative obligation to render the value of their aircraft to the appropriate county appraisal district no later than April 15 of each calendar year.

5.4 Fixed-Base Operator (FBO) Service Recommendations

Airports can provide and manage services as a public entity or grant a commercial business(s), Fixed-base operator (FBO), to operate and provide aeronautic services. FBO businesses are operated by a variety of private sector entities, including low liability corporations (LLCs), corporations, or a single person. Public FBO ownership also exists when an airport sponsor sees revenue growth opportunities and is willing and able to provide the required aviation services as the airports exclusive provider. Common types of public ownership entities include City, County, Airport Authority, or other form of airport ownership that provide the airports main aviation services. FAA Order 5190_6b explicitly states that an airport sponsor may not grant exclusive rights to a private company providing aviation services; however, the airport sponsor itself has the right to exclusively provide or conduct any aeronautical activity so long as the sponsor used their own employees and resources.

Most sponsors recognize that common aeronautical services provided by FBO are best served when operated by private enterprise. The exception to this theory is when the airport sponsor elects to provide fuel and aircraft parking. These activities can generate significant revenue opportunities for the sponsor. If in fact the sponsor elects to provide those services on an exclusive or nonexclusive basis, it may not refuse to permit an air carrier, air taxi, or flight school to fuel its own aircraft with its own personnel and equipment.

Common FBO aeronautical services include:

- Airframe or power plant repair: Sufficient hangar space, FAA certified mechanic on duty, aircraft parking area, access to the airfield.
- Fueling: Avgas and jet fuel storage tanks, fuel delivery vehicles, qualified and trained fueling technician, spill prevention and spill cleanup plan.
- Line service: Personnel trained to operate ropes, chains, wheel chocks, and other restraining devices.
- Aircraft sales & rental: Sufficient office space, aircraft display area, telephone, and aircraft inventory.
- Flight instruction: Trained and certified instructor, aircraft, classroom, telephone and restrooms.
- Avionics: Shop area, office space with telephone and restroom, and certified personnel.
- Aircraft storage: Sufficient hangar space, tie-down spaces.
- Air taxi and charter operations: FAA part 135 certification, aircraft, hangar or tie-down space, wash down pad, qualified personnel to handle chemicals and secure area to store them.
- Other services as agreed on by contract: Ground transportation or courtesy car, pilot and passenger lounge, retail, concessions, passenger parking areas, catering, etc.

FBO's provide service to a variety of clientele. These range from the recreational pilot flying into the airport in a Cessna 172 to the executives of a multi-billion dollar corporation flying to the airport on a private jet. At smaller general aviation airports, generic services such as fuel and a building with a vending machine and telephone may be adequate. At larger general aviation or hub airports with jet service, a host of luxury FBO amenities may be provided as shown in **Table 5.2**.

Table 5.2 Luxury FBO Services and Amenities	
Luxury Amenities	**Jet Servicing & Storage**
Separate crew and passenger lounge areas	Catering services
Crew rest area	Lavatory servicing
Full showers	Bottled oxygen
Coffee, snacks, and other refreshments	Heated aircraft hangars
Comfortable seating	Baggage handling
Televisions	
Rental cars	
Flight planning room with weather and tracking equipment	
Wi-Fi and printing	
Exercise equipment	
Game room	
Conference room	
Helpful smart phone apps	
Security system	
Theater	

Source: AirNav, Form 5010

In order to accommodate these services, FBO's generally need to obtain equipment. Mid Valley has made recent efforts to acquire these and help provide a level of service that is expected from airport users. The following are a list of suggested items needed to perform the above services many of which the airport is already using today:

- Tugs
- Fuel Trucks
- Chocks
- Ground Power Unit (GPU)
- Cowl Plugs
- Deicing Equipment
- Incinerator or international trash servicing equipment

Common FBO Jobs

The day to day operations of an FBO require a variety of technical and general jobs duties. Typically, a full service FBO will require a FAA licensed airframe and powerplant mechanic (A&P) for minor and major aircraft repairs, experienced line service personnel to perform a large variety of technical services, customer service agents to act as the main point of contact for the FBO and conduct administrative duties, and manager(s) to oversee the operation and lead human resources, marketing, finance, etc. Further descriptions of these roles are shown in **Table 5.3.**

Table 5.3 Common FBO Jobs

Job	Description
Customer Service Representative ($12/hr Average)	Provides customers with professional service and assistance. Makes hotel and catering reservations for inbound and outbound aircraft. Processes customer purchases and fuel transactions. Works closely with line service personnel and pilots, ensuring all customer service needs are met. Point of contact for clients arriving at the facility
Line Service Technician ($13/hr Average)	Provides customer service, aircraft fueling, baggage handling, de-icing services, lavatory servicing, and aircraft fueling and oil services. Connects ground support equipment for air conditioning, heating and power. Supplies, cleans and services galley. Provides shuttle service to airport, hotels, and restaurants. Observes all safety, environmental and general housekeeping rules and policies.
A&P Certified Mechanic ($22/hr Average)	Performs efficient troubleshooting, aircraft maintenance, and repair in accordance with applicable regulations, manufacturer's instructions, and company policies. Ensures consistent and accurate aircraft maintenance records by properly documenting and completing required forms, computer entries, and logbook entries.
FBO Manager ($70,000/yr Average)	Oversees all aspects of the FBO including customer relations, line operations, fuel sales, hangar leasing, new business development, quality control, human resources, and environmental and safety compliance. Manages all aspects of employee resources; hiring, training, interviewing, performance reviews, employee discipline. Manages facility in accordance with all applicable state and federal laws and regulations.

Source: Glassdoor.com, Indeed.com, Linkedin.com, avjobs.com, payscale.com

City-Owned vs. Privately Owned FBO's

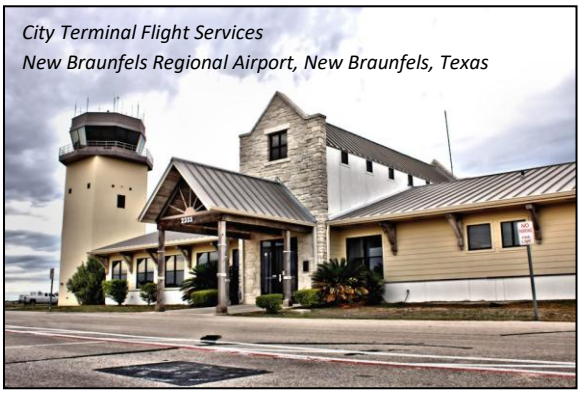
There are many important factors outside of revenue generation potential that the airport sponsor must consider when deciding whether to take over FBO services. **Table 5.4** explains the pros and cons of sponsor-owned FBOs.

Table 5.4 Public Vs. Private Owned FBO's	
Pros	**Cons**
Better control	Environmental compliance issues (deicing and fuel containment)
Alignment of airport and FBO objectives and goals creating new synergies	Regulatory compliance with FAA, CBP, TSA, etc.
Easier entry into airline support services (a growing profit center for airports)	Public health concerns (aircraft drinking water, international trash)
Increased revenue and profit	Fuel quality assurance
Improved competitive environment	Competitive pricing
Improved link between economic development and on-airport businesses	Operating expenses
Enhanced environment for creating new general aviation services	Union issues
Implementation of "Green" initiatives for general aviation	Take advantage of proprietary exclusive rights granted by the FAA

Source: ACRP Synthesis 19

The City of McKinney, Texas, the sponsor of McKinney National Airport in the North Dallas Suburbs, bought and took over aviation services from Cutter Aviation in November, 2015 for $25 million. As the only FBO on the field, averaging one million-gallons of flow per year, the City of McKinney felt the investment would be worthwhile. As airport funding becomes harder to come upon, airports are looking for ways to become for self sufficient. Examples of City airport sponsors are shown in **Table 5.5**.

McKinney Air Center
McKinney National Airport, McKinney, Texas



City Terminal Flight Services
New Braunfels Regional Airport, New Braunfels, Texas

Table 5.5 Texas Sponsor Run FBO's
Texas Airports With City-Owned FBOs
McKinney National Airport, City of McKinney, Texas
South Texas International Airport, City of Edinburg, Texas
South Texas Regional Airport ay Hondo, Hondo, Texas
Wharton Regional Airport, Wharton, Texas
New Braunfels Regional Airport, New Braunfels, Texas
Grand Prairie Municipal Airport City of Grand Prairie, Texas
Lancaster Regional Airport, City of Lancaster, Texas

Table 5.5 Texas Sponsor Run FBO's (cont.)
Taylor Municipal Airport, Taylor, Texas
Brownsville/South Padre Island International Airport
Valley International Airport
Nueces County Airport
Mc Allen Miller International Airport
San Marcos Regional Airport
Mid-Way Regional Airport

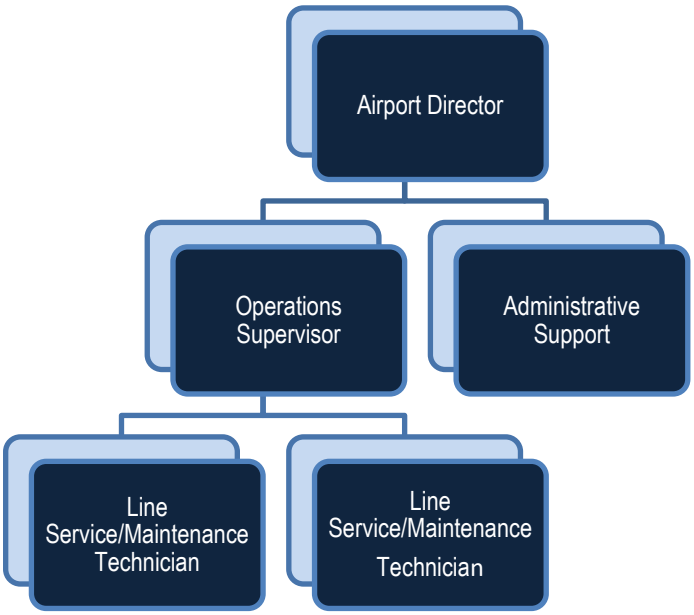
Source: AirNav

Airport Structure

Decisions based on the services provided and whether or not those are outsourced to a private FBO or kept with the airport may dictate how the structure of the airport will need to be. In most cases, the airport will always need a full time manager or director to oversee the successful operation of the airport and be a liaison to the city management and funding and regulatory agencies. There will always be a need for maintenance personnel as well as they will need to continually maintain the airport grounds. Beyond these two essential functions it is a direct correlation of the financial fitness of the airport and activity levels that may warrant additional staff.

Based on Mid Valley Airport's size, anticipated growth, and services provided, the following airport staffing level should be considered. However, it could easily be adjusted to include additional personnel for FBO services as needed.

Figure 5.1 Suggested Airport Organizational Structure

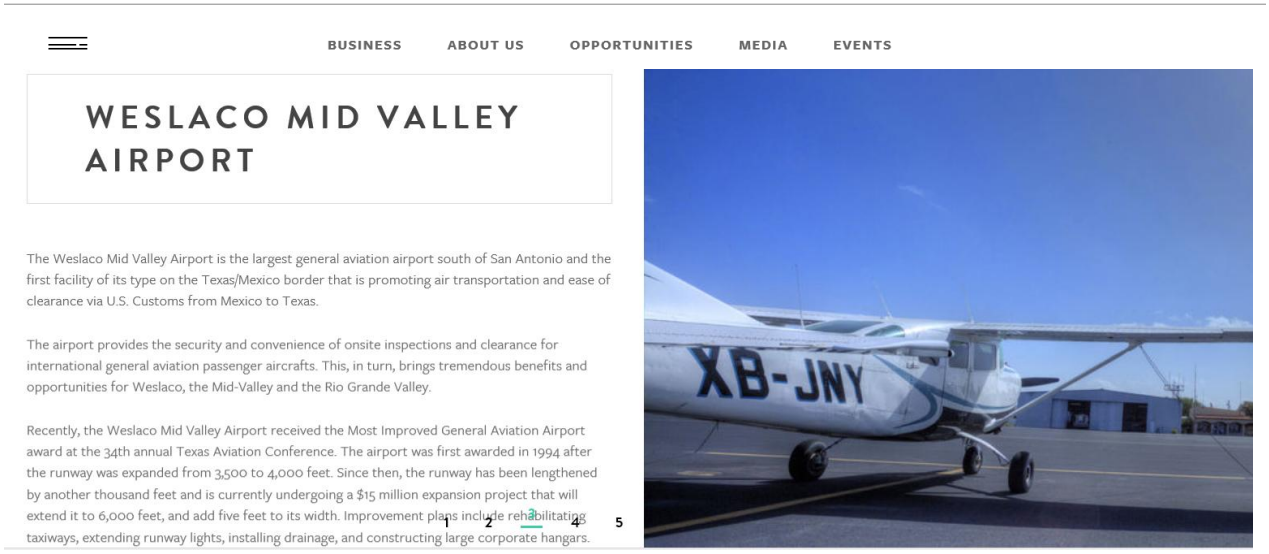


5.5 Airport Marketing Recommendations

Promoting the Mid Valley Airport's new operational capability and infrastructure will be vastly important to help attract the type of business user to the airport that has been recommended in this plan. There are several ways the airport should address this and help increase the visibility, perception, and awareness of the facility to corporate and general aviation operators.

Website redevelopment should be a focus. The current website (www.weslacoairport.com) is outdated and needs not only new and accurate data, but should also be updated to reflect the look and feel of the city. Concurrently to the business plan the City of Weslaco is undergoing an update and hosting shift for the website and may wish to house the new airport site within the City's. Another option would be to partner with the Economic Development Corporation to assimilate a brand and tactic that accurately reflects the marketing goals to attract new business to the airport.

Weslaco EDC Website



Logo/Brand – Where applicable, the airport should use their logo to help establish the Mid Valley Airport brand look and feel. At the time of this plan, the logo below is being used and is fresh and adequate going forward. If the airport chooses to update the logo it would best be done at a pivotal time for the airport such as the new runway project or a renaming of the facility. It should also be used in consideration with the City of Weslaco's logo and brand initiatives.

WESLACO MidVALLEY AIRPORT

Press Release – Upon the time of completion of the runway extension project, it would be appropriate to promote the enhanced capabilities of the airport infrastructure through the form of a Press Release. This is important to help local media outlets such as television and newspapers get word to the community regarding the work at the airport. Information such as the history of the airport, economic impact of the facility, and project enhancements including partnerships with state agencies should be covered. This should be promoted by the City of Weslaco and used on their website and distributed through all channels such as the Economic Development Corporation and Chambers of Commerce.

Fresh photos of the airport should be used in this release as well to help reinforce a positive image of the airport. Quotes from various officials including the Mayor, City Manager, and Airport Director should be included. Attention should be given to why the airport should be the choice of the Rio Grande Valley and why users of other airports in the market area should consider Mid Valley Airport.

A sample Press Release is included in this document as **Appendix F**.

This marketing effort should be used with targeted focus industry outlets. Examples of some of target audience groups:

National Business Aviation Association (NBAA) - Founded in 1947 and based in Washington, NBAA is the leading organization for companies that rely on general aviation aircraft to help make their businesses more efficient, productive and successful. The association represents more than 11,000 companies and provides more than 100 products and services to the business aviation community, including the NBAA Business Aviation Convention & Exhibition, the world's largest civil aviation trade show.

Aircraft Owners and Pilots Association (AOPA) - This advocacy group serves the needs of the general aviation flying community and helps promote, protect, and foster flying in the United States. Made of the largest pilot group in the U.S. this is a great resource in spreading word about the airport.

Experimental Aircraft Association (EAA) - A diverse organization of members with a wide range of aviation interests and backgrounds. Founded in 1953 by a group of individuals in Milwaukee, Wisconsin, who were interested in building their own airplanes, EAA expanded its mission of growing participation in aviation to include antiques, classics, warbirds, aerobatic aircraft, ultralights, helicopters, and contemporary manufactured aircraft.

MRO Americas Conference - MRO Americas is the flagship of Aviation Week Network's MRO event series. Over 13,000 attendees from the entire world come to this event and the air transport maintenance, repair and overhaul community attend the three day conference and exhibition. Often this is a great place to promote development opportunities and sell the airport location and facilities to major MRO's and manufacturers.

Airnav.com – This is a well known source for pilots and aviation users to find information regarding the airport. It includes information such as fuel prices, FBO services provided, and even photos. By keeping the information updated on this website you will ensure users get the most accurate representation of the airport's facilities.

Mexican Market – Distribution of brochures and other outreach and marketing materials should be used across the border in Mexico to help promote the airport. This may include far reaching markets such as Mexico City and Monterrey as well as border towns such as Reynosa and Matamoros.

Local Market – It is also important to continue marketing the airport in the local area including all of the Rio Grande Valley. Using the shopping hot spots of McAllen and nearby Mercedes Outlets should be a target. Continued work with the Economic Development Corporation of Weslaco (EDCW) should be a focus as they will assist in promoting the value of the airport. Of course, local news media should be informed such as:

- The Monitor
- KRGV ABC 5 News
- KGBT CBS 4 News
- KFXV Fox 2 News
- Local Social Media such as the City's Facebook and Twitter Accounts

Users of the Airport – Ensure communication is direct to users and tenants at the airport for marketing and feedback for the airport. A way to easily track users of the airport is to quarterly download data from the FAA's Traffic Flow Management System Counts (TFMSC) to gain access to tail numbers and registry information. It can sometimes be beneficial to send follow-up customer service oriented contacts to help improve the customer experience.

5.6 Summary

The City of Weslaco should carefully consider how to invest in the airport moving forward. But the future looks bright and with new infrastructure the airport is in a position to capitalize on becoming a major contributor to the entire Rio Grande Valley. This business plan should be used immediately to begin this process with a goal of implementing a majority of these recommendations in the next 1-3 years.

Each year it will be important to evaluate the successful implementation of the business plan and track progress. Without accurately monitoring the success or actions taken it is impossible to measure the impact it has on the goals of the airport. Suggested measuring metrics are as follows:

- Revenue growth
  - How is year over year gross revenue trending?
  - What type and profit margin is being obtained by service?
- Development plan execution
  - Number and amount of grants awarded?
  - Type and number of capital projects that have been implemented?
  - Amount of additional hangar space and based aircraft? Operations?
- Marketing Progress
  - What media coverage has the airport received this year?
  - How many mailers (digital or hardcopy) have been sent?
  - Is the website updated and how many visits are being recorded?
- Airfield maintenance
  - Has the airport applied for RAMP funding with TxDOT?
  - What is the overall condition of the aprons, lighting, hangars, etc.?
  - Does the airport foresee any major capital investments in the next Fiscal Year?
- FBO and Airport Service
  - Has the airport provided additional services?
  - What feedback has the airport received on the services it has provided?
  - Is the customer experience positive?

Using key results from the SWOT analysis to help guide and direct the implementation of the airport business plan will be important as it is direct input from stakeholders invested in the success of the Mid Valley Airport. This big picture perspective will keep the focus on the right direction of the airport included the vision. Follow-up planning studies should emphasize a stronger understanding of the Mexican market and Corporate General Aviation users that may wish to relocate the Mid Valley Airport.

Glossary of Terms

AGENCIES

FAA	Federal Aviation Administration
TXDOT	Texas Department of Transportation

GENERAL TERMS

AC	Advisory Circular
ADG	Airplane Design Group
AGL	Above Ground Level
AIP	Airport Improvement Program
ALD	Airport Layout Drawing
ALP	Airport Layout Plan
AOA	Aircraft Operations Area
AOPA	Aircraft Owners and Pilots Association
ARC	Airport Reference Code
ARFF	Aircraft Rescue and Fire Fighting
ARTCC	Air Route Traffic Control Center
ASOS	Automated Surface Observation Station
ASV	Annual Service Volume
ATC	Air Traffic Control
ATCT	Air Traffic Control Tower
ATIS	Automated Terminal Information System
AVGAS	Aviation Gasoline - Typically 100 Low Lead (100LL)
AWOS	Automated Weather Observation Station
BRL	Building Restriction Line
CFR	Code of Federal Regulations
CIP	Capital Improvement Plan
DME	Distance Measuring Equipment
EA	Environmental Assessment
EIS	Environmental Impact Statement
FAA	Federal Aviation Administration
FAR	Federal Aviation Regulations
FBO	Fixed Base Operator

FONSI	Finding of No Significant Impact
FY	Fiscal Year
GA	General Aviation
GIS	Geographical Information Systems
GPS	Global Positioning System
HIRL	High Intensity Runway Edge Lighting
IFR	Instrument Flight Rules
ILS	Instrument landing System
Jet A	Jet Fuel
LIRL	Low Intensity Runway Edge Lighting
LP	Localizer Performance
LPV	Localizer Performance with Vertical Guidance
MIRL	Medium Intensity Runway Edge Lighting
MITL	Medium Intensity Taxiway Edge Lighting
MOA	Military Operations Area
MRO	Maintenance, Repair, and Overhaul
MSL	Mean Sea Level
MTP	Metropolitan Transportation Plan
NAFTA	North American Free Trade Agreement
NAS	National Airspace System
NAVAIDS	Navigational Aid
NDB	Non-Directional Beacon
NM	Nautical Mile (6,076.1 Feet)
NPIAS	National Plan of Integrated Airport Systems
OFA	Object Free Area
OFZ	Obstacle Free Zone
PAC	Planning Advisory Committee
PAPI	Precision Approach Path Indicator
RDC	Runway Design Code
REIL	Runway End Identifier Lighting
RGV	Rio Grande Valley
RNAV	Area Navigation
RPZ	Runway Protection Zone
RSA	Runway Safety Area
RVR	Runway Visibility Range

RVZ	Runway Visibility Zone
RWY	Runway
SASP	State Aviation System Plan
SM	Statute Mile (5,280)
SWOT	Analysis
TAF	Federal Aviation Administration (FAA) Terminal Area Forecast
TODA	Takeoff Distance Available
TORA	Takeoff Runway Available
TRACON	Terminal Radar Approach Control
TRSA	Terminal Radar Service Area
TWY	Taxiway
VASI	Visual Approach Slope Indicator
VFR	Visual Flight Rules (FAR Part 91)
VOR	Very High Frequency Omni-Directional Range
VORTAC	VOR and TACAN collocated
WAAS	Wide Area Augmentation Systems

Appendix A

RESULTS OF THE

STRENGTHS, WEAKNESSES, OPPORTUNITIES, AND THREATS (SWOT)

ANALYSIS

Appendix A:
Strategy Options and Analysis
(SWOT Findings)

August 20, 2015

Table of Contents

Executive Summary

The purpose of this effort is to identify a possible vision and strategy options for Weslaco Mid-Valley Airport ("T65"):

- To become a larger player in the Rio Grande Valley non-commercial aviation market after completion of the runway extension
- To be a more effective economic engine for the Mid-Valley

Participants in the July 15 SWOT session expressed a vision that, by 2025, the Mid-Valley and T65 could become to the Rio Grande Valley, respectively:

- As Arlington is the the DFW Metroplex
- As Sugar Land Airport is to Houston

T65 has four key advantages versus its competition:

- The most central location of any Rio Grande Valley airport
- Lack of constraints/congestion (especially versus McAllen)
- Runway extension to 6000 feet (an advantage versus Edinburg only)
- The ability to develop facilities more cost effectively than Harlingen and McAllen because of its Ramp Grant eligibility

(Continued)

Executive Summary

Expected economic growth in the Rio Grande Valley could allow T65 to realize non-commercial aviation growth from either or both of the following:

- Overall growth of regional aviation (flat percentage share of a growing pie)
- Defining and delivering a unique value proposition to target customers versus its competition (increasing percentage share of a growing pie)

T65 could most successfully appeal to two key potential target customer segments that would lift not only its own economic fortunes, but also those of Weslaco and nearby municipalities:

- Based corporate aircraft; both domestic and Mexican-owned
- Transient corporate aircraft, both domestic and Mexican-owned

To position itself to take advantage of these opportunities, T65 has certain challenges to address and overcome, chiefly:

- Lack of a customer-perceived value
- Certain facility shortfalls versus target customer expectations
- Funding and staffing shortages

(Continued)

Executive Summary

T65 and its stakeholders have two primary options moving forward:

1. Reactive Status Quo – Continue to operate largely as-is, hoping that regional growth will bring T65's fair share of the benefit. Make investments only when customers explicitly demand them
2. Proactive Customer-Centric Strategy – Address the challenges as aggressively as possible to give T65 the best chance to outperform the region, to the benefit not only of the airport, but also of adjacent municipalities, businesses and stakeholders. Prudently improve T65 in advance of specific demand

What You Would Have To Believe

1. Reactive Status Quo – Either
   - T65 as-is has enough of what target customers value; or
   - Option 2 is not likely to succeed, so T65 must accept its current position
2. Proactive Customer-Centric Strategy – Both
   - Local stakeholders will consider increased investment to address T65 challenges; and
   - Target customers are reasonably likely to respond favorably to T65 improvements

(Continued)

Executive Summary

Next Steps

- Option 1 – Reactive Status Quo:
    1. Complete runway project
    2. Resume business with existing conditions
    3. Local marketing and outreach for to improve perception of T65's value (actual and potential) for the Mid-Valley
    4. React to any growth opportunities that may present themselves

- Option 2 – Proactive Customer-Centric Strategy
    1. Complete runway project
    2. Make the case for additional investment in T65
    3. Conduct further research into target customer needs, and perceptions of T65 versus competition
    4. Devise and implement an integrated plan with multiple options for improving and marketing the T65 product to
        a) attract more target customers, and
        b) improve perception of T65's value (actual and potential) for the Mid-Valley

Order of the July 15, 2015 Session

1. Envision T65 and the Mid-Valley in 2025

2. Discuss what customer segment(s) T65 could target to achieve the 2025 vision

3. Determine what those target customers value

4. Perform the SWOT analysis to assess which of the things, that target customers value, T65 can do well versus its competitors, either
   - Today, or
   - That it can reasonably develop

Order of the July 15, 2015 Session

1. Envision T65 and the Mid-Valley in 2025

2025 Vision

We began by asking the session participants to imagine what the region and T65 could look like in 10 years. The results:

Region	T65
More like one MSA than several different ones	THE airport for non-commercial passenger aviation
New UT Rio Grande Valley as an economic engine; R&D; regional prestige	GA hub of the Valley; Sugar Land of the Valley (allows other airports to focus on what they do best (esp. HRL, BRO, MFE)
Mid-valley will be to the Valley as Arlington is to DFW area	Vibrant non-aviation businesses on and adjacent to airport (restaurant, rental cars, industrial park, etc.)
More Mexican EB-5 development in the mid-valley	Flexible and diverse hangar development
	Preferred Valley airport for Mexican GA access (full-time CBP; FBO)
	City & Region support it with energy, resources and funding

Synthesis: T65's goal could be to grow its share of regional, non-commercial aviation faster than the region as a whole, and become an economic generator for the Mid-Valley as Sugar Land Airport is for Southwest Houston

Order of the July 15, 2015 Session

1. Envision T65 and the Mid-Valley in 2025

2. Discuss what customer segment(s) T65 could target to achieve the 2025 vision

Customer-Centric Strategy Model

Successful commercial/marketing strategies tend to be customer-centric, and are found at the intersection of three circles:

The resulting strategy, unique to T65, will:

- Use strengths to capitalize on opportunities and neutralize threats
- Overcome/minimize weaknesses
- Combined with a healthy organization/leadership, allow consistent focus on what's most important

Possible Target Customers

Next, participants defined possible target customer segments that could allow T65 to achieve the stated vision:

- Corporate aviation
  - Transient
  - Based
  - Flight departments
  - Pilots
- Freight integrators (FedEx, UPS, etc.)
- Mexican nationals
  - Who want to base aircraft north of the border for security reasons
  - Transient (coming to the area for business or for outlet shopping)
- Recreational general aviation
- Government aviation

Order of the July 15, 2015 Session

1. Envision T65 and the Mid-Valley in 2025
2. Discuss what customer segment(s) T65 could target to achieve the 2025 vision
3. Determine what those target customers value

Possible Target Customers – What they Value

Next, participants defined what the T65 target customer segments would value in an airport. Key items:

- Onsite Maintenance – at least a minimal level; not necessarily full Maintenance, Repair and Overhaul ("MRO")
- Precision runway approach (Note – we discuss this further on slides 25-26)
- Secure facility (access-controlled airfield)
- Extended operating hours
- Well maintained facility/aesthetics
- Lack of congestion
- Services for the "boss" (ground transport options; nice facility; catering options)
- Good price on fuel
- For pilots:
  - Courtesy car
  - On-airport or adjacent restaurant
  - Place to rest/relax
- Instructors/flight school for recreational GA

Order of the July 15, 2015 Session

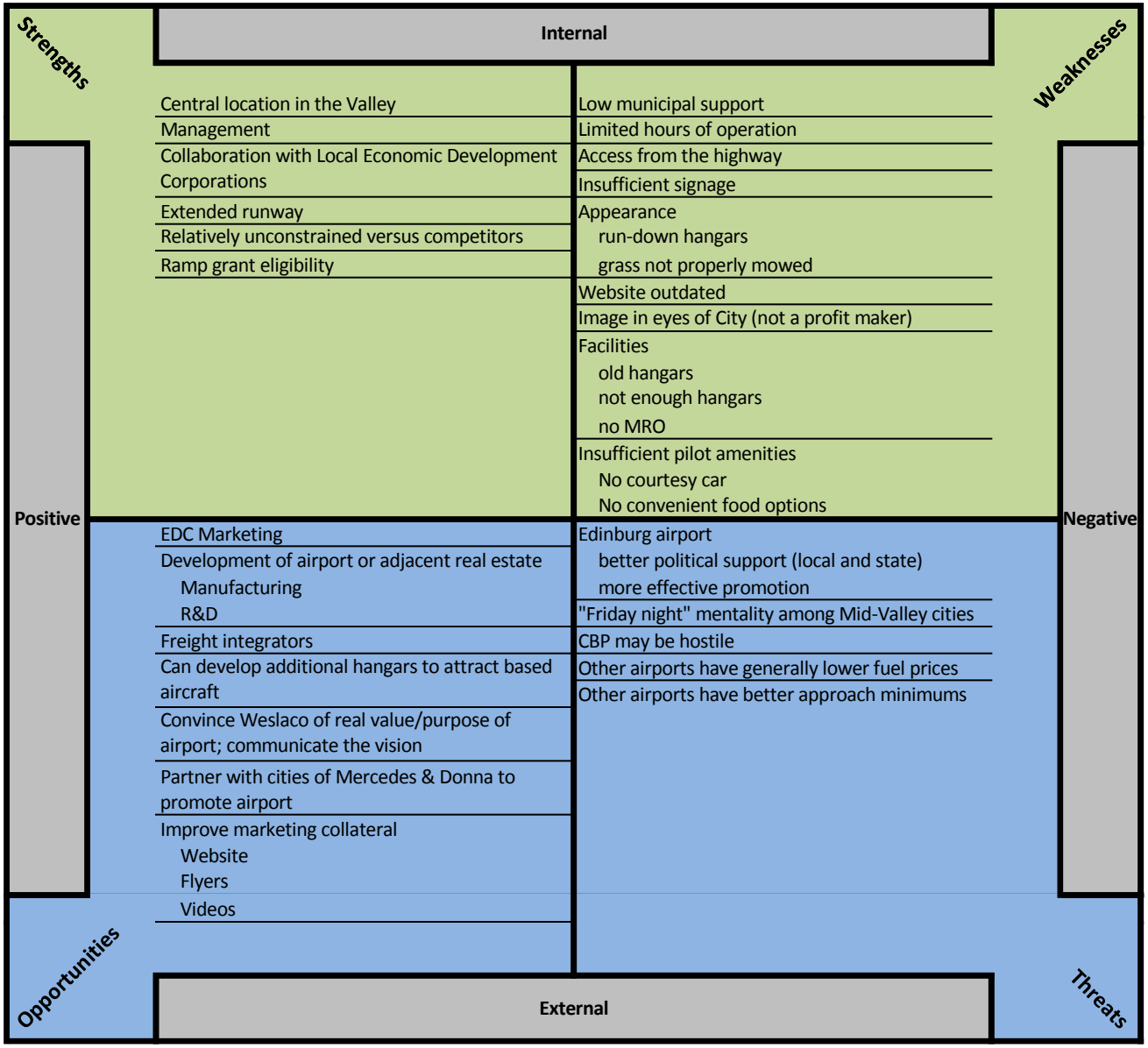
1. Envision T65 and the Mid-Valley in 2025

2. Discuss what customer segment(s) T65 could target to achieve the 2025 vision

3. Determine what those target customers value

4. Perform the SWOT analysis to assess which of the things, that target customers value, T65 can do well versus its competitors, either
   - Today, or
   - Can reasonably develop

SWOT Grid from July 15 Session



SWOT Grid from July 15 Session

T65's key strengths, weaknesses, opportunities and threats:

		Synthesis	
Internal	Strengths	Mid-Valley Location	Positive
		Extended runway (versus Edinburg only) and lack of constraints/congestion	
		FAA Ramp Grant eligibility	
	Weaknesses	Lack of resources (funding; staff)	Negative
		Facility shortcomings	
		Low target customer awareness (assumed)	
External	Threats	Possibly unfavorable regional politics	
		Weslaco's economics/demographics	
		Other airports' fuel prices and better runway approach minimums	
	Opportunities	Take advantage of expected regional growth and of constraints at competing airports	Positive
		Convince cities and others to partner with and fund T65	
		Develop additional/improved facilities and promote them to target customer(s)	

By evaluating these in light of possible target customer segment demands, we can arrive at the most like strategy for T65 to pursue successfully

Post July15 Analysis

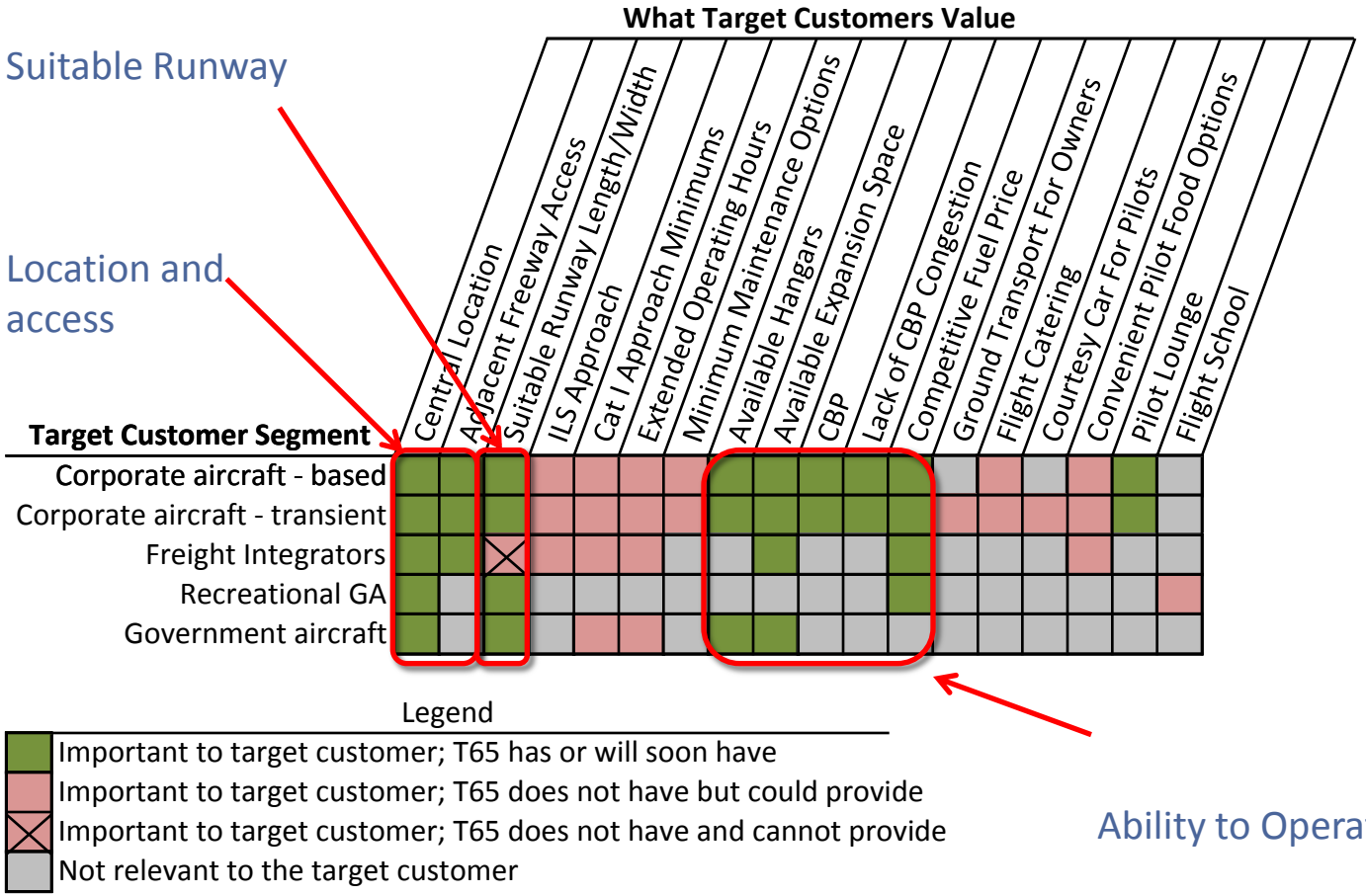
In reviewing the input and results of the July 15 Stakeholder Sessions, T65 and its stakeholders appear to have two basic options for the future:

- A “Reactive” Status Quo Option – This entails accepting T65 for what it is today and allowing external factors to evolve it, or not, over time. This can be a reasonable choice under certain circumstances

- A “Proactive” Customer-Centric Strategy Option – This entails identifying what T65 could be, and taking advantage of growth opportunities by capitalizing on its strengths, and making improvements to its weaknesses

Situation - Target Customer Suitability

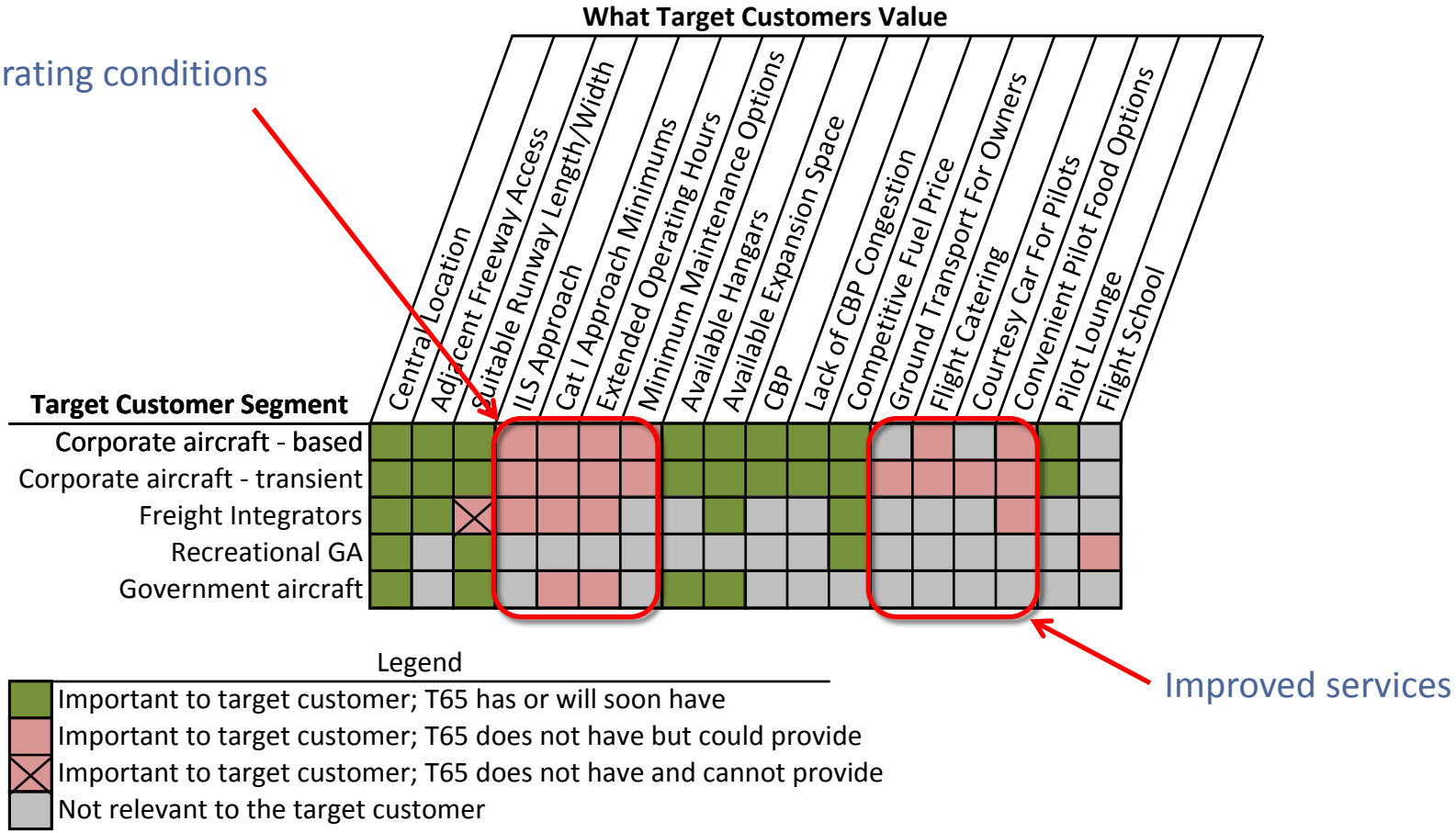
Potential target customer segments will need to value benefits that T65 either has…



Situation - Target Customer Suitability

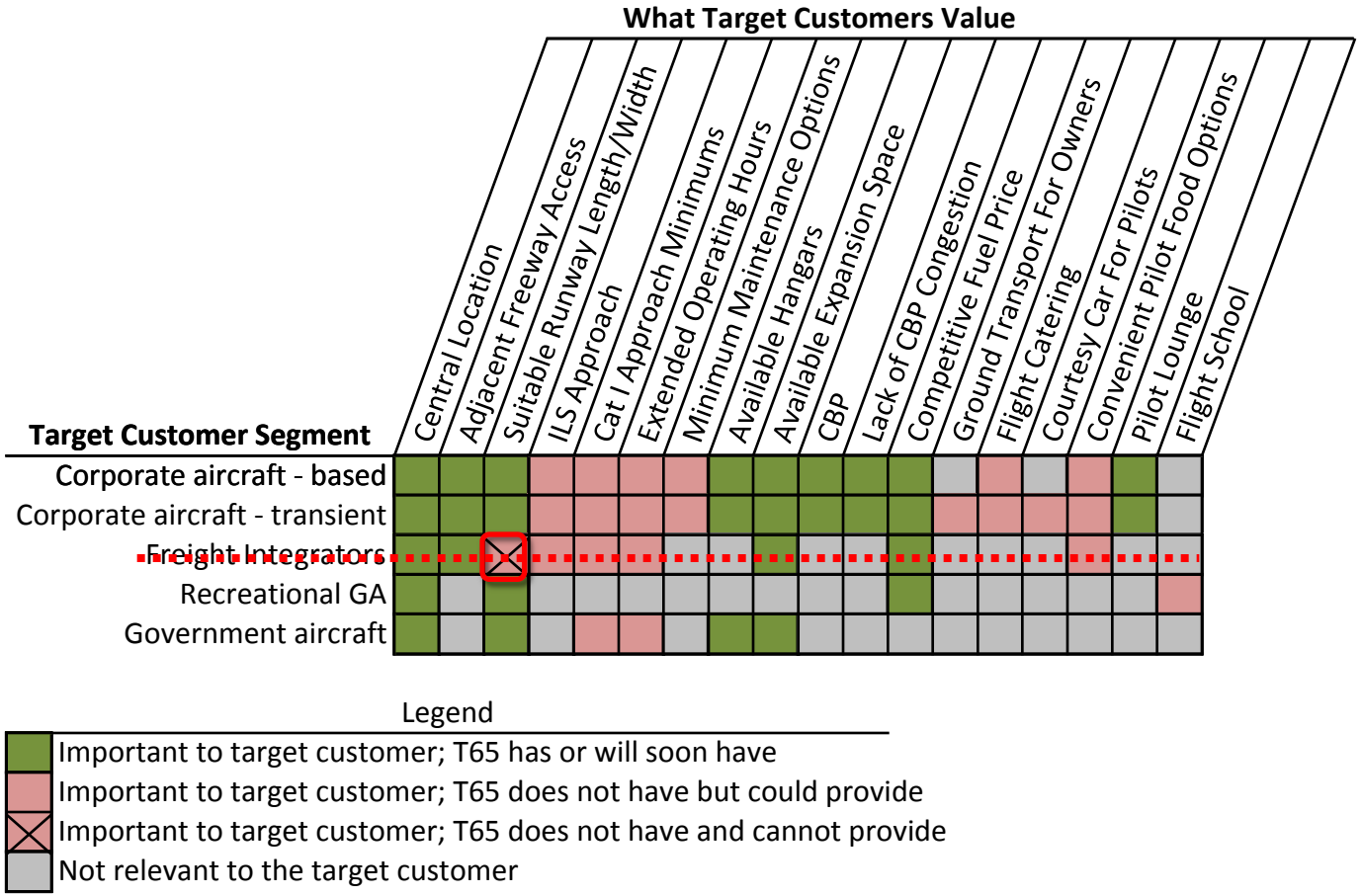
…or can reasonably provide

Better operating conditions



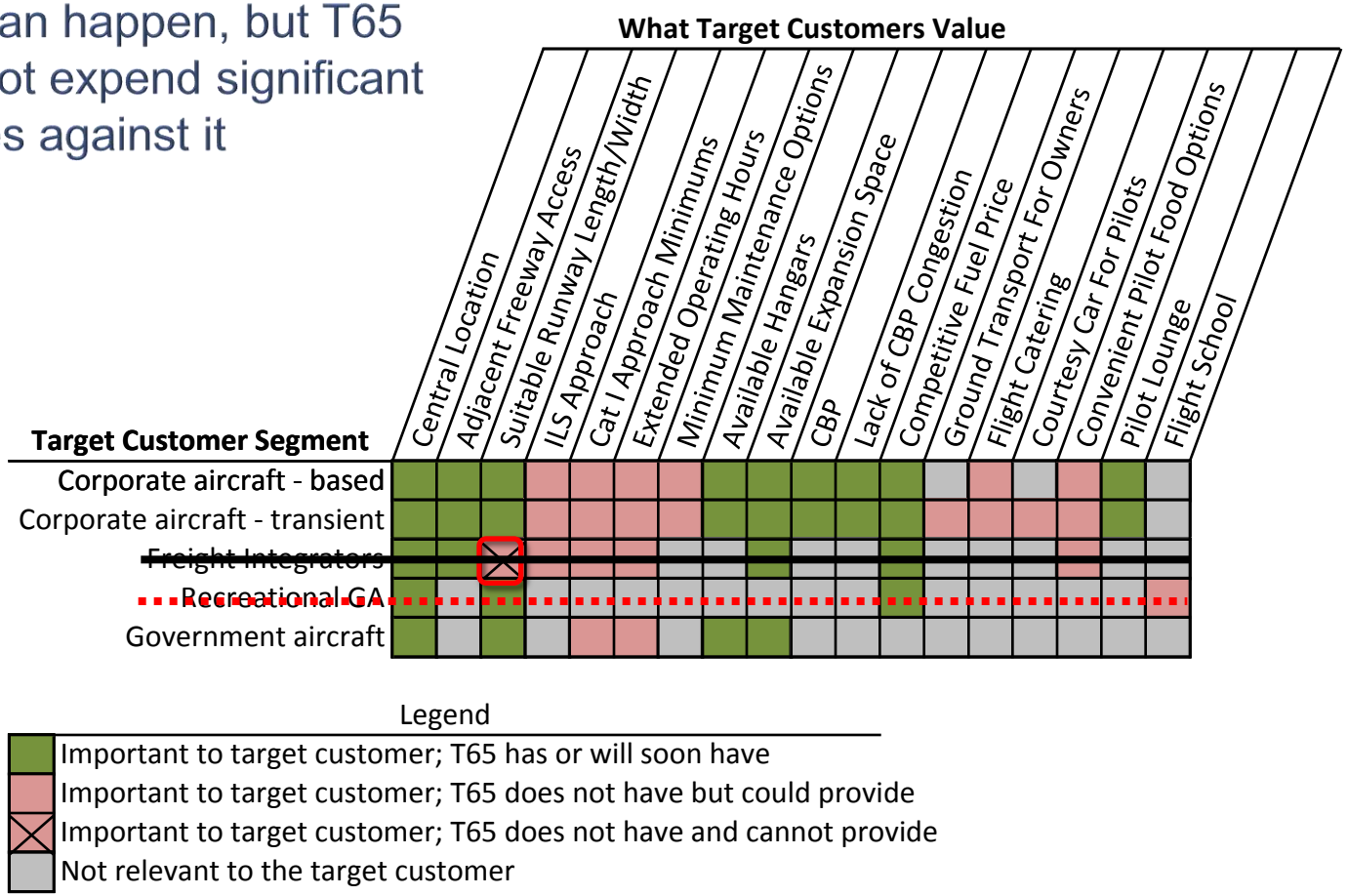
Step 1 – Eliminate Freight Integrator Strategy

FedEx, for example, flies aircraft as large as DC-10s into HRL. It is not reasonable to think they would consolidate operations at T65 with its 6000 foot x 75 foot runway



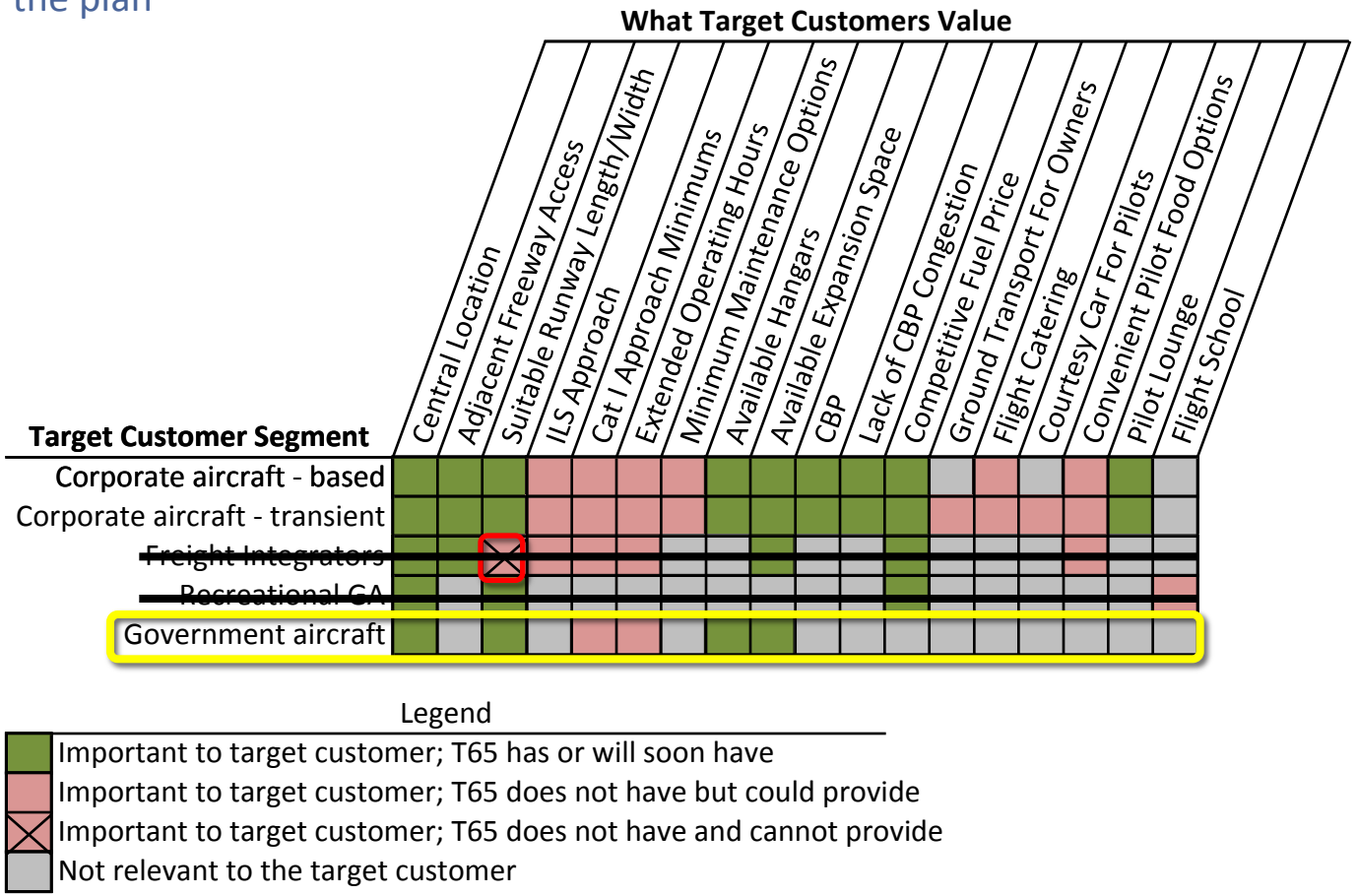
Step 2 – Eliminate Recreational GA Strategy

While growth of this target segment does not run counter to T65's goals, it is not reasonable to think that it can lead to realization of the 2025 vision. Recreational growth can happen, but T65 should not expend significant resources against it



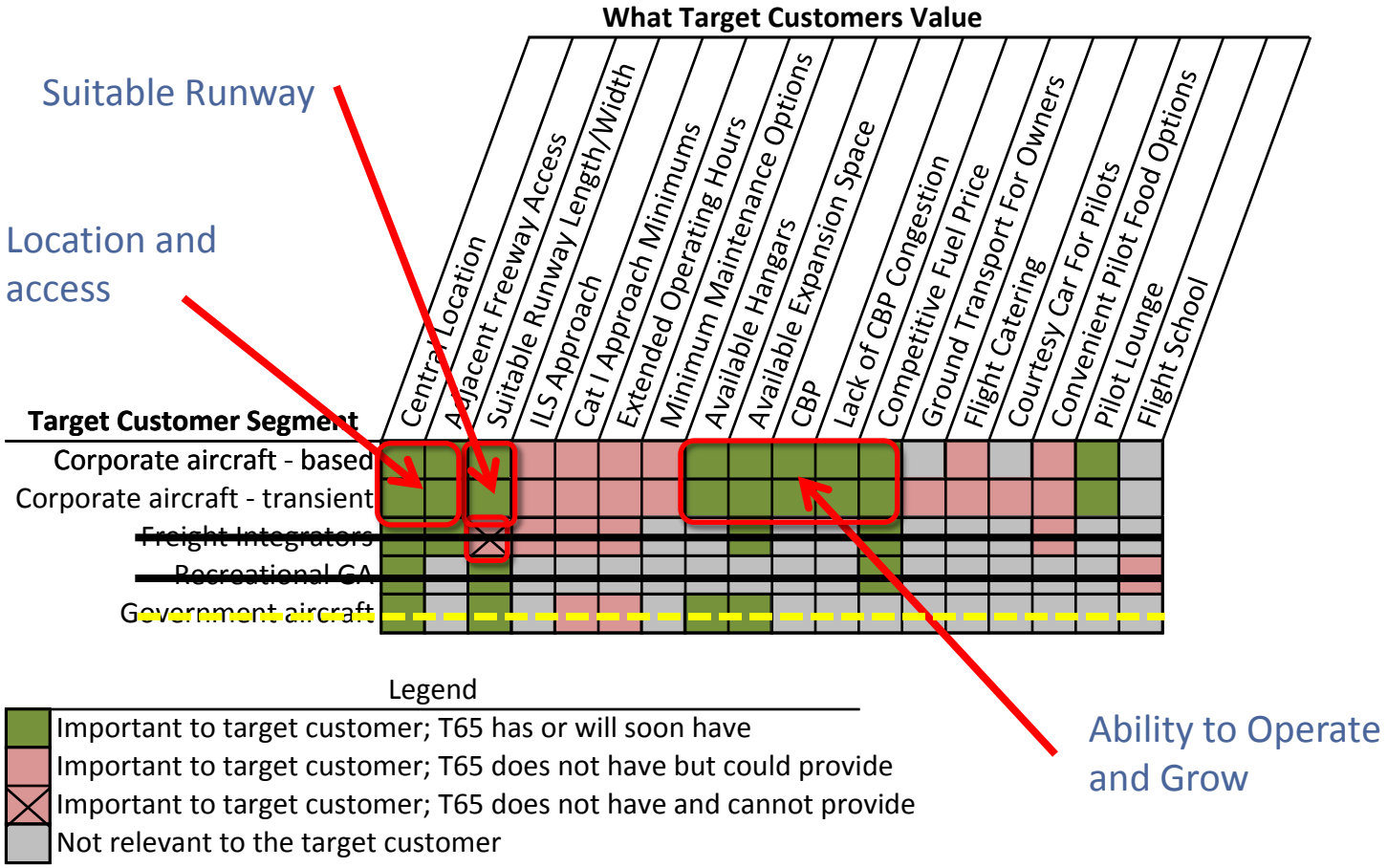
Step 3 – Government Potential Unclear

While this target segment could be a viable part of T65 strategy, a perceived political disadvantage would need either to be disproven or reversed if this segment were to be a foundational element of the plan



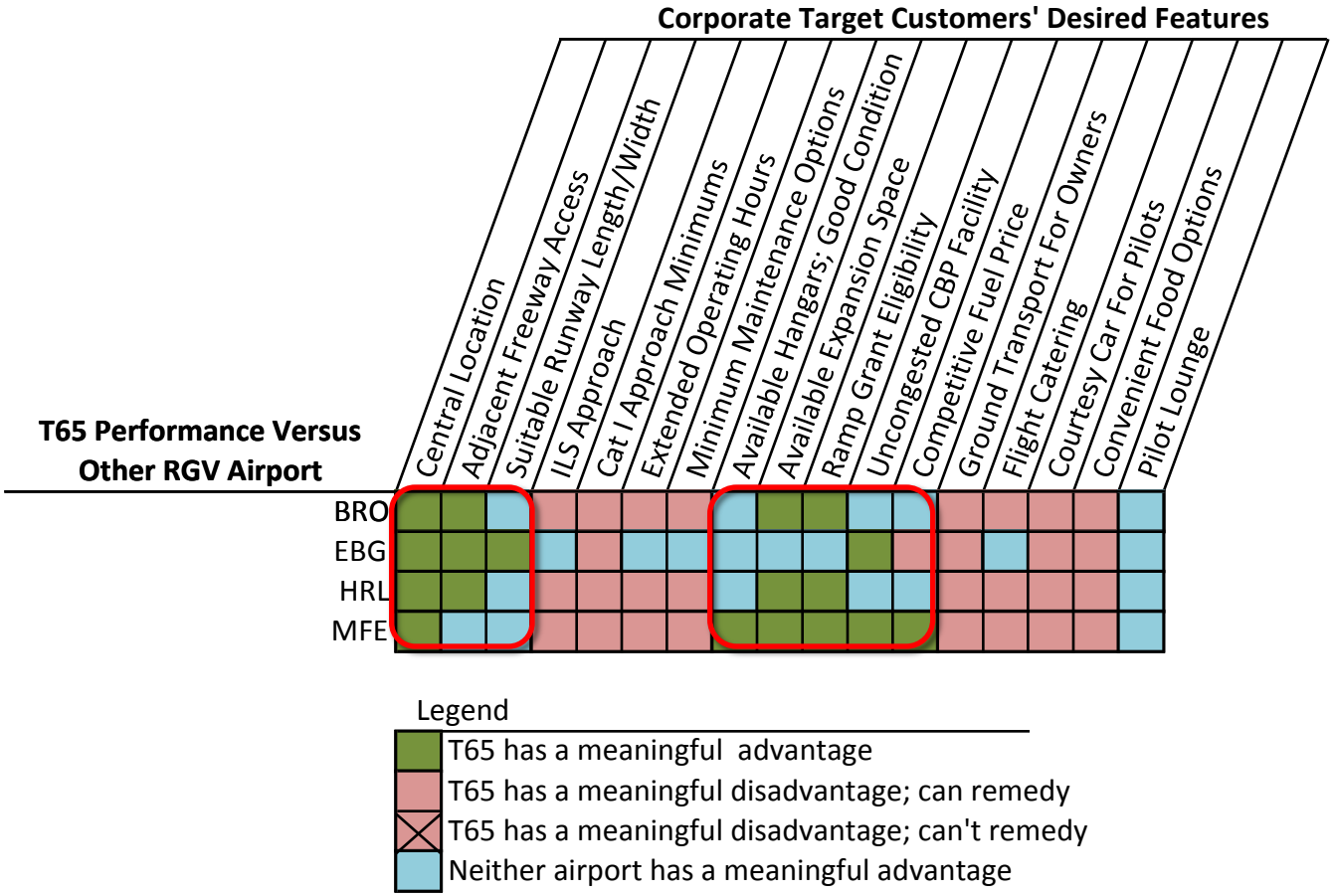
Step 4 – Corporate Focus Is Most Reasonable

The corporate target segment (and we include Mexican based and transient aircraft in this group) will value T65's:



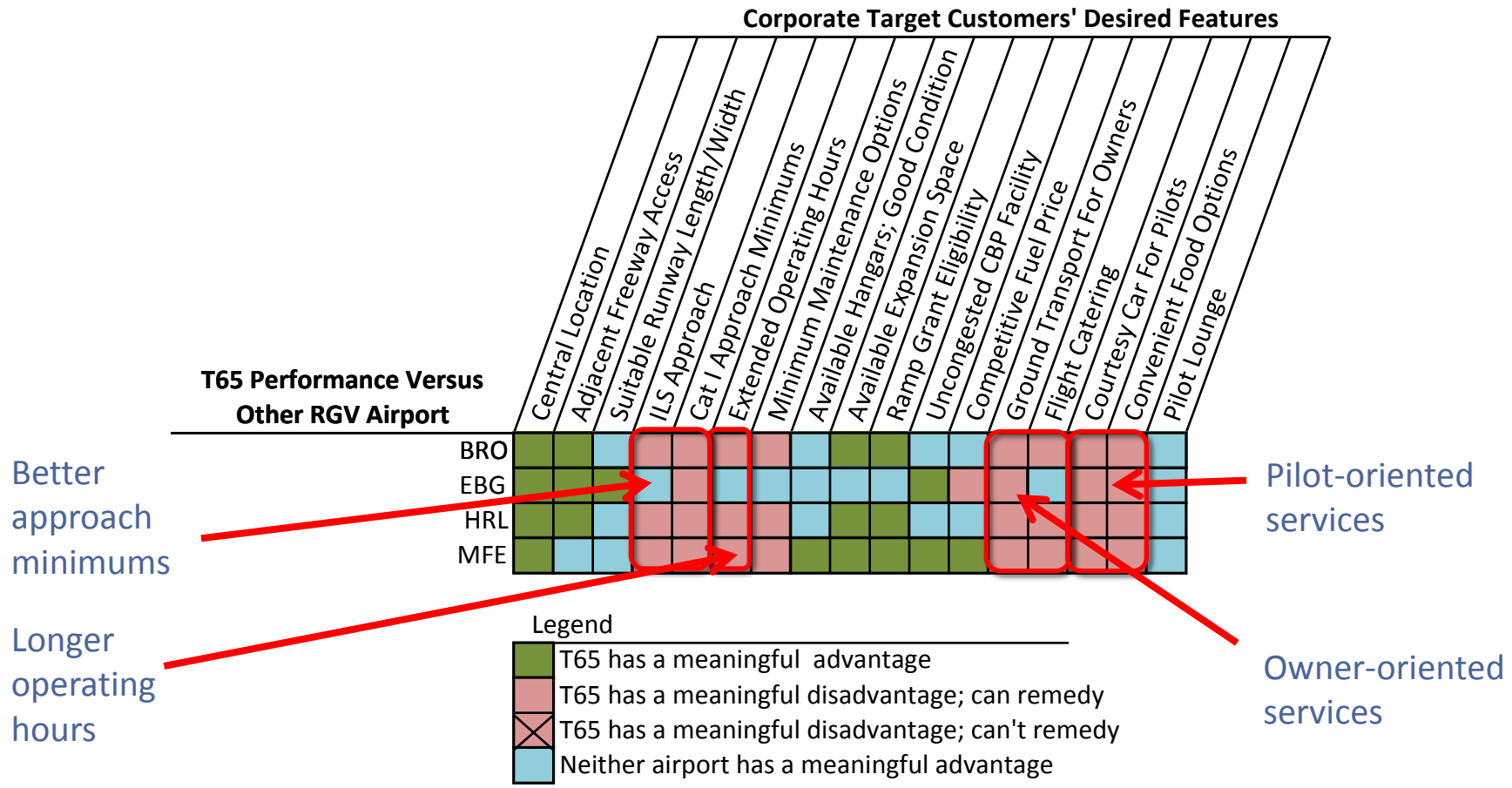
RGV Airport Comparison – Target Features

T65 compares favorably with other Valley airports on certain features the recommended target segment values



RGV Airport Comparison – Target Features

However, the corporate target segment will also tend to demand certain features that T65 does not provide today, but could with sufficient resources



Obstacle 1 – Operating Hours

Planned T65 operating hours, while comparable to EBG's, are too short to attract the target corporate aviation customer; particularly based aircraft:

Facility Hours		
Airport	Open	Close
T65	8:00	17:00
MFE	5:00	23:00
HRL	6:00	23:00
EBG	8:00	17:00
BRO	4:30	23:00

Per Airport and FBO websites, August 10, 2015

T65's hours are significantly longer
T65's hours are similar
T65's hours are significantly shorter

Longer hours allow corporate clients to get the most out of their day. They generally expect fueling and catering services to be available as early as 5am

Obstacle 2 – Owner-Oriented Services

For owners – whether corporate or high-end leisure – time is, quite literally, money. They own aircraft because the time savings from not flying commercial have a higher value than the extra cost of owning an aircraft. Therefore, they tend value two things T65 does not provide, but could if it chose:

1. Convenient ground transportation planeside – to get them off the plane and on their way to their destination quickly and seamlessly

1. Catering options for aircraft galley – so that aircraft can be provisioned either before an early morning departure, or during a turn

T65 could provide either of these on its own, or through a concessions agreement. As long as the services are adequate, flexible, and scalable, which path T65 choses is not the primary question to be answered here

Obstacle 3 – Pilot Oriented Services

Pilots will tend value two services T65 does not provide, but could if it chose:

1. Courtesy car – the ability for transient aircraft pilots to get off airport for food and recreation if the ground time allows

2. On-airport or adjacent food options – the ability for
   - Transient pilots to eat despite short ground times
   - Based pilots to have the option to eat upon arrival at T65

As with Owner-oriented services, T65 could provide either of these on its own, or through a concessions agreement. As long as the services are adequate, flexible, and scalable, which path T65 chooses is not the primary question to be answered here

Obstacle 4 – Approach Minimums

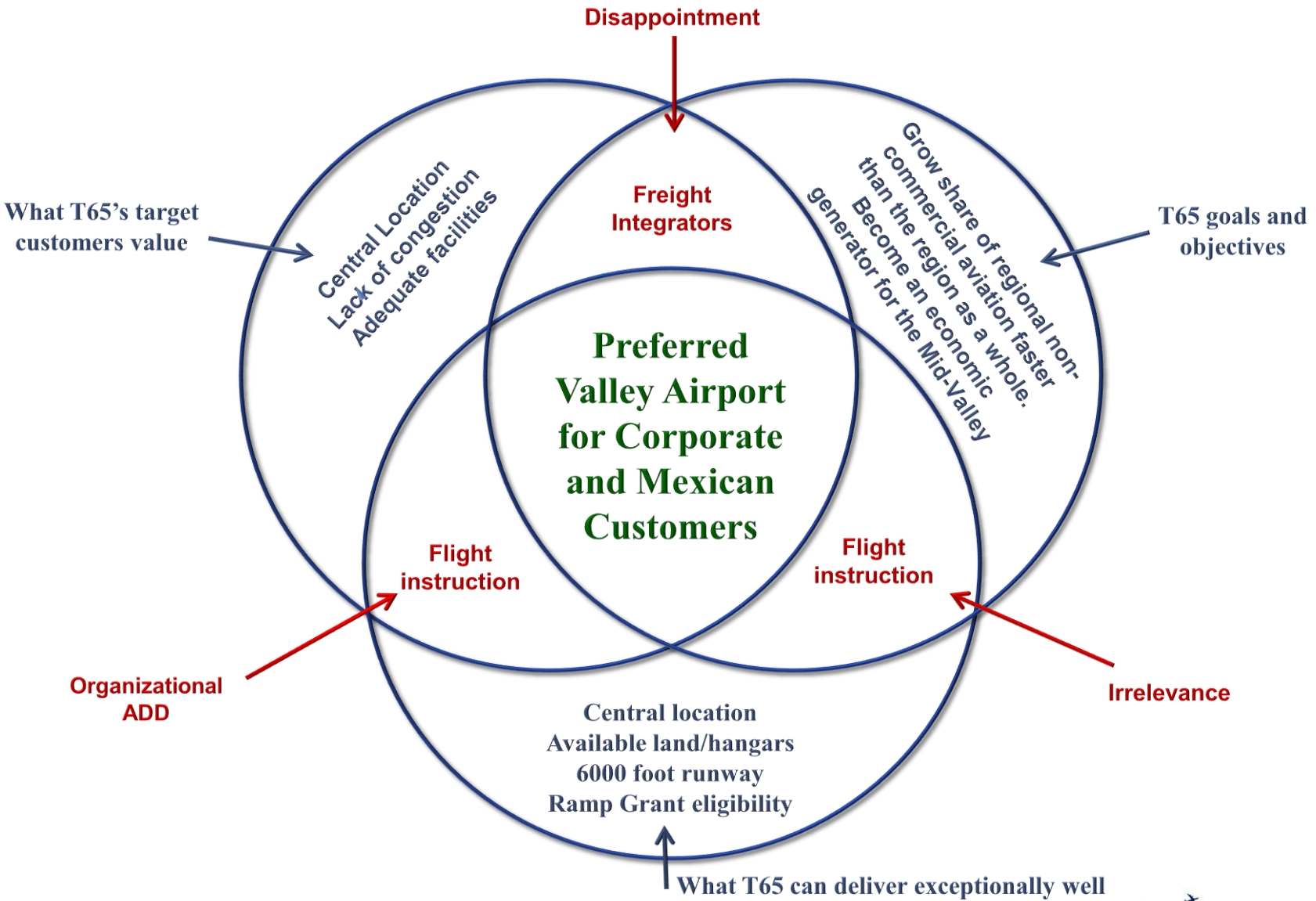
T65 currently has the highest approach minimums among RGV airports

Airport	Runway	Approach Type	Approach Minimums*	
			Height Above Ground	Distance From Runway
T65	13	GPS	430	1 mile
HRL	17R	ILS	200	1/2 mile
MFE	13	ILS	200	1/2 mile
EBG	32	RNAV GPS	250	3/4 mile

* When descending to land under Instrument Flight Rules ("IFR"), pilot must have runway in sight by these minimums or else execute a missed approach and, potentially, divert to an alternate airport with better approach minimums

- Though VFR conditions predominate in the Rio Grande Valley, T65's minimums will tend to affect corporate use and preference over time
- Corporate customers' preferred solution would be the installation of an ILS
- An intermediate step would be to upgrade the approach to RNAV GPS, gaining parity with EBG
- Should T65 decide not to improve the approach minimums, it does not invalidate the corporate segment strategy, but it will tend to limit its success

Customer-Centric Strategy



Customer – Centric Strategy – Obstacles

To pursue the Preferred Corporate Aviation strategy, T65 and its stakeholders should decide if they can address several shortcomings over time:

Timeline	Goal	Potential Obstacle	Sample Tactics
Immediate	Capitalize on Mid-Valley location and lack of congestion to appeal to corporate customers with minimal capital investment	Operating hours are too short	Fund additional staffing. Exact amount to be determined in conjunction with T65 and local leadership
		Insufficient owner-oriented services	Either directly fund, or enter into partnership for, standard services such as ground transportation and aircraft catering. Model will need to flexible, adaptable, and scalable
		Insufficient pilot-oriented services	Either directly fund, or enter into partnership for, onsite or adjacent food appropriate to level of facility use. Chosen model will need to flexible, adaptable, and scalable. Resume courtesy car program
		Presumed lack of preference for, and perhaps even awareness of, T65 in the minds of the target customer segment	Design and implement an integrated marketing program to increase awareness of and preference for T65 in the minds of the target customer segment
		Highest approach minimums in the Rio Grande Valley	Move quickly to obtain minimums on par with EBG with RNAV GPS
Longer term	Build on growing corporate customer base and capitalize on lack of property constraints to improve facilities and attract additional customers	Limited facilities - hangars and terminal building size	Adopt airport master plan to update facilities as appropriate and necessary. Use Ramp Grant eligibility as competitive advantage by delivering improvements with only 50% of the cost borne by airport or other local stakeholders
		Approach minimums	Presuming RNAV GPS obtained quickly , align Weslaco and adjacent municipalities to deliver ILS if demanded by growing customer base

Next Steps

T65 and its stakeholders should evaluate two general options

- Option 1 – Reactive Status Quo:
    1. Complete runway project
    2. Resume business with existing conditions
    3. Local marketing and outreach for to improve perception of T65's value (actual and potential) for the Mid-Valley
    4. React to any growth opportunities that may present themselves

- Option 2 – Proactive Customer-Centric Strategy
    1. Complete runway project
    2. Make the case for additional investment in T65
    3. Conduct further research into target customer needs, and perceptions of T65 versus competition
    4. Devise and implement an integrated plan with multiple options for improving and marketing the T65 product to
        a) attract more target customers, and
        b) improve perception of T65's value (actual and potential) for the Mid-Valley

Strategy Options Grid

To help T65 stakeholders decide among the two options – Reactive or Proactive – we constructed this strategy options grid providing an overview of what is at stake, the pros and cons of each, and most importantly "What You Would Have To Believe;" a quick assessment of what stakeholders believe about T65's future, and what they are willing to do about it.

	Option	Description	Pros	Cons	What You Would Have To Believe
1	Reactive Status Quo	After the completion of the runway extension/widening project, rely on existng facilities and resources to produce T65's fair share of any regional aviation growth	Requires no additional staff or funding Requires no additional coordination among various municipalities and EDCs	Likely relegates T65 to a regional competitive position at best similar to what it occupies today Status quo T65 will not likely bring economic benefits to Mid-Valley municipalities and stakeholders	Mid-valley communities will not be able to support additional funding of T65 T65 can succeed sufficiently without a more aggressive strategy. This includes being satified with the T65 status quo A more proactive strategy has little chance to succeed
2	Proactive Customer-Centric Strategy	Position T65 as the preferred Valley Airport for Corporate and Mexican Customers. Invest in facilities and staff to be able to deliiver on that brand promise	Provides the best chance for T65 to flourish Additional investment can be done incrementally Provides most possible economic benefit to surrounding municipalities and stakeholders	Requires at least some funding investment in facilities and staffing now, in return for a potential future benefit The future benefit is not guaranteed	Local stakeholders will consider increased investment to address T65 challenges Target customers are reasonably likely to respond favorably to T65 improvements

In essence, if stakeholders believe T65 can outperform the region and are willing to invest to produce that result, the Proactive option is a reasonable one. Otherwise, the "Reactive" option remains by default

Appendix B

TxDOT AVIATION

MODEL LEASE AGREEMENT

EXAMPLE

Model Lease Agreement

This "Model Lease Agreement" is offered as a guide for the leasing of land, a hangar, hangar space, T-hangar, building, or office at a publicly owned airport.

STATE OF TEXAS)

) KNOW ALL PERSONS BY THESE PRESENTS:

CITY/COUNTY OF_____)

This lease is entered into this _____ day of _____, 20__, between the City/County of _____, hereinafter referred to as the "Lessor" and is the owner of the _____ Airport, hereinafter referred to as "Airport" and _____ (a corporation, partnership, or sole proprietor), hereinafter referred to as "Lessee" who covenant and agree as follows:

WHEREAS, Lessor and Lessee are committed to the proper operation, improvement, and continued development of the Airport; and

WHEREAS, Lessor deems it advantageous to itself and to the operation of the Airport to lease to Lessee certain land/hangar/building/office as stated herein;

NOW THEREFORE, in consideration of the terms, considerations, and privileges listed herein, Lessor and Lessee covenant and agree as follows:

Section 1. Leased Area

A. Land – Lessor does hereby lease to Lessee approximately _____ sq. ft. of land more particularly described as follows:
_____
_____
_____
_____
and as shown on the "Plat of Land" which is attached hereto and incorporated herein, and hereinafter referred to as the "Land" and located on the Airport. Lessee hereby leases the said Land from the Lessor subject to the terms, considerations, and privileges stated herein.

B. Hangar/Building/Office – Lessor does hereby lease to Lessee Hangar/T-hangar/Building/Office No. _____ more particularly described as follows:
_____
_____
_____
_____
and as shown on "Plat/Description of Hangar/Building/Office" which is attached hereto and incorporated herein, all hereafter referred to as the "Hangar/Building/Office" and

located on the Airport. Lessee hereby leases the said Hangar/Building/Office from Lessor subject to the terms, considerations, and privileges stated herein.

Section 2. Term

This lease shall be for the term of ____ months/years, not to exceed twenty (20) years, except in the event Lessee intends to and has provided sufficient evidence toward construction a structure on the Land/making improvements to the Hangar/Building/Office and has applied for and secured a loan for such structure/improvements for a period of time longer that twenty (20) years and is required by the bank, person, or lending institution making the loan to hold the lease for the duration of the loan payments and as agreed upon by Lessor, commencing on the _____ day of _____, 20__ and ending on the _____ day of _____, 20__. Thereafter, this lease may be renewed for a subsequent _____ year extension upon giving of written notice by Lessee to Lessor not more than one hundred eighty (180) nor less than sixty (60) days prior to the expiration of the preceding _____ year lease term and upon mutual and written agreement by Lessor.

Section 3. Consideration

A. In consideration for the lease of the Land/Hangar/Building/Office referenced herein, Lessee hereby agrees to pay monthly/yearly the sum of $ _____. The first month's/year's payment to be made in advance. Thereafter, all future payments shall be made on or before the first working day of the month/year due for the term of this contract plus any extensions thereto.

B. Lessee agrees that the lease payment listed herein shall be subject to review and adjustment by Lessor at five (5) year intervals throughout the term of the lease and prior to any extensions granted. Any adjustment to the lease payment shall be based on the U.S. Department of Commerce's Consumer Price Index (CPI) and shall be by an amount agreed upon by Lessee and Lessor at the commencement of this lease which will be _____. The adjusted lease fee shall be calculated on the fifth (5^{th}) year anniversary of this lease and recalculated at subsequent five (5) year intervals. Such increase in the lease payment shall begin immediately upon request from Lessor and continue at that rate until the next five year anniversary. Upon review, if the CPI shall have decreased as compared to the previous review date, the lease fee for the subject Land/Hangar/Building/Office shall not be decreased, but shall remain at the same level as was charged during the preceding five (5) year period.

C. All lease fees shall be paid as the same becomes due, without demand, in lawful currency of the United States made payable to the City/County of _____, Texas by mail or delivery.

D. In the event Lessee fails to remit any payments when the same are due, interest at the rate of ____ % shall be charged by Lessor beginning on the tenth (10) day after the date the payment is due and such interest shall continue to accrue against such delinquent payment until the payment plus interest is received by Lessor. In the event Lessee shall become delinquent for more than _____ days, this lease may be terminated by Lessor as further defined in Section 7. – Termination.

E. Lessee agrees that he will at all times keep the premises of the Land/Hangar/Building/Office, including the inside and the outside of the

Hangar/Building/Office, clean and free of trash, litter tall grass, weeds, junked automobiles, and scrap aircraft parts. Lessee shall abide by all applicable rules and recommendations of the Environmental Protection Agency, the Texas Commission on Environmental Quality, the Texas Department of Agriculture, the Texas Department of Transportation, and any other public agency concerning the use, storage, and disposal of hazardous chemicals, fuel, and/or oil. Lessee further agrees to abide by the manufacturer's directions in regards to the use, storage, and disposal of all pesticides, herbicides, and other chemicals plus their containers used at the airport. Should Lessee fail to keep the leased Land/Hangar/Building/Office clean and free of hazards, Lessor may, after _____ days written notice, arrange for the cleanup of the littered or hazardous area. Such cleanup shall be charged to Lessee and payable on demand. Failure to render proper payment for such cleanup and/or general disregard for the considerations and restrictions listed in this lease agreement are grounds for Lessor to terminate this lease.

F. Taxes, Fees, Insurance, and Bond – Lessee shall be liable for all taxes and fees owed on or by his personal business or himself. Under no circumstances shall Lessor be liable for or be required to pay any tax or fee owed by Lessee. Lessor shall provide insurance for all Lessor owned real property located at the Airport under lessor'' policy which shall be for the sole benefit and protection of Lessor. Lessee should provide his own insurance coverage for any personal property located in or on the Land/Hangar/Building/Office and is required herein to provide business liability insurance in an amount of $ _____. Lessee shall be bonded in the amount of $ _____ with Lessor listed as beneficiary in the event of damage to the Airport for which Lessee is liable and cannot or will not rectify. Certificates of such required insurance and bond shall be furnished by Lessee to Lessor and certificates presently then in effect shall be on file at all times. Any changes in those certificates must have prior written approval of Lessor.

Section 4. Permitted Use

A. Lessee agrees that the leased Land/Hangar/Building/Office may be used for any noncommercial aeronautical activity which must be made known to and agreed upon by Lessor and for no other purposes.

B. Lessee may park his and/or his passenger's privately owned automobile(s) inside the Hangar, but only while on a flight which originated at the Airport.

C. Lessee may store up to a maximum of _____ one (1) quart containers of aviation oil inside the Hangar for use in his aircraft so long, and only so long, as such oil is contained in marked, approved containers. Such storage will be at the discretion of and with written approval from the local fire marshal if such storage is allowed under local fire codes.

Section 5. Restricted Use

A. Lessee agrees that the usage of the Land/Hangar plus any associated apron shall be limited to the parking/hangaring of his personal/company owned aircraft. No automobile, bus, truck, or other transportation mode may be permanently or habitually parked or stored on/in the Land/Hangar except in approved automobile parking areas and as agreed upon by Lessor.

B. Lessee agrees that he will not conduct any commercial activity such as pilot instruction,

aerial spraying, charter flights, air taxi, sight seeing, aerial photography, aircraft engine or airframe repair, avionics repair, or any other at the Airport without the written consent of Lessor. Any such approved commercial operation must be in accordance with a separate contract agreement with Lessor.

C. Lessee agrees that he will not store or permit the storage of any fuel or hazardous, volatile, and/or dangerous chemicals on/inside the Land/Hangar/Building/Office except as authorized in Section 4.c. without the written consent of Lessor.

D. Lessee agrees not to fuel or defuel any aircraft parked inside the Hangar.

E. Lessee agrees to have a sufficient number of fire extinguishers of acceptable size as determined by the local fire marshal inside the Hangar/Building/Office. Such fire extinguisher(s) shall be readily accessible in the event of a fire.

F. Lessee agrees not to make any additions or modifications to the Land/Hangar/Building/Office unless agreed upon by both parties in writing. In event of such consent, all improvements or modifications shall be made at the expense of Lessee and, at the expiration of this Lease and any extensions to this lease, shall become the property of the Lessor.

G. Lessee agrees that he will not operate any nonaviation related business or activity on/in the Land/Hangar/Building/Office without the expressed written consent of Lessor. Any such nonaviation related business or activity must be so established by a separate contract.

Section 6. Sublease, Assignment, or Sale

The Manager shall not sublease, assign, sell, or transfer this contract agreement or any right hereunder to any person, corporation, or association. Any such sublease, assignment, sale, or transfer shall be grounds, at the option of the Sponsor, for the Sponsor to immediately terminate this contract agreement.

Section 7. Termination

A. This contract agreement may be prematurely terminated by Lessor or Lessee if either fails to abide by the terms and conditions expressed herein and due the complainant and so decreed by a court of competent jurisdiction. Should Lessee be declared bankrupt, incompetent, or become deceased, this contract agreement shall immediately terminate and shall not be considered as part of Lessee's estate and shall not become an asset of any appointed or assigned guardian, trustee, or receiver. In the event Lessee fails to make timely payments of all taxes or fees, fails to provide proof of required insurance or bond, uses the Airport property or permits the Airport property to be used for any illegal or unauthorized purpose, files bankruptcy, abandons or leaves the property vacant or unoccupied for _____ consecutive days, or violates any of the terms and conditions of this contract agreement, Lessor has the right to terminate this contract agreement and retake possession of any Airport property leased to or under the control of Lessee.

B. Lessee agrees and understands that Lessor reserves the right to further expand, develop, or improve the airport, including the termination of this lease agreement, in such instance that the continued leasing of the Land/Hangar/Building/Office would have a negative impact on any proposed development or improvements at the Airport. This

contract agreement may be terminated regardless of the desires, wishes, or views of Lessee and without interference or hindrance from Lessee, but only so long as such expansion, development, or improvements are shown on a Texas Department of Transportation and/or FAA approved Airport Layout Plan or Master Plan.

C. This contract may be prematurely terminated by mutual agreement and consent of both parties in writing. Such termination by mutual agreement shall cause both Lessor and Lessee to be free of any and all requirements of this contract, except as contained in paragraph 7.D. hereunder, and neither Lessor nor Lessee shall have any derogatory remarks or entries made upon their resumés or upon any public or private records which would indicate failure to successfully fulfill the conditions of this contract.

D. At the termination of this contract agreement, either by normal expiration, premature termination, or mutual agreement, Lessee shall peaceably vacate the premises. Should Lessee be in default of any monies owed to Lessor, Lessor may take possession of any personal property owned by Lessee and located at the Airport and hold until the monetary default is settled. In such case that Lessee cannot or will not settle any claims against him owed to Lessor, Lessor may liquidate any personal property seized, subject to the disposition of a court of competent jurisdiction. Lessee shall be liable for any and all expenses incurred by Lessor in such action.

Section 8. Hold Harmless

Lessee agrees to save and hold harmless Lessor and its agents, servants, and employees of and from any and all liabilities, expenses, causes of action, damages, and/or attorney's fees resulting from or as a result of any of Lessee's businesses, operation, occupancy, or use of the Airport or from any act or omission of Lessee's agents, servants, or employees. This indemnity agreement shall apply and protect Lessor and its agents, servants, and employees even though it be contended, or even established, that said Lessor or its agents, servants, or employees were negligent or that their conduct or omission in any way caused or contributed to any such liability, expense, cause of action, damage, and/or attorney's fees.

Section 9. Maintenance of Landing Area

Lessee understands and agrees that Lessor reserves the right, but not the obligation, to maintain the Airport to at least the minimum standards as recommended by the FAA and/or the Texas Department of Transportation. Such right includes the right to maintain and keep in repair all public use areas at the Airport and the right to direct and control all activities as necessary at the Airport. Lessee also understands that Lessor is not obligated by this lease to continue operating the Airport as an airport and may close the Airport at any time and at its own discretion. Such closure shall immediately void this contract and no damages or monies or other compensation will be owed to the Lessee by Lessor.

Section 10. Exclusions

A. This contract agreement embraces the entire lease agreement of the parties mentioned herein pertaining to the Land/Hangar/Building/Office and no statement, remark, agreement, or understanding, either oral or written, not contained herein shall be recognized or enforced as it pertains to the lease of the Land/Building/Hangar/Office, except that this contract agreement may be modified by written addendum agreed to and signed by all pertinent parties and attached hereto.

B. For the purpose of this contract agreement, the singular number shall include the plural and the masculine shall include the feminine and vise-versa, whenever the context so admits or requires.

C. The "Section" captions and headings are inserted solely for the convenience of reference and are not part of nor intended to govern, limit, or aid in the construction of any provision hereof.

D. The parties to this contract agreement hereby acknowledge and agree that they are the principals to the contract agreement and have the power, right, and authority to enter into this contract agreement and have the power, right, and authority to enter into this contract agreement and are not acting as an agent for the benefit of any third party, except that Lessor is acting on behalf of the City/County of _____.

E. This contract agreement shall be governed by the laws of the State of Texas and construed thereunder and venue of any action brought under this contract agreement shall be in _____ County, Texas.

F. If any section, paragraph, sentence, or phrase entered in this contract agreement is held to be illegal or unenforceable by a court of competent jurisdiction, such illegality or unenforceability shall not affect the remainder of this contract agreement and, to this end, the provisions of this contract agreement are declared to be severable.

EXECUTED this _____ day of _____, 20__.

Sponsor: City/County of _____

_____
Mayor/County Judge

_____
Manager

Approved as to Form:

_____
City/County Attorney

Attest: _____
City Secretary/County Clerk

Appendix C

TxDOT AVIATION

MODEL MINIMUM STANDARDS FOR FBO OPERATORS

EXAMPLE

Model Minimum Standards for Fixed Base Operators (FBO)

The attached "Model of Minimum Standards for Fixed Base Operators (FBO)" has been prepared to assist owners of public use airports in developing standards for the providers of airport services. This is a guideline only. The local situation will dictate if additional or fewer standards will be applicable.

The owner of a public use airport which has a grant or loan obligations with either the Federal Aviation Administration (FAA) or the State of Texas or has deed obligations under the Surplus Property Act is required to make that airport available to all qualified users and providers without an unjust bias or discrimination. These obligations also prohibit the airport owner from granting an exclusive right to offer services or products. However, the airport owner may retain the exclusive right to perform any of the functions of an FBO providing this is done with its own employees and resources. A third party may not be designated as the agent of the airport owner to satisfy this exemption.

If an airport owner elects not to retain the exclusive right to provide services and there is a "need" for additional FBO services or positions, the airport owner may not routinely deny an application without sufficient justification. "Need" would be established if a proponent requests approval for an additional FBO business and is willing and able to accomplish such request. No other justification for "need" is required. This establishment of need would require the airport owner to allow all qualified persons the opportunity to bid on the subsequent FBO position. No qualified bidder, including the incumbent FBO, should be excluded from participating. If all suitable facilities are currently under lease and being actively used by the incumbent FBO, subsequent requests may be denied on the grounds of insufficient space. The airport owner would not be required to void or alter existing contracts to provide space or other provisions. The incumbent FBO should not be required to relinquish leased space or hangars which are actively used in his business and likewise, should not be able to hold unused space or hangars, even if included in his lease, solely for the purpose of denying a subsequent FBO sufficient space to set up operation.

Any new FBO contracts should be written to standards applicable at that time. The new contract does not necessarily have to be equal or comparable to any existing contract; however, the airport owner MUST be able to adequately justify the differences. In such case, the airport owner should be willing to renegotiate existing contracts that would place an incumbent FBO at an economic or business disadvantage. If a previous contract required a level of service which is no longer applicable, under no circumstances should the airport owner be liable for or be required to pay damages to an FBO for having to provide those services under previous contracts.

Model Minimum Standards for Fixed Base Operators (FBO)

This is a summary of the obligations and services which should be provided by a Fixed Base Operator (FBO). This guideline may be attached to and become part of an actual lease agreement between an FBO and the airport owner. Should the actual lease agreement be more or less restrictive than this guideline, the lease would take precedence.

I. Definitions

A. **Fixed Base Operator** – A Fixed Base Operator is a person, firm, or corporation performing any of the functions or furnishing any of the services listed herein on a commercial basis. No person, firm, or corporation may act in the capacity of an FBO without a valid contract with the City/County of _____ authorizing such activity at the airport.

B. **Airport Tenant** – An airport tenant is a person, firm, or corporation leasing or using airport property solely for the purpose of storing an aircraft and is not engaged in or providing any aviation related commercial activity or service at the airport. An airport tenant is not authorized to function as or provide the services of an FBO.

II. Services and Requirements

A. An FBO is authorized to offer or perform any or all of the following services or functions for the public. The guidelines for each service or function are listed.

1. Airframe or power plant repair: Sufficient hangar space, FAA certified mechanic on duty, paved outside parking area for aircraft, and paved access to the runway-taxiway system (if connecting runway or taxiway is paved).

2. Fueling: Avgas and jet fuel storage tanks (tanks must be State approved and registered if required), fuel delivery by means of pumps and/or trucks, trained and qualified fueling technician, plan of action in case of a massive fuel spill, and at least the minimum number of working fire extinguishers and bonding cables as recommended in the latest edition of the National Fire Protection Association booklet, Manual 407 – "Standard for Aircraft Fuel Servicing, 2001 edition," (or as revised) published by the National Fire Protection Association, 1 Batterymarch Park, P.O. Box 9101, Quincy MA 02269-9101, 800-344-3555. Fuel pumps and trucks must meet all applicable local and State codes and be approved for use by the local fire marshal.

3. Line service: Properly trained personnel; ropes, chains, or other restraining devices and wheel chocks for each tie down position.
4. Aircraft sales and/or rental: Sufficient office space, aircraft display area, telephone, and aircraft inventory.
5. Flight instruction: Trained and certified instructor, classroom, telephone and restrooms, and aircraft available for instruction.
6. Avionics: Shop area, office space with telephone and restrooms, and trained and certified personnel on duty.
7. Aircraft storage: Sufficient hangar, T-hangar, and tie down spaces.
8. Air taxi and charter: FAA Part 135 certification, aircraft with sufficient hangar, T-hangar, or tie down space, office with telephone and restrooms, and aircraft loading or unloading area.
9. Agricultural spraying operation: Qualified pilot, aircraft designed for such purpose, qualified personnel on duty to properly handle dangerous chemicals, secure area to store chemicals, and properly designed and constructed wash down pad.
10. Other as agreed on by contract: Telephone for public use, ground transportation into town, pilot and passenger lounge with restrooms, retail business area with restrooms, and coffee and/or soft drinks.

Hangar space, shop areas, restrooms, and other equipment as well as sufficient personnel shall not necessarily be accumulative for each service provided. For example, if an FBO provides both flight instruction and aircraft sales, both functions could be serviced by the same restrooms and telephone. The actual contract agreement between an FBO and the airport owner shall spell out the required services of each FBO and the square footage, number of personnel, etc. which must be provided by that FBO.

B. An FBO is required to perform the following functions or abide by the following rules:
    1. Install, operate, maintain, repair, and store all equipment necessary for the conduct of the FBO's business subject to the approval of the airport owner.
    2. Use, with others so authorized, any common areas or equipment on the airport including, but not limited to, the runways, taxiways, public aircraft and auto parking aprons, roadways, and navigational aids.
    3. Upon termination of the lease, return any leased property to the airport owner in the same condition as it was at the start of the lease, normal wear

excluded. Any improvements or additions made to real property during the term of the lease will become property of the airport owner at the termination of the lease.

4. Will not prevent any person, company, or employee of a company from servicing, maintaining, or fueling their own aircraft that might be parked or hangared at the airport.
5. Make its business open to all forms and classes of aeronautical use.
6. Submit to and abide by periodic safety inspections by the Airport owner, the FAA, and/or the Texas Department of Transportation.
7. Maintain all leased areas and the interior and exterior of any leased or constructed buildings to an acceptable standard.
8. Remove and properly dispose of any trash from the leased property.
9. Notify and gain approval of the airport owner of any intended reduction of services which are included in the FBO's lease agreement.
10. Furnish all applicable services in a fair, equal, and nondiscriminatory manner to all airport users.
11. Abide by any and all rules, requirements, or mandates placed upon the airport owner by the FAA or the State of Texas including, but not limited to, the Grant Assurances of FAA grants and the Terms and Conditions of State of Texas grants.
12. An FBO does not have the right to perform any service or business on the Airport unless such service or business is included in the current lease agreement with the airport owner.
13. An FBO's rights do not supercede the airport owner's rights and obligations.

III. Airport Owner's Rights and Obligations

The airport owner retains the right and/or obligation to do the following:

A. Perform any or all of the functions of an FBO. If so inclined, the airport owner may retain a proprietary right to offer any or all FBO services and/or products and allow no FBO to offer the same services or products at the airport.
B. Enter into contracts with other FBO's to operate similar or competitive businesses at the airport without regard to the wishes or desires of existing FBO's. Any new contracts will be written to standards applicable at that time.

If a new contract agreement gives an economic advantage to the new FBO, the airport owner may renegotiate its contract with the disadvantaged FBO; however, under no circumstances will the airport owner be held liable or required to pay damages for services, equipment or any other obligations which were required by past or current contracts.

C. Approve an FBO's placement of buildings, parking areas, or equipment to assure such development is accomplished in an orderly fashion and does not impede the future development or expansion of the airport as shown on an FAA or Texas Department of Transportation approved Airport Layout Plan or Master Plan.
D. Maintain the airport in a safe and serviceable condition.
E. Collect all fees for the use of the airport; these fees include lease of hangar space, office space, T-hangar space, aircraft or auto parking areas, fuel flowage fees, and tie-down fees. The airport owner may charge these fees as long as such fees are fair and appropriate and not intended to discriminate for or against any FBO or airport user or type of user.
F. Increase or decrease the fee or required services of an FBO at any time the FBO's contract is renegotiated or at any such time as authorized by the lease contract.
G. Impound any personal property, tools, furniture, aircraft, or equipment located on the leased property and hold or liquidate such until all fees and taxes due the airport owner are paid, subject to a court judgement.
H. Reserve the right to take any actions necessary to protect the safety and usability of the airport and the approach surfaces to all runway ends.

IV. Payment and Fees

A. **Service Charge** – An FBO must pay all responsible rentals, fees, or charges in a timely manner. The airport owner retains the right to assess a service charge for any late payments dues to the owner.
B. **Bond** – An FBO must show proof of financial responsibility or be properly bonded with the airport owner listed as beneficiary in the event the FBO cannot or will not return the property to an acceptable condition after the term to the lease or if the lease is prematurely terminated.
C. **Utilities** – An FBO must arrange for water and waste water, gas, electricity, telephone, and any other utilities it uses on the airport and pay all responsible charges in a timely manner throughout the term of the lease.
D. **Taxes** – An FBO will pay all responsible taxes in a timely manner.

E. **Other Bills** – An FBO will pay all responsible bills in a timely manner. Under no circumstances will the airport owner be responsible for payment of any taxes or bills owed by an FBO.

V. Insurance

The airport owner will provide insurance for all real property located at the airport under the owner's policy. This policy will be for the sole benefit and protection of the airport owner. The FBO will be required to provide adequate insurance coverage for his personal property and the contents of any buildings under lease. The FBO must furnish current proof of these policies to the airport owner and any changes in those policies must have prior written approval of the airport owner.

VI. Solicitation and Conduct

A. An FBO will not engage in the solicitation of its fueling or other services on or about the airport in a loud, offensive, or objectionable manner. In the event of such questionable conduct, the airport owner will be the sole judge in determining if said conduct is a violation of the lease agreement and take any and all necessary steps to eliminate the undesirable condition, up to and including the termination of the FBOs lease contract.

B. An FBO will conduct business on the airport in such a manner as to maintain a friendly and cooperative, though competitive, relationship with other operators engaged in similar businesses on the airport. An FBO will not engage in open public disputes, disagreements, or conflicts which would tend to deteriorate the quality of service of either party involved or which would be incompatible with the best interest of the public or the airport. The airport owner has the right to resolve all such disputes, disagreements, or conflicts and the airport owner's determination will be binding upon all FBO's operating at the airport.

VII. Use and Use Conflict

Any land, building, paved area, and other infrastructure leased to an FBO are to be used and occupied solely for the purpose of operating a Fixed Base Operation and no other. The leased airport property cannot be sublet or divided, except for parking aircraft in hangars, T-hangars, or tie down spaces without the written permission of the airport owner. Should the FBO become deceased, be adjudged to be incompetent, or his business declared bankrupt or become insolvent, the leased property and the executed lease contract shall not be considered as a part of the FBO's estate or an asset of any appointed or assigned guardian, trustee, or receiver. In such cases, the FBO's lease will immediately terminate and all rights and property returned to the airport owner.

VIII. Unauthorized Use

An FBO may not park vehicles, trailers, motor homes, mobile homes, or any other vehicle or trailer on airport property without written approval of the airport owner.

IX. Rules

An FBO must abide by all laws, rules, regulations, guidelines, terms, and conditions of the airport owner, the Texas Department of Agriculture, the Environmental Protection Agency, the National Fire Protection Association, the local and State fire marshals, the Texas Department of Transportation, the Federal Aviation Administration, and any other applicable agencies in regard to the use and storage of pesticides, or other dangerous chemicals, the storage and dispensing of aircraft fuel, the storage, dispensing, and disposal of engine oil, the maintenance and upkeep of the airport facilities, the operation of the FBO's business, and the general safety and operation of the airport.

Appendix D

TxDOT AVIATION

MODEL AIRPORT RULES AND REGULATIONS

EXAMPLE

Texas Department of Transportation

Model Airport Rules and Regulations

9/24/2014 – supersedes all previous

Airport sponsors must allow use of the airport by all types, kinds, and classes of aeronautical activity as well as by the general public. Airport rules and regulations provide a means to control operations at a public airport to protect both aeronautical activities and public safety.

The airport sponsor may impose reasonable rules and regulations which restrict use of or access to the airport, in the interest of safety indicated by local conditions unique to an airport.

If the airport rules are intended for use at a City owned airport, the City Council should adopt the rules as a City Ordinance; if the rules are for a County owned airport, the Commissioners Court should adopt the rules as a County Order.

This model ordinance/order is provided by TxDOT Aviation Division as a guide for establishing operating procedures, rules, and regulations at general aviation airports. The model document is a compilation of industry standards, and all sections are not applicable to every airport. The Model Rules and Regulations are provided by TxDOT Aviation Division as a template for individual airport development, and are not intended or required to be adopted exactly as written.

_____ Airport Ordinance/Order

No. _____

Rules and Regulations

An ordinance/order providing rules and regulations for the efficient and safe operation of the _____ Municipal / County Airport (hereinafter referred to as the "Airport"); and to provide the greatest service for the citizens of _____ and the aviation public, is adopted by the City Council / Commissioners Court, providing enforcement by _____ or the Airport Manager, and providing penalties for violations; all as authorized by the Texas Transportation Code Chapter 22 "County and Municipal Airports".

The definition of "Airport", "aircraft", "airplane", and other common terms used herein is as defined in Part 1, Code of Federal Regulations, Title 14, Aeronautics and Space. Ultralight refers to aircraft that fall within the description given in FAR Part 103. "Airport" with a capital refers to the specific airport for which these rules are adopted. "TxDOT" herein refers to the Texas Department of Transportation, Aviation Division.

Section 1. Use of Airport Restricted

No person, partnership, firm, association, corporation or entity, incorporated or otherwise, shall use the Airport for any commercial activity, unless approved by a written permit from the City Council / Commissioners Court or its duly authorized agent.

Section 2. General Rules and Regulations

The following rules and regulations shall be observed in the use and operation of the Airport:

Rule 2-1. Federal Air Traffic Rules of the Federal Aviation Administration (FAA) for aircraft operated within the United States, and presently or hereafter effective, are hereby referred to, adopted, and made a part hereof as though fully set forth and incorporated herein.

Rule 2-2. Safeguard of Persons and Property – The Airport Manager shall at all times have authority to take necessary and legal actions to safeguard any person, aircraft, equipment, or property at the Airport.

Rule 2-3. Through-the-Fence Operations – No private individual, partnership, FBO, company, or corporation shall be permitted direct ground access to the Airport by their aircraft, customers' aircraft, or private vehicle from property adjacent to or in the immediate vicinity of the Airport without prior coordination with TxDOT. Furthermore, no private individual, partnership, company, corporate, or customers' aircraft or vehicle shall be permitted direct ground access to property from the Airport – a practice commonly known as a "through-the-fence operation" without prior coordination with TxDOT.

Rule 2-4. Lien for Charges – To enforce the payment of any charge for repairs, improvements, storage, or care of any personal property by the City / County or its agents in connection with the operation of the Airport, the City / County may place a lien upon such personal property, which shall be enforceable as provided by law.

Rule 2-5. Lien Possessory Right- To enforce the payment of any such charge, the Airport Manager may retain possession of such personal property until all reasonable, customary, and usual compensation has been paid in full.

Rule 2-6. Unauthorized Signs and Equipment – No signs, non-aeronautical equipment, portable buildings, or trailers may be erected, moved-in, or installed on Airport property, except as may be specifically authorized by the Airport Manager.

Rule 2-7. Surreptitious Activities – Any person observing suspicious, unauthorized or criminal activities should report such activities immediately to the Airport Manager, local police, officers of the Texas Department of Public Safety, and the Transportation Security Administration General Aviation Information Hotline at 1-866-GA SECUR(E) or 1-866-427-3287.

Rule 2-8. Wrecked Aircraft – Every aircraft owner, his/her pilot or agents, shall be responsible for notifying FAA and promptly removing disabled or wrecked aircraft from the operational areas of the Airport, under the direction of the Airport Manager.

Rule 2-9. Repairs to Aircraft – No aircraft shall be repaired on any part of the landing or takeoff area. All outside repairs shall be made only at places designated by the Airport Manager for such purpose. Major engine, airframe, or avionics repairs shall be conducted by a properly licensed mechanic or other person authorized by the FAA within a hangar or building rented, leased, or owned for such commercial purposes. Any preventative maintenance authorized by FAR Part 43 may be made by the owner or operator of any aircraft, but only within a hangar leased or owned by that aircraft owner or operator or at places designated by the Airport Manager for such purpose.

Rule 2-10. Damage to Airport – Any person, individual, or corporation or the owner of any aircraft causing damage of any kind to the Airport, whether through violation of any of these rules, through vandalism, or any act of negligence, shall be liable therefore in and to the City / County.

Rule 2-11. Injury to Person – Persons entering the Airport groundside property by automobile, other vehicular conveyance, or on foot (does not include persons in aircraft using approved airside facilities) do so at their own risk and with no liability incurring to the City / County for any injury or damage to person or property. Further, any person desiring to use the Airport shall observe and obey all laws, resolutions, orders, rules, and regulations promulgated and enforced by the City / County or by any other Authority having jurisdiction over the operation of the Airport.

Rule 2-12. Licensed Pilots – Only aircraft with current and correct FAA Certificates of Registration and Airworthiness and persons holding valid and current airman and medical certificates issued by the FAA, for those flight operations requiring medical certificates, shall be authorized to operate aircraft upon the Airport except as provided in this ordinance / order. Ultralights operating under FAR part 103 do not require aircraft registration, pilot certificates, or medical certificates. This limitation shall also not apply to students-in-training under licensed instructors or to public aircraft of the Federal government or of a State, Territory, or political subdivision thereof, or to aircraft licensed by a foreign government with which the United States has a reciprocal agreement covering the operation of such licensed aircraft. Use of the Airport by ultralight aircraft and light sport aircraft in the weight shift control and powered parachute class shall be subject to approval by the City Council / Commissioners Court and shall be in accordance with FAA Order 5190.6 (latest change) and appropriate FARs Part 61 and 103 and any other rules established by the City / County.

Rule 2-13. Registration – Each person owning an aircraft based at the Airport, or any person based and receiving flight instruction toward an FAA rating at the Airport shall register at the office of the Airport Manager their name, address, telephone number, aircraft model, aircraft registration "N" number, or make and model of aircraft for those aircraft not requiring registration (ultralight), and the name, address, and telephone number of their next of kin or person to be notified in case of an accident or emergency.

Rule 2-14. Animals - No person shall enter the Airport with a dog, cat, or other animal unless the animal is, and remains, restrained by a leash or properly confined as determined by the Airport Manager.

Rule 2-15. Living Quarters - No person may make permanent living quarters on Airport. Exceptions to this rule for cause, such as alert crew members or security personnel, will be coordinated with TxDOT.

Rule 2-16. Intoxicants and Narcotics Prohibited – No person under the influence of any intoxicant, narcotic, or other illicit drug shall operate or fly in any aircraft to or from the Airport. Such prohibition shall not apply to a passenger under the care of a medical doctor and accompanied by a doctor, nurse, or caretaker.

Rule 2-17. Foreign Objects – No foreign objects, including bottles, cans, scrap, nuts, bolts, nails, or any object that may cause damage to an aircraft, shall be left upon the floor of any building or upon any part of the surface area of the Airport. Individuals are encouraged to pick up such foreign objects when observed and place them in a trash receptacle.

Rule 2-18. Litter - No boxes, crates, cans, bottles, paper, tall grass, weeds, unusable airplane parts or wreckage, scrap wood or metal, discarded airplane or automobile tires, trash, or other litter shall be permitted to accumulate in or about a hangar, building, or other leased space. If such trash and litter is permitted to accumulate around a privately owned, rented, or leased hangar / building, the Airport Manager shall notify the hangar / building owner, renter or lessee by registered letter to remove the offending litter. If within ten (10) work days after receipt of the letter the hangar/building owner, renter, or lessee has not removed the trash and litter as directed, the Airport Manager may have the area cleaned and the cost for such cleaning shall be charged to the hangar/building owner, renter, or lessee.

Section 3. Ground Operations

Rule 3-1. Air, Ground & Vehicular Traffic – No person shall operate a vehicle on the Airport except in accordance with the following rules, and all federal, state, and local law:

A. All vehicles shall yield right of way to aircraft in motion and emergency vehicles.

B. No vehicle except ground service and emergency vehicles shall approach so close to any aircraft with running engine(s) as to create a hazard.

C. All vehicles entering or exiting an operating Airport access gate shall wait for the gate to completely close behind them before proceeding to their destination so as to not allow the entry of any other vehicle.

D. Any vehicle authorized to operate on the Airport runways or taxiways shall display a rotating or steady beacon that complies with FAA Advisory Circular 150/5210 (latest change).

E. All vehicles that are authorized to operate on taxiways or the runways must be equipped with a two-way aviation radio, and must receive a clearance from, and remain in continuous communications with, the Airport Traffic Control Tower (ATCT) when the ATCT is operating. When the ATCT is not operating, or at airports that do not have an ATCT, any vehicle authorized to access the taxiways or runways is required to monitor the published Common Traffic Advisory Frequency (CTAF) for the Airport, and have the ability to communicate with aircraft via a two-way aviation radio.

Rule 3-2. Speed Limits - All vehicles shall be operated within the posted speed limits at the Airport. The maximum speed limit for all vehicles in the airside area, with the exception of authorized municipal vehicles in the performance their official duties, is fifteen (15) miles per hour, unless posted otherwise.

Section 4. Airport Security

Rule 4-1. Security - The Transportation Security Administration publication "Security Guidelines for General Aviation Airports", Information Publication A-001 dated May 2004 or most recent version, is available for reference at their website - www.tsa.gov/.

This document is used by the Airport as a guideline to security on the Airport and is incorporated as a working document.

Rule 4-2. Access Codes/Devices - Persons who have been provided either a code or device for the purpose of obtaining access to the Airport shall not divulge, duplicate, or otherwise distribute the same to any other person, unless otherwise approved in writing by the Airport Manager

Section 5. Aircraft Operation Rules

Rule 5-1. Aircraft Tie Downs

A. All aircraft not hangared shall be tied down and additionally should have the wheels chocked when remaining overnight and during inclement weather.

B. All aircraft owners or their agents are responsible for the tie down or security of their aircraft at all times and particularly during inclement weather.

C. Aircraft parked overnight on the transient apron shall pay a tie down fee of _____ for each night, except that such fee may be waived upon purchase of fuel or services.

Rule 5-2. Running Aircraft Engines

A. Aircraft not equipped with adequate brakes shall not be started until the wheels have been set with chocks attached to ropes or other suitable means of removing them.

B. No aircraft will be left running without a qualified person at the controls.

C. No aircraft engine shall be started or run inside any building or hangar.

D. No engine shall be started, run up, or warmed up until and unless the aircraft is in such position that the propeller stream or jet blast will clear all buildings, other aircraft, and groups of people.

Rule 5-3. Damage to Airport Lighting – Any person damaging any runway, ramp, or taxiway light or fixture by operation of aircraft or otherwise, shall immediately report such damage to the Airport Manager. Persons causing damage to runway and taxiway lights as a result of negligent operation of an aircraft or willful acts will be liable for replacement cost of the light(s) and/or fixture(s) and may be charged with a misdemeanor as provided in Section 10 of this order.

Rule 5-4. Taxiing Aircraft

A. No person shall taxi an aircraft until it is reasonably ascertained there will be no danger of collision with any person or object in the immediate area.

B. Aircraft will be taxied at a safe and prudent speed and in such manner as to be under the control of the pilot in command at all times.

C. Aircraft not equipped with adequate brakes will not be taxied near buildings or parked aircraft unless an attendant (wing-walker) is at a wing of the aircraft to assist the pilot.

D. Aircraft shall not taxi onto the runway from the ramp and taxiway area if there is an aircraft approaching to land or on the ground in takeoff position. Aircraft waiting on the taxiway for another aircraft to take off or land will remain behind the runway holding position markings.

E. Aircraft shall not be taxied by engine power into or out of any hangar.

F. ATCT Airports – Taxi operations in the movement area will be as directed by the ATCT, when the Tower is operating. When the ATCT is not operating, and for taxiing operations in other than the movement area, these operations shall be as stated in rule 5-4, A to E.

Rule 5-5. Parking Aircraft

A. Unoccupied aircraft shall not be parked or tied down within any protected area (object free area, runway safety area, etc.) as described in FAA AC 150/5300-13 (latest change) and all aircraft not hangared shall be parked in the areas designated by the Airport Manager for that purpose.

B Aircraft shall not be parked within fifty (50) feet of an aircraft fuel pump or fuel service truck parking area.

C. Aircraft shall not be parked in such a manner as to hinder the normal movement of other aircraft and traffic unless specifically authorized by the Airport Manager as an emergency measure.

D. It is the responsibility of the pilot in command when leaving a parked aircraft unattended to see that the brakes are set and / or it is properly chocked and / or tied down.

Rule 5-6. Wash Racks - Wash racks shall be used for purposes of washing and polishing aircraft, and any other purpose approved by the Airport Manager. Washing / cleaning materials and run-off shall be used and disposed of in compliance with all applicable federal, state, county and local laws and regulations.

Rule 5-7. Loading and Unloading Aircraft – Loading or unloading aircraft with the engine running is prohibited. Exception will be approved by the Airport Manager.

Rule 5-8. Authority to Suspend Operations – The Airport Manager may suspend or restrict any or all operations whenever such action is deemed necessary in the interest of safety.

Rule 5-9. Emergency Locator Transmitter (ELT) - At a safe and appropriate time after takeoff and after landing prior to engine shutdown, pilots should tune their aircraft radios to the emergency frequency (121.5 or 243.0) and listen to determine if their, or any, aircraft ELT is transmitting. If your ELT is transmitting after takeoff or landing, turn off the ELT and advise the FAA Automated Flight Service Station for the area via radio or telephone (800-WX-BRIEF or 800-992-7433) that your ELT was accidentally turned on. Provide the time and location of activation, if known, and the time and location of deactivation. 406 Mhz ELTs should be checked for normal operation as part of the preflight / post flight checks.

Rule 5-10. Standard Traffic Pattern and Altitude, Non Towered Airports – All flight activity will adhere to FAA Advisory Circular 90-66 (latest change) “Recommended Standard Traffic Patterns and Practices for Aeronautical Operations at Airports without Operating Control Towers"; also depicted in the Aeronautical Information Manual. Recommended traffic pattern altitudes are 1000 feet Above Ground Level (AGL) for piston powered airplanes and 1500 feet AGL for turbine powered airplanes. Helicopters will operate as to not obstruct the normal traffic pattern. The use of standard traffic patterns does not alter the responsibility of each pilot to see and avoid other aircraft.

Rule 5-11. Clearing Public Right of Ways – No aircraft shall takeoff or land in such manner as to clear any public street or highway at an altitude of less than fifteen (15) feet, or seventeen (17) feet over an interstate highway, twenty-three (23) feet over a railroad, or twenty-seven (27) feet over a coastal water way, or the clearance height of the tallest bridge over the waterway, nor land or take off on the taxiway or over hangars or other structures, automobile parking areas, or groups of spectators. (Ref: FAR 77).

Rule 5-12. Takeoffs on Other Than Runways – Takeoffs or landings shall not be made on the apron, parking ramp, taxiway, or any area other than designated runways by airplanes, gyroplanes, powered lift, balloons, airships, ultralights, or light sport aircraft except by prearranged permission from the Airport Manager. Helicopters may operate to and from designated helicopter landing areas.

Rule 5-13. Takeoffs

A. Takeoffs Allowed, Non Towered Airports – Low approach, full stop, touch and go, or stop and go landings may be made at the discretion of the pilot in command. Pilots remaining in the traffic pattern making landings should broadcast on the CTAF their pattern direction of turn and their landing (low approach, full stop, touch and go, stop and go) intentions at least by the final segment leg. All aircraft departing shall clear the traffic pattern for traffic before taxiing into takeoff position. See FAR 91.113 (g).

B. Tower Controlled Airports - When the tower is operating, the tower controller will direct traffic. When the tower is not operating, the guidelines of Rule 5-13 A. will be used. The Tower movement areas and other than movement areas are depicted in diagram _____.

Rule 5-14. Preferred Runway, Non Towered Airport or Towered Airports, Tower Not Operating - If the winds are calm or at a ninety (90) degree crosswind to Runway _____, the preferred take off and landing runway is _____.

Rule 5-15. Student Training, Local Operations

A. Flight instructors shall avail themselves and their students of all rules and regulations, including local rules and FARs in effect at the Airport.

B. The Airport Manager may designate and advise airport users via public posting and electronic transmission of limited areas of the Airport and local areas sanctioned by the FAA for practice flying and student training.

Rule 5-16. Agricultural Spraying Operations – Agricultural (Ag) spraying operations will be conducted in accordance with procedures approved by the Airport Manager and made known to all persons conducting agricultural spraying operations. Ag operations shall be accomplished in accordance with the standards of the Environmental Protection Agency and the Texas Commission on Environmental Quality in an area so designated by the Airport Manager. Each Ag operator shall carry liability insurance in the amount of _____dollars, payable to the City/County for the cleanup of any hazardous chemical spills on Airport property caused by the Ag operator.

Rule 5-17. Special Procedures, Parachuting

A. The Airport Manager may, in the interest of safety, designate special traffic procedures for certain operations, such as helicopters, air shows or aviation fly-ins, agricultural operations, gyroplanes, powered lift, gliders, balloons, airships, ultralights, and light sport aircraft in the weight shift control or powered parachute class. Any such change from standard procedures shall be published in the FAA's Airport / Facility Directory if of a permanent nature or the Airport Manager shall issue a NOTAM if such change is if a temporary nature. Permanent changes require filing through TxDOT Aviation Division to the FAA. Temporary closing of a portion of the airport for special events will be approved by the FAA, through TxDOT Aviation Division. See FAA Order 5190.6 (latest change).

B. Parachute descent onto the Airport property shall not be permitted without the recommendations of the City / County / Airport Advisory Board and the written approval of the City Council / Commissioners Court. The Airport Manager may develop operating procedures and designated landing areas for parachute operations.

Rule 5-18. Model Aircraft – Model aircraft not capable of carrying a person shall not be permitted to operate, take off or be launched from, flown over or land at the Airport. Model A/C operations for specific aeronautical events such as fly-ins or air shows may be approved for specific times by the City Council / Commissioners Court

Section 6. Fueling, Flammable Fluids, and Fire Safety

Rule 6-1. Fueling Aircraft

A. All aircraft fueling, fuel equipment, and procedures will be in accordance with Manual 407 – "Standard for Aircraft Fuel Servicing, 2012 edition," (or as revised) published by the National Fire Protection Association, 1 Batterymarch Park, Quincy MA 02169-7471, 800-344-3555, http://catalog.nfpa.org

B. All transportation, storage and other handling of aircraft and vehicle fuel shall comply with the International Fire Code, 2012 Edition, (or current edition) as published by the International Code Council, Inc. and FAA Advisory Circular 150/5230-4, (latest change).

C. All aircraft shall be fueled clear of all hangars, other buildings, and aircraft by at least fifty (50) feet.

D. Fueling trucks shall not be parked within any building or hangar or within ____ feet of any building, hangar, or parked aircraft, as determined by the local Fire Marshall. Fuel trucks shall be parked with at least ten (10) feet separation between vehicles.

E. Aircraft fuel storage tanks for below-ground or above-ground use will be constructed and installed, registered as required, monitored for leakage, operated, and maintained in accordance with Federal and State statutes, rules, and regulations promulgated by the Environmental Protection Agency and the Texas Commission on Environmental Quality.

F. Aviation or auto fuels shall not be stored within a hangar or building except in approved five (5) gallon or smaller containers manufactured and marked for such purpose and only with the approval of the local Fire Marshal.

G. Persons or businesses wishing to dispense fuel into their privately owned aircraft shall not be denied; however, they must meet all reasonable requirements the City / County places on other fuel suppliers, public or private. Private fueling facilities located on leased or private property must be installed and the fuel dispensed in accordance with all rules applicable to aircraft fueling and fire safety contained herein.

H. Public sale of automobile gasoline for use in aircraft will not be permitted on the Airport without written approval of the Airport Manager. Aircraft authorized by the FAA to use auto gasoline may be privately fueled by the owner in a location designated by the Airport Manager in accordance with all rules appertaining to aircraft fueling and fire safety contained herein.

I. All aviation fuel storage tanks, aviation fuel pumps, hydrant fuel services, and aircraft fuel service vehicles, whether publicly or privately owned, shall have the type of aviation fuel dispensed printed in large block letters, including octane if aviation gasoline, plus the fuel I.D. number, and “NO SMOKING” signs. This information shall be printed on all sides of the fueling tanks, pumps, etc. so the information is visible from any direction on the ground.

J. Fuel spills in excess of one gallon must be reported to the Airport Manager and immediate action taken by the spilling entity to clean up the spill in accordance with all local, state, and federal regulations

Rule 6-2. Fuel Flowage Fee - Any person, corporation, partnership, association, or business entity of any kind, or any person acting for or through them, including, but not limited to, any wholesale fuel distribution company, who delivers fuel to an fuel storage tank or who delivers fuel obtained from a source not on the Airport directly into any aircraft on the Airport must pay the amount of $.___ per gallon of fuel delivered.

Payment to the City or County of all fuel flowage fees due must be made not later than the fifteenth (15th) day of the month following the date of the fuel delivery.

Payment of fuel flowage fees shall be accompanied by a report in a form approved by the Airport Manager that indicates the amount of fuel delivered to the airport during the preceding month.

Military aircraft conducting operations which require fueling from U.S. Government facilities are exempt from fuel flowage fees.

Rule 6-3. Fire Safety

A. Every person using the Airport or its facilities in any manner shall exercise the greatest care and caution to avoid and prevent fire.

B. Smoking or open flame within fifty (50) feet of any fuel tank, fuel pump, or fuel truck is prohibited.

C. Compressed flammable gas shall not be kept or stored upon the Airport, except at such place as may be designated by the Airport Manager.

D. No flammable substance shall be used for the cleaning of any aircraft part or anything inside a hangar, T-hangar, or other building upon the Airport.

E. No one shall smoke or ignite a match or lighter in any building, hangar, or public ramp area except in posted "Designated Smoking Areas" identified by the Airport Manager.

F. Hangar entrances must be clear in a manner such that emergency or fire / rescue personnel and equipment can immediately access the hangar without hindrance.

G. The floors in all buildings shall be kept clean and free of oil. Volatile or flammable substances shall not be used to clean floors, walls or any portion of a hangar structure.

H. All Airport tenants and lessees shall supply and maintain such adequate and readily accessible fire extinguishers as may be required by applicable fire codes and regulations. Each fire extinguisher shall carry a suitable tag showing the date of most recent inspection.

Section 7. Lease of Airport Property and Construction on Airport

Hangars and other buildings or structures owned by the City / County may be leased to private individuals, companies, or corporations on a monthly or yearly basis for the storage of aircraft and ancillary equipment or to conduct a commercial Fixed Base Operation (FBO).

The City / County may lease property within the building area or other portions of the Airport for the construction of hangars, buildings, lean-tos, aprons, taxiways, and auto parking lots in accordance with an approved Airport Master Plan/Airport Layout Plan and design guidelines. Aviation related use must be given priority in the use of all leased or privately owned property, buildings or structures. If the aviation needs of the Airport are sufficiently met, the City Council / County Commissioners Court may authorize non-aviation use of any portion of the Airport or any building on the Airport on a case-by-case basis. Application of such non-aviation use shall be made to the City Council / County Commissioners Court; and approval from TxDOT Aviation Division must be received prior to granting authorization for non-aviation use.

Rule 7-1. Lease Term –No lease of airport property or facilities shall be granted for a term exceeding (20) years, however the initial term of a lease of airport property or facility may exceed twenty (20) years but in no case more than forty (40) years if a loan or deed of trust lien is obtained expressly for construction of the facility which will become property of the City/County at the end of the lease term, free and clear of all liens and encumbrances. Non-aviation leases shall not exceed eighteen (18) months.

Rule 7-2. Construction on Leased Property

A. As given in FAR part 77, the sponsor or sponsor's agent will file electronically with the FAA for any construction on or near the airport. See FAR part 77. File at

http://oeaaa.faa.gov (or most current URL). A determination of no objection must be received from the FAA prior to any construction on the Airport. No hangar or structure may be erected beyond the building restriction line or in conflict with the approved Airport Layout or Development Plan.

B. All plans and specifications for construction, renovation, remodeling, or refurbishing of the leased premises shall meet all current Standard Fire and Building Codes published by the Southern Building Code Congress and the National Electrical Code, and shall provide for the construction to be from material satisfactory and acceptable to the City Council/Commissioners Court. All construction must be of a compatible standard capable of withstanding winds of *(a wind load rating applicable to airport location)* mph, with doors open or closed.

C. The City Council / Commissioners Court's written approval of the plans and specifications must be obtained prior to construction of the improvements.

D. Construction must begin within one hundred twenty (120) days after the effective date of the lease or final comment from TxDOT and the FAA for the filed air space study as required by FAR Part 77, whichever date is later. Construction must be substantially completed within one hundred eighty (180) days of start of construction. Projects anticipated to exceed 180 construction days require approval of the Airport Manager. The Improvements on the leased premises shall remain the tenant's property until expiration or termination of the lease and its covenants or as otherwise agreed to in the contract between the City Council/Commissioners Court and the tenant.

E. Any privately owned structure or hangar not in use for aviation purposes for a period in excess of ninety (90) days or not available for lease or sublease for aviation purposes, unless so authorized for non-aviation uses by the City Council / Commissioners Court, must be removed after due notice to the owner in writing or the City Council / Commissioners Court will consider such structures or hangars abandoned and will seek title to such structure or hangar.

F. Leased land from which any building, hangar, or structure is removed, after due notice will be cleared, cleaned, and put back in its original or acceptable condition.

Rule 7-3. Assignment and Sub-letting -- Without the prior written consent of City Council / Commissioners Court, the leased premises or any rights there under (except to a leasehold mortgagee as herein provided) may not be assigned. Any assignment or subletting shall be expressly subject to all the terms and provisions of the original lease.

Rule 7-4. Flying Clubs - A Flying Club ("Club") shall meet the following standards:

A. At the time of applying for a lease, license, permit or agreement to operate at the Airport, the Club shall furnish the Airport Manager with a copy of its documents of organization; the Club's list of members, including names of officers and managers; evidence of required insurance; a description of all aircraft used; evidence that such aircraft are properly certificated; evidence of ownership of such aircraft; and any operating rules of the Club.

B. All aircraft used by the Club shall be owned by the Club or leased exclusively by written agreement to the Club, and all ownership or lease rights to such aircraft must be vested on a pro-rata basis in all of the Club's members. The property rights of the Club members shall be equal, and no part of any revenues received by the Club shall inure to the direct benefit of any member (e.g., by salary or bonus). The Club

shall not derive greater revenue from the use of its aircraft than the amount necessary for the operation, maintenance and replacement of its aircraft and facilities.

C. The Club's aircraft shall not be used by any person other than the Club's members and shall not be used by any person for hire, charter, or air taxi. Flight instruction may be given in Club aircraft.

Rule 7-5. Environmental Issues and Indemnification - Any tenant of the Airport, its agents, employees, independent contractors, or sub lessee shall not install, store, use, treat, transport or dispose of any:

A. Asbestos in any form

B. Urea formaldehyde foam insulation.

C. Transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls in excess of 50 parts per million; or

D. Any other chemical, material, air pollutant, toxic pollutant, waste, or substance which is regulated as toxic or hazardous or exposure to which is prohibited, limited or regulated by the Resource Conservation Recovery Act, the Comprehensive and Environmental Response Compensation and Liability Act, the Hazardous Materials Transportation Act, the Toxic Substances Control Act, the Clean Air Act, and/or the Clean Water Act or any other federal, state, county, regional, local or other governmental authority or which, even if not so regulated, may or could pose a hazard to the health and safety of the occupants of the Leased Premises, and which is either:

1. in amounts in excess of that permitted or deemed safe under applicable law;
2. or in any manner which is prohibited or deemed unsafe under applicable law. (The substances referred to in (A), (B), (C) or (D) are collectively referred to hereinafter as "Hazardous Materials).

Rule 7-6. Environmental Cleanup Laws – An Airport tenant will, at their own expense, comply with all existing or hereafter enacted laws relating to Hazardous Materials (collectively, "Cleanup Laws") in effect at the time of the lease, and all future laws thereafter. An Airport tenant will, at their own expense, make all submissions to provide all information to, and comply with all requirements of the appropriate governmental authority (the "Authority") under the Cleanup Laws. Should any Authority require that a cleanup plan be prepared and that a cleanup be undertaken because of the existence of Hazardous Materials which were installed, stored, used, treated, transported, disposed of or discharged on the leased premises, by an airport tenant, its agents, employees, independent contractors or sub lessees during the term of a lease, the Airport tenant will prepare and submit the required plans and financial assurances in accordance with such Cleanup Laws. The Airport shall be indemnified and held harmless from and against all obligations, damages, injunctions, fines, penalties, demands, claims, costs, expenses, actions, liabilities, suits, proceedings and losses of whatever nature (including, without limitation, attorneys' fees and court costs), and all cleanup or removal costs and all actions of any kind arising out of or in any way connected with the installation, storage, use, treatment, transporting, disposal or discharge of Hazardous Materials in or on the leased premises by an Airport tenant.

Rule 7-7. Environmental Notices – An Airport tenant shall promptly supply the City Council / Commissioners Court with copies of any notices, correspondence and

submissions made or received from any governmental authorities of the United States Environmental Protection Agency, the United States Occupational Safety and Health Administration, or any other local, state or federal authority that requires submission of any information concerning environmental matters or Hazardous Materials.

Rule 7-8. Environmental Survival – An Airport tenant's liability pursuant to any environmental issue shall survive the expiration or earlier termination of their lease.

Rule 7-9. Storm Water Compliance

A. The Airport is subject to federal storm water regulations, 40 C.F.R. Part 122 for "vehicle maintenance shops" (including vehicle rehabilitation, mechanical repairs, painting, fueling and lubrication), equipment cleaning operations and/or deicing operations that occur at the Airport as defined in these regulations and, if applicable, state storm water regulations. Each Airport tenant shall become familiar with these storm water regulations if it conducts "vehicle maintenance" or operates equipment cleaning operations and/or deicing activities as defined in the federal storm water regulations.

B. The City or County shall take steps necessary to apply for or obtain a storm water discharge permit as required by the applicable federal and/or state regulations, including the leased property occupied or operated by an Airport tenant. A storm water discharge permit issued to the City or County may name an Airport tenant as a co-permittee.

C. An Airport tenant's close cooperation is necessary to ensure compliance with any storm water discharge permit terms and conditions, as well as to ensure safety and to minimize costs. An Airport tenant may have to implement and maintain "Best Management Practices". to minimize the exposure of storm water (and snow melt) to "significant materials" generated, stored, handled or otherwise used as defined in the federal storm water regulations.

D. The City or County's storm water discharge permit is incorporated by reference into each lease and any subsequent renewals.

E. The City or County will provide an Airport tenant with a written notice of those storm water discharge permit requirements that are in the City or County's storm water permit, that a tenant will be obligated to perform from time to time, including, but not limited to:

1. certification of non-storm water discharges;
2. collection of storm water samples
3. preparation of storm water pollution prevention or similar plans
4. implementation of "good housekeeping" measures or best management practices; and maintenance of necessary records.

Such written notice shall include applicable deadlines and an opportunity to dispute any of the storm water discharge permit requirements.

F. Each Airport tenant shall participate in any organized task force or other work group established to coordinate storm water activities of the Airport.

Rule 7-10. Non Discrimination Covenants

A. Each lease will include as a covenant running with the land to insure that:

1. no person on the grounds of race, color, sex, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the leased property;
2. that in the construction of any improvements on, over or under such land and the furnishing of services thereon, no person, on the grounds of race, color, sex or national origin, shall be excluded from participation in, denied benefits of, or otherwise be subjected to discrimination.

B. The right to conduct aeronautical activities for furnishing services to the public is granted to an Airport tenant subject to the agreement:

1. To furnish said services on a fair, equal and not unjustly discriminatory basis to all users.
2. To charge fair, reasonable, and not unjustly discriminatory prices for each unit or service provided an allowance may be made to make reasonable and nondiscriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

Rule 7-11. Insurance – An Airport tenant shall during the term of lease maintain at their cost and expense insurance relating to the leased premises as follows:

A. Insurance against loss or damage to improvements by fire, lightning, and other risks included under standard extended coverage policies.

B. General public liability insurance against claims for bodily injury, death or property damage occurring on, in, or about the leased premises, such insurance to afford protection to City or County of not less than $500,000.00 with respect to any one person, $1,000,000.00 with respect to any one accident and not less than $200,000.00 with respect to property damage.

C. Hangar keeper's liability insurance providing coverage for aircraft not owned by the tenant in the following limits: $200,000.00 per aircraft and $400,000.00 per occurrence on property damage to aircraft in the care, custody, or control of tenant.

D. All such policies of insurance shall be issued by insurance companies acceptable to the City or County, shall name the City or County as an additional insured or loss payee, as the case may be, and shall provide for at least ten (10) days written notice prior to cancellation or modification.

Rule 7-12. Hold Harmless – The City or County shall not be liable to an Airport tenant's employees, agents, servants, customers, invitees, or to any other person whomsoever, for any injury to persons or damages to property on or about the leased premises or any adjacent area owned by the City or County.

Section 8. Knowledge of Rules Implied

By publication and adoption of this ordinance / order, all persons shall be deemed to have knowledge of its contents. However, the Airport Manager is directed to have copies of the ordinance / order posted in paper or electronically, where appropriate. Copies shall be available at all times in the Airport Manager's office, and copies shall be furnished to all owners and operators of aircraft based at the airport.

Section 9. Conflict of Rules and Regulations

If and where there are conflicts in the rules and regulations prescribed herein and the FAA's Federal Aviation Regulations (FAR), the latter shall prevail. If and where there exists a conflict

between any of the rules or regulations prescribed herein and any other City / County rules applicable to the same area, the more stringent limitation, or requirement shall govern and prevail.

Section 10. Penalty for Violation

The Airport Manager may deny use of the Airport for a period not exceeding fifteen (15) days for any person violating or refusing to comply with any of the rules or regulations prescribed herein pending a hearing by the City Council / Commissioners Court. Upon such hearing, such person may be deprived of the further use of the Airport and its facilities for a period of time as may appear necessary for the protection of life and property. Any violation of this ordinance / order shall be a misdemeanor, and upon conviction, be punishable by a fine not exceeding two-hundred ($200) dollars, and each day a violation continues to exist shall constitute a separate offense. This section is cumulative of all other penalties for violation of Federal, State, and local laws, rules, regulations, ordinances, and orders. Citation for violation or issuance of a violation ticket of any of the rules and regulations prescribed herein may be made by any authorized police officer. The Airport Manager or City Council / Commissioners Court may request authorized police officers to investigate any suspected violation of these rules.

Section 11. Severablilty

If any of the provisions of this ordinance/order or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance/order which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are declared to be severable.

Section 12. Emergency Enactment

Whereas, the immediate operation of the provisions of this ordinance/order is necessary for the preservation of the public health, public safety, and general welfare, an EMERGENCY is hereby declared to exist, and this ordinance/order shall be in full force and effect from and after its passage by the City Council/Commissioners Court of the City/County of _____, Texas and publication and posting as required by law.

Read, passed and adopted by a vote of the City Council/Commissioners Court of the City/County of _____, Texas on the _____day of _____, 20___.

Members voting Aye; _____ Members voting Nay;_____.

_____

Mayor / County Judge

City / County of _____, Texas

Attest:_____

City Secretary/County Clerk of _____, Texas.

Appendix E

CITY OF WESLACO

AIRPORT MARKETING BROCHURE

2016

WESLACO
MidVALLEY
AIRPORT

Weslaco Airport, FBO, and onsite business development opportunities give corporate travelers and aviation businesses easy access to Mexico and Southern Texas.

- 6,000 X 100 FEET LIGHTED RUNWAY
- GPS/VISUAL APPROACHES
- AWOS WEATHER REPORTING (956-447-0502)
- 24 HOUR SELF SERVE AIR BP FUEL STATION

BUSINESS

Corporate executives throughout the United States value the convenience provided by the Weslaco Mid Valley Airport. Our Staff is committed to serving your most rigid business agenda. Our conference room is available for your use. Audio/visual equipment and catering can be made available with a 24 hour advance notice.

The Awoss automatic weather reporting system was installed with the corporate traveler in mind…increasing the reliability of timely arrival to those critical meetings.

The Weslaco Mid Valley Airport is located on 235 acres of land and adjacent to the City of Weslaco's Industrial Park.

Freight requirements for companies in the Valley and Mexico can be expedited through the use of The Weslaco Mid Valley Airport.

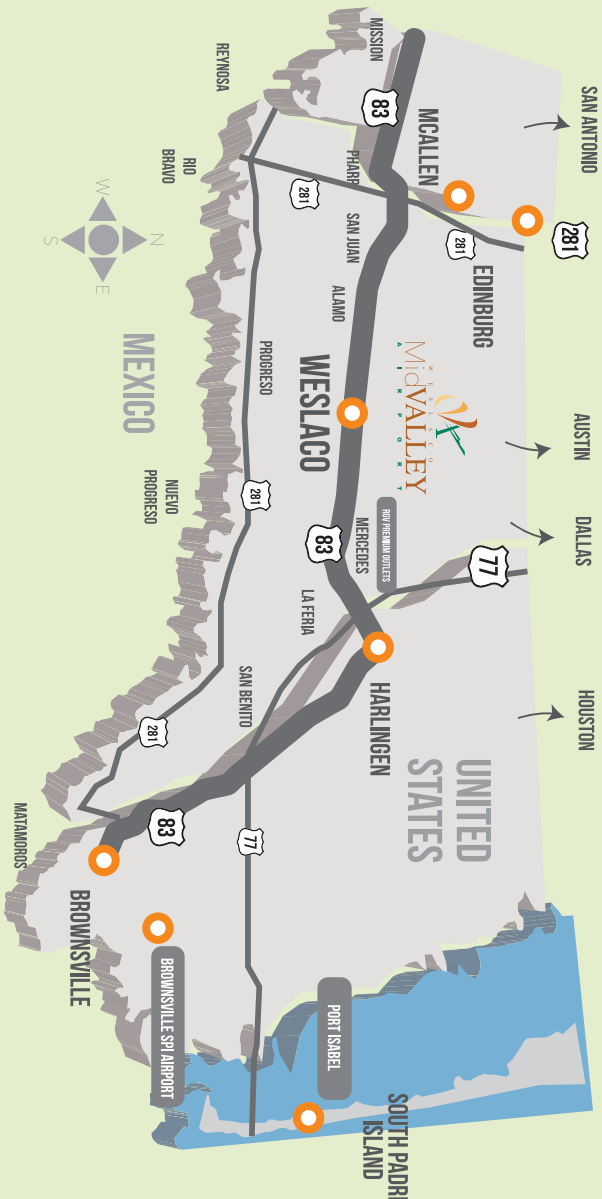
PLEASURE

Just minutes away from the retail centers of Harlingen and McAllen, The Weslaco Mid Valley Airport is the perfect location to land for recreation. Weslaco offers and 18 hole championship golf course, "Tierra Santa" as well as a Bicultural Museum and Valley Nature Center. Our neighboring communities offer sun and fun at South Padre Island; Folklore, shopping and exquisite dining in Mexico; and the opportunity to admire nature at its finest at the Gladys Porter Zoo and Santa Ana Wildlife Refuge & Bird Sanctuary.

- International Point of Entry/Customs.
- Rental Cars Available: Budget & Enterprise.
- Hotels within a one mile radius (Best Western Palm Aire), Holiday Express.
- Courtesy Car Available.
- Business Center.
- GPU and A/C units available.
- Restrooms/Showers available.
- Competitive and discounted Fuel.

Direct highway access takes you to Harlingen or McAllen in 20 minutes and to Mexico in 5 minutes.

UNICOM: 122.8
APCH: 125.95

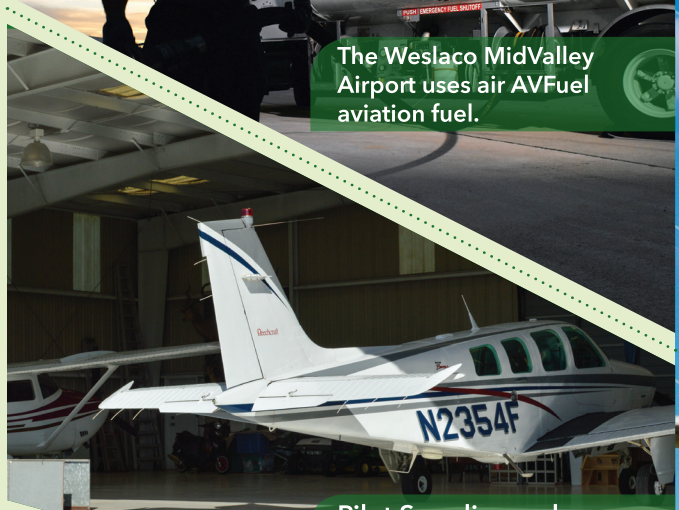


MILES FROM WESLACO TO:

Reynosa: 31
Rio Bravo: 25
Nuevo Progreso: 7
Matamoros: 47
Monterrey: 170
Edinburg: 18
McAllen: 18
Harlingen: 19
Brownsville: 46
South Padre Island: 58

AVFUEL

The Weslaco MidValley Airport uses air AVFuel aviation fuel.



Pilot Supplies and Maintenance Facilities.

Maintenance Facility on Site.

1909 Joe Stephens Ave, Weslaco, TX 78596
1-866-860-2053 | (956) 969-0291

WESLACO
MidVALLEY
AIRPORT

BUSINESS PLEASURE AND MORE

weslacoairport.com

Appendix F

SAMPLE PRESS RELEASE

WELSACO MID VALLEY AIRPORT IS READY FOR TAKEOFF: New Runway paves the way for growth in the entire Rio Grande Valley

WESLACO, TX., MONTH, YEAR/News outlet/ -- The recently named Airport of the Year now has new and improved runway capabilities making it an ideal choice for corporate aviation in the Rio Grande Valley.

"Centrally located, our airport is the best equipped to serve the business needs of the entire Valley offering U.S. Customs and easy access to shopping and major highway corridors," remarked Airport Manager. "Our vision is to become an active and economically vibrant regional contributor to the entire Rio Grande Valley".

Weslaco Mid Valley Airport recently completed a runway extension project that enhanced the airport's ability to accommodate larger aircraft. With a total runway length of 6,500 feet, large corporate jets may easily use the airport for extended travel. The runway was also recently rehabilitated to provide a smooth and safe landing surface. With GPS instrument approach capabilities, the airport is capable of accommodating all weather conditions.

The new runway project provides an opportunity for the airport to reintroduce itself to the aviation community and capitalize on some of the best infrastructure in the entire Valley.

Officials say that without the congestion of the commercial airlines, this airport is the most convenient for business travelers. Mexican travelers can also use the airport as there is a U.S. Customs facility on site and can easily help clear international aircraft making it the only Port of Entry General Aviation airport on the Texas border.

Industrial businesses should also take notice of the airport's designation as a Foreign Trade Zone. This makes manufacturing, freight, or other light industrial operations a great place to locate at the airport.

In conjunction with the new runway project, the City of Weslaco recently updated the airport website and prospective users are encouraged to browse the pages for additional information about the airport including fuel prices, FBO Services, and more at: http://www.weslacoairport.com/

About Weslaco Mid Valley Airport

Weslaco Mid Valley Airport was named General Aviation Airport of the Year in 2015 by the Texas Department of Transportation Aviation Division. It is a publicly owned airport serving the general aviation needs of the Rio Grande Valley.

Contact:

Airport Director
Mid Valley Airport
1909 Joe Stephen Blvd.
Weslaco, Texas 78596

Phone: 956-969-0291

Related Links

http://www.weslacoairport.com/

Appendix G

TxDOT AVIATION

AIRPORT ECONOMIC IMPACT BROCHURE

2011

ECONOMIC IMPACTS • 2011

Mid Valley Airport

Weslaco, TX

Mid Valley Airport has leveraged its location near the US/Mexico border and support from local government to emerge as an economic development tool with a transnational reach.

The city of Weslaco helped the airport establish a Foreign Trade Zone at the Airport Industrial Park. And, the Weslaco Economic Development Corporation worked with US Customs and Border Protection to help the airport secure a landing rights general aviation customs center – the first such center to open near the Mexican border in 40 years.

Weslaco is located east of McAllen.

Runway:
13/31 - 4,998 ft. x 70 ft.

The mix of a transnational reach and focus on economic development creates unique business opportunities at Mid Valley Airport.

2010 ECONOMIC IMPACTS

Description	Impacts
Economic Activity	$ 5,738,019
Salary, Wages, and Benefits	$ 1,859,626
Employment	42
Sources: Survey responses, IMPLAN, and Authors' estimates	

- Capital Expenditures for infrastructure and other airport improvements from 2006-2010 generated $11 million in economic activity that created 121 job-years of employment. (A job-year equals one job lasting one year.)

- Travelers use the airport as a gateway for shopping trips to local malls; executives live in Weslaco and commute to jobs in Mexico; and companies on both sides of the border establish operations next to the airport for ease of access.

GENERAL AVIATION

Impacts on Texas

The general aviation system in Texas provides important infrastructure that promotes both regional economic development and community recreational opportunities. The system's airports also generate economic activity through capital and operations expenditures, business activities of airport tenants, and spending by visitors using airport facilities. This analysis examined the economic impacts of the facilities that are part of the Texas Airport System Plan (TASP). In total, the state's general aviation airports and general aviation activities at commercial airports create:

Economic Activity
$14.6 billion

Salary, Wages, and Benefits
$3.1 billion

Employment
56,635 permanent jobs

Airport Statistics

FAA Identifier – T65

Latitude / Longitude
26-10-39.5000N / 097-58-23.0000W

Elevation – 70 ft.

Location
2 miles northeast of Weslaco, TX

Texas Department of Transportation
Aviation Division
www.TxDOT.gov/business/aviation
1-800-68-PILOT
125 E. Eleventh Street
Austin, TX 78701-2483

Prepared by:

Center for Economic Development and Research
Department of Economics
Denton, TX
http://www.unt.edu/cedr

Appendix H

FAA AIRPORT SPONSOR GRANT ASSURANCES

FAA
Airports

ASSURANCES

Airport Sponsors

A. General.

1. These assurances shall be complied with in the performance of grant agreements for airport development, airport planning, and noise compatibility program grants for airport sponsors.
2. These assurances are required to be submitted as part of the project application by sponsors requesting funds under the provisions of Title 49, U.S.C., subtitle VII, as amended. As used herein, the term "public agency sponsor" means a public agency with control of a public-use airport; the term "private sponsor" means a private owner of a public-use airport; and the term "sponsor" includes both public agency sponsors and private sponsors.
3. Upon acceptance of this grant offer by the sponsor, these assurances are incorporated in and become part of this grant agreement.

B. Duration and Applicability.

1. **Airport development or Noise Compatibility Program Projects Undertaken by a Public Agency Sponsor.**

   The terms, conditions and assurances of this grant agreement shall remain in full force and effect throughout the useful life of the facilities developed or equipment acquired for an airport development or noise compatibility program project, or throughout the useful life of the project items installed within a facility under a noise compatibility program project, but in any event not to exceed twenty (20) years from the date of acceptance of a grant offer of Federal funds for the project. However, there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport. There shall be no limit on the duration of the terms, conditions, and assurances with respect to real property acquired with federal funds. Furthermore, the duration of the Civil Rights assurance shall be specified in the assurances.

2. **Airport Development or Noise Compatibility Projects Undertaken by a Private Sponsor.**

   The preceding paragraph 1 also applies to a private sponsor except that the useful life of project items installed within a facility or the useful life of the facilities developed or equipment acquired under an airport development or noise compatibility program project shall be no less than ten (10) years from the date of acceptance of Federal aid for the project.

3. **Airport Planning Undertaken by a Sponsor.**

Unless otherwise specified in this grant agreement, only Assurances 1, 2, 3, 5, 6, 13, 18, 25, 30, 32, 33, and 34 in Section C apply to planning projects. The terms, conditions, and assurances of this grant agreement shall remain in full force and effect during the life of the project; there shall be no limit on the duration of the assurances regarding Airport Revenue so long as the airport is used as an airport.

C. Sponsor Certification.

The sponsor hereby assures and certifies, with respect to this grant that:

1. **General Federal Requirements.**

It will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance and use of Federal funds for this project including but not limited to the following:

Federal Legislation

a. Title 49, U.S.C., subtitle VII, as amended.
b. Davis-Bacon Act - 40 U.S.C. 276(a), et seq.[1]
c. Federal Fair Labor Standards Act - 29 U.S.C. 201, et seq.
d. Hatch Act – 5 U.S.C. 1501, et seq.[2]
e. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 Title 42 U.S.C. 4601, et seq.[1 2]
f. National Historic Preservation Act of 1966 - Section 106 - 16 U.S.C. 470(f).[1]
g. Archeological and Historic Preservation Act of 1974 - 16 U.S.C. 469 through 469c.[1]
h. Native Americans Grave Repatriation Act - 25 U.S.C. Section 3001, et seq.
i. Clean Air Act, P.L. 90-148, as amended.
j. Coastal Zone Management Act, P.L. 93-205, as amended.
k. Flood Disaster Protection Act of 1973 - Section 102(a) - 42 U.S.C. 4012a.[1]
l. Title 49, U.S.C., Section 303, (formerly known as Section 4(f))
m. Rehabilitation Act of 1973 - 29 U.S.C. 794.
n. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
o. Americans with Disabilities Act of 1990, as amended, (42 U.S.C. § 12101 et seq.), prohibits discrimination on the basis of disability).
p. Age Discrimination Act of 1975 - 42 U.S.C. 6101, et seq.
q. American Indian Religious Freedom Act, P.L. 95-341, as amended.
r. Architectural Barriers Act of 1968 -42 U.S.C. 4151, et seq.[1]
s. Power plant and Industrial Fuel Use Act of 1978 - Section 403- 2 U.S.C. 8373.[1]
t. Contract Work Hours and Safety Standards Act - 40 U.S.C. 327, et seq.[1]
u. Copeland Anti-kickback Act - 18 U.S.C. 874.1
v. National Environmental Policy Act of 1969 - 42 U.S.C. 4321, et seq.[1]
w. Wild and Scenic Rivers Act, P.L. 90-542, as amended.
x. Single Audit Act of 1984 - 31 U.S.C. 7501, et seq.[2]
y. Drug-Free Workplace Act of 1988 - 41 U.S.C. 702 through 706.

z. The Federal Funding Accountability and Transparency Act of 2006, as amended (Pub. L. 109-282, as amended by section 6202 of Pub. L. 110-252).

Executive Orders

a. Executive Order 11246 - Equal Employment Opportunity[1]
b. Executive Order 11990 - Protection of Wetlands
c. Executive Order 11998 – Flood Plain Management
d. Executive Order 12372 - Intergovernmental Review of Federal Programs
e. Executive Order 12699 - Seismic Safety of Federal and Federally Assisted New Building Construction[1]
f. Executive Order 12898 - Environmental Justice

Federal Regulations

a. 2 CFR Part 180 - OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement).
b. 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. [OMB Circular A-87 Cost Principles Applicable to Grants and Contracts with State and Local Governments, and OMB Circular A-133 - Audits of States, Local Governments, and Non-Profit Organizations].[4, 5, 6]
c. 2 CFR Part 1200 – Nonprocurement Suspension and Debarment
d. 14 CFR Part 13 - Investigative and Enforcement Procedures14 CFR Part 16 - Rules of Practice For Federally Assisted Airport Enforcement Proceedings.
e. 14 CFR Part 150 - Airport noise compatibility planning.
f. 28 CFR Part 35- Discrimination on the Basis of Disability in State and Local Government Services.
g. 28 CFR § 50.3 - U.S. Department of Justice Guidelines for Enforcement of Title VI of the Civil Rights Act of 1964.
h. 29 CFR Part 1 - Procedures for predetermination of wage rates.[1]
i. 29 CFR Part 3 - Contractors and subcontractors on public building or public work financed in whole or part by loans or grants from the United States.[1]
j. 29 CFR Part 5 - Labor standards provisions applicable to contracts covering federally financed and assisted construction (also labor standards provisions applicable to non-construction contracts subject to the Contract Work Hours and Safety Standards Act).[1]
k. 41 CFR Part 60 - Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor (Federal and federally assisted contracting requirements).[1]
l. 49 CFR Part 18 - Uniform administrative requirements for grants and cooperative agreements to state and local governments.[3]
m. 49 CFR Part 20 - New restrictions on lobbying.
n. 49 CFR Part 21 – Nondiscrimination in federally-assisted programs of the Department of Transportation - effectuation of Title VI of the Civil Rights Act of 1964.
o. 49 CFR Part 23 - Participation by Disadvantage Business Enterprise in Airport Concessions.

p. 49 CFR Part 24 – Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs.[1] [2]
q. 49 CFR Part 26 – Participation by Disadvantaged Business Enterprises in Department of Transportation Programs.
r. 49 CFR Part 27 – Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving or Benefiting from Federal Financial Assistance.[1]
s. 49 CFR Part 28 – Enforcement of Nondiscrimination on the Basis of Handicap in Programs or Activities conducted by the Department of Transportation.
t. 49 CFR Part 30 - Denial of public works contracts to suppliers of goods and services of countries that deny procurement market access to U.S. contractors.
u. 49 CFR Part 32 – Governmentwide Requirements for Drug-Free Workplace (Financial Assistance)
v. 49 CFR Part 37 – Transportation Services for Individuals with Disabilities (ADA).
w. 49 CFR Part 41 - Seismic safety of Federal and federally assisted or regulated new building construction.

Specific Assurances

Specific assurances required to be included in grant agreements by any of the above laws, regulations or circulars are incorporated by reference in this grant agreement.

Footnotes to Assurance C.1.

[1] These laws do not apply to airport planning sponsors.

[2] These laws do not apply to private sponsors.

[3] 49 CFR Part 18 and 2 CFR Part 200 contain requirements for State and Local Governments receiving Federal assistance. Any requirement levied upon State and Local Governments by this regulation and circular shall also be applicable to private sponsors receiving Federal assistance under Title 49, United States Code.

[4] On December 26, 2013 at 78 FR 78590, the Office of Management and Budget (OMB) issued the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in 2 CFR Part 200. 2 CFR Part 200 replaces and combines the former Uniform Administrative Requirements for Grants (OMB Circular A-102 and Circular A-110 or 2 CFR Part 215 or Circular) as well as the Cost Principles (Circulars A-21 or 2 CFR part 220; Circular A-87 or 2 CFR part 225; and A-122, 2 CFR part 230). Additionally it replaces Circular A-133 guidance on the Single Annual Audit. In accordance with 2 CFR section 200.110, the standards set forth in Part 200 which affect administration of Federal awards issued by Federal agencies become effective once implemented by Federal agencies or when any future amendment to this Part becomes final. Federal agencies, including the Department of Transportation, must implement the policies and procedures applicable to Federal awards by promulgating a regulation to be effective by December 26, 2014 unless different provisions are required by statute or approved by OMB.

[5] Cost principles established in 2 CFR part 200 subpart E must be used as guidelines for determining the eligibility of specific types of expenses.

[6] Audit requirements established in 2 CFR part 200 subpart F are the guidelines for audits.

2. **Responsibility and Authority of the Sponsor.**

   a. Public Agency Sponsor:

   It has legal authority to apply for this grant, and to finance and carry out the proposed project; that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.

   b. Private Sponsor:

   It has legal authority to apply for this grant and to finance and carry out the proposed project and comply with all terms, conditions, and assurances of this grant agreement. It shall designate an official representative and shall in writing direct and authorize that person to file this application, including all understandings and assurances contained therein; to act in connection with this application; and to provide such additional information as may be required.

3. **Sponsor Fund Availability.**

   It has sufficient funds available for that portion of the project costs which are not to be paid by the United States. It has sufficient funds available to assure operation and maintenance of items funded under this grant agreement which it will own or control.

4. **Good Title.**

   a. It, a public agency or the Federal government, holds good title, satisfactory to the Secretary, to the landing area of the airport or site thereof, or will give assurance satisfactory to the Secretary that good title will be acquired.

   b. For noise compatibility program projects to be carried out on the property of the sponsor, it holds good title satisfactory to the Secretary to that portion of the property upon which Federal funds will be expended or will give assurance to the Secretary that good title will be obtained.

5. **Preserving Rights and Powers.**

   a. It will not take or permit any action which would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms, conditions, and assurances in this grant agreement without the written approval of the Secretary, and will act promptly to acquire, extinguish or modify any outstanding rights or claims of right of others which would interfere with such performance by the sponsor. This shall be done in a manner acceptable to the Secretary.

b. It will not sell, lease, encumber, or otherwise transfer or dispose of any part of its title or other interests in the property shown on Exhibit A to this application or, for a noise compatibility program project, that portion of the property upon which Federal funds have been expended, for the duration of the terms, conditions, and assurances in this grant agreement without approval by the Secretary. If the transferee is found by the Secretary to be eligible under Title 49, United States Code, to assume the obligations of this grant agreement and to have the power, authority, and financial resources to carry out all such obligations, the sponsor shall insert in the contract or document transferring or disposing of the sponsor's interest, and make binding upon the transferee all of the terms, conditions, and assurances contained in this grant agreement.

c. For all noise compatibility program projects which are to be carried out by another unit of local government or are on property owned by a unit of local government other than the sponsor, it will enter into an agreement with that government. Except as otherwise specified by the Secretary, that agreement shall obligate that government to the same terms, conditions, and assurances that would be applicable to it if it applied directly to the FAA for a grant to undertake the noise compatibility program project. That agreement and changes thereto must be satisfactory to the Secretary. It will take steps to enforce this agreement against the local government if there is substantial non-compliance with the terms of the agreement.

d. For noise compatibility program projects to be carried out on privately owned property, it will enter into an agreement with the owner of that property which includes provisions specified by the Secretary. It will take steps to enforce this agreement against the property owner whenever there is substantial non-compliance with the terms of the agreement.

e. If the sponsor is a private sponsor, it will take steps satisfactory to the Secretary to ensure that the airport will continue to function as a public-use airport in accordance with these assurances for the duration of these assurances.

f. If an arrangement is made for management and operation of the airport by any agency or person other than the sponsor or an employee of the sponsor, the sponsor will reserve sufficient rights and authority to insure that the airport will be operated and maintained in accordance Title 49, United States Code, the regulations and the terms, conditions and assurances in this grant agreement and shall insure that such arrangement also requires compliance therewith.

g. Sponsors of commercial service airports will not permit or enter into any arrangement that results in permission for the owner or tenant of a property used as a residence, or zoned for residential use, to taxi an aircraft between that property and any location on airport. Sponsors of general aviation airports entering into any arrangement that results in permission for the owner of residential real property adjacent to or near the airport must comply with the requirements of Sec. 136 of Public Law 112-95 and the sponsor assurances.

6. **Consistency with Local Plans.**

   The project is reasonably consistent with plans (existing at the time of submission of this application) of public agencies that are authorized by the State in which the project is located to plan for the development of the area surrounding the airport.

7. **Consideration of Local Interest.**

   It has given fair consideration to the interest of communities in or near where the project may be located.

8. **Consultation with Users.**

   In making a decision to undertake any airport development project under Title 49, United States Code, it has undertaken reasonable consultations with affected parties using the airport at which project is proposed.

9. **Public Hearings.**

   In projects involving the location of an airport, an airport runway, or a major runway extension, it has afforded the opportunity for public hearings for the purpose of considering the economic, social, and environmental effects of the airport or runway location and its consistency with goals and objectives of such planning as has been carried out by the community and it shall, when requested by the Secretary, submit a copy of the transcript of such hearings to the Secretary. Further, for such projects, it has on its management board either voting representation from the communities where the project is located or has advised the communities that they have the right to petition the Secretary concerning a proposed project.

10. **Metropolitan Planning Organization.**

    In projects involving the location of an airport, an airport runway, or a major runway extension at a medium or large hub airport, the sponsor has made available to and has provided upon request to the metropolitan planning organization in the area in which the airport is located, if any, a copy of the proposed amendment to the airport layout plan to depict the project and a copy of any airport master plan in which the project is described or depicted.

11. **Pavement Preventive Maintenance.**

    With respect to a project approved after January 1, 1995, for the replacement or reconstruction of pavement at the airport, it assures or certifies that it has implemented an effective airport pavement maintenance-management program and it assures that it will use such program for the useful life of any pavement constructed, reconstructed or repaired with Federal financial assistance at the airport. It will provide such reports on pavement condition and pavement management programs as the Secretary determines may be useful.

12. **Terminal Development Prerequisites.**

    For projects which include terminal development at a public use airport, as defined in Title 49, it has, on the date of submittal of the project grant application, all the safety equipment required for certification of such airport under section 44706 of Title 49, United States Code, and all the security equipment required by rule or regulation, and

has provided for access to the passenger enplaning and deplaning area of such airport to passengers enplaning and deplaning from aircraft other than air carrier aircraft.

13. **Accounting System, Audit, and Record Keeping Requirements.**

    a. It shall keep all project accounts and records which fully disclose the amount and disposition by the recipient of the proceeds of this grant, the total cost of the project in connection with which this grant is given or used, and the amount or nature of that portion of the cost of the project supplied by other sources, and such other financial records pertinent to the project. The accounts and records shall be kept in accordance with an accounting system that will facilitate an effective audit in accordance with the Single Audit Act of 1984.

    b. It shall make available to the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, for the purpose of audit and examination, any books, documents, papers, and records of the recipient that are pertinent to this grant. The Secretary may require that an appropriate audit be conducted by a recipient. In any case in which an independent audit is made of the accounts of a sponsor relating to the disposition of the proceeds of a grant or relating to the project in connection with which this grant was given or used, it shall file a certified copy of such audit with the Comptroller General of the United States not later than six (6) months following the close of the fiscal year for which the audit was made.

14. **Minimum Wage Rates.**

    It shall include, in all contracts in excess of $2,000 for work on any projects funded under this grant agreement which involve labor, provisions establishing minimum rates of wages, to be predetermined by the Secretary of Labor, in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5), which contractors shall pay to skilled and unskilled labor, and such minimum rates shall be stated in the invitation for bids and shall be included in proposals or bids for the work.

15. **Veteran's Preference.**

    It shall include in all contracts for work on any project funded under this grant agreement which involve labor, such provisions as are necessary to insure that, in the employment of labor (except in executive, administrative, and supervisory positions), preference shall be given to Vietnam era veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small business concerns owned and controlled by disabled veterans as defined in Section 47112 of Title 49, United States Code. However, this preference shall apply only where the individuals are available and qualified to perform the work to which the employment relates.

16. **Conformity to Plans and Specifications.**

    It will execute the project subject to plans, specifications, and schedules approved by the Secretary. Such plans, specifications, and schedules shall be submitted to the Secretary prior to commencement of site preparation, construction, or other performance under this grant agreement, and, upon approval of the Secretary, shall be incorporated into this grant agreement. Any modification to the approved plans,

specifications, and schedules shall also be subject to approval of the Secretary, and incorporated into this grant agreement.

17. **Construction Inspection and Approval.**

    It will provide and maintain competent technical supervision at the construction site throughout the project to assure that the work conforms to the plans, specifications, and schedules approved by the Secretary for the project. It shall subject the construction work on any project contained in an approved project application to inspection and approval by the Secretary and such work shall be in accordance with regulations and procedures prescribed by the Secretary. Such regulations and procedures shall require such cost and progress reporting by the sponsor or sponsors of such project as the Secretary shall deem necessary.

18. **Planning Projects.**

    In carrying out planning projects:

    a. It will execute the project in accordance with the approved program narrative contained in the project application or with the modifications similarly approved.

    b. It will furnish the Secretary with such periodic reports as required pertaining to the planning project and planning work activities.

    c. It will include in all published material prepared in connection with the planning project a notice that the material was prepared under a grant provided by the United States.

    d. It will make such material available for examination by the public, and agrees that no material prepared with funds under this project shall be subject to copyright in the United States or any other country.

    e. It will give the Secretary unrestricted authority to publish, disclose, distribute, and otherwise use any of the material prepared in connection with this grant.

    f. It will grant the Secretary the right to disapprove the sponsor's employment of specific consultants and their subcontractors to do all or any part of this project as well as the right to disapprove the proposed scope and cost of professional services.

    g. It will grant the Secretary the right to disapprove the use of the sponsor's employees to do all or any part of the project.

    h. It understands and agrees that the Secretary's approval of this project grant or the Secretary's approval of any planning material developed as part of this grant does not constitute or imply any assurance or commitment on the part of the Secretary to approve any pending or future application for a Federal airport grant.

19. **Operation and Maintenance.**

    a. The airport and all facilities which are necessary to serve the aeronautical users of the airport, other than facilities owned or controlled by the United States, shall be operated at all times in a safe and serviceable condition and in accordance with the minimum standards as may be required or prescribed by applicable Federal,

state and local agencies for maintenance and operation. It will not cause or permit any activity or action thereon which would interfere with its use for airport purposes. It will suitably operate and maintain the airport and all facilities thereon or connected therewith, with due regard to climatic and flood conditions. Any proposal to temporarily close the airport for non-aeronautical purposes must first be approved by the Secretary. In furtherance of this assurance, the sponsor will have in effect arrangements for-

1) Operating the airport's aeronautical facilities whenever required;

2) Promptly marking and lighting hazards resulting from airport conditions, including temporary conditions; and

3) Promptly notifying airmen of any condition affecting aeronautical use of the airport. Nothing contained herein shall be construed to require that the airport be operated for aeronautical use during temporary periods when snow, flood or other climatic conditions interfere with such operation and maintenance. Further, nothing herein shall be construed as requiring the maintenance, repair, restoration, or replacement of any structure or facility which is substantially damaged or destroyed due to an act of God or other condition or circumstance beyond the control of the sponsor.

b. It will suitably operate and maintain noise compatibility program items that it owns or controls upon which Federal funds have been expended.

20. **Hazard Removal and Mitigation.**

It will take appropriate action to assure that such terminal airspace as is required to protect instrument and visual operations to the airport (including established minimum flight altitudes) will be adequately cleared and protected by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards.

21. **Compatible Land Use.**

It will take appropriate action, to the extent reasonable, including the adoption of zoning laws, to restrict the use of land adjacent to or in the immediate vicinity of the airport to activities and purposes compatible with normal airport operations, including landing and takeoff of aircraft. In addition, if the project is for noise compatibility program implementation, it will not cause or permit any change in land use, within its jurisdiction, that will reduce its compatibility, with respect to the airport, of the noise compatibility program measures upon which Federal funds have been expended.

22. **Economic Nondiscrimination.**

a. It will make the airport available as an airport for public use on reasonable terms and without unjust discrimination to all types, kinds and classes of aeronautical activities, including commercial aeronautical activities offering services to the public at the airport.

b. In any agreement, contract, lease, or other arrangement under which a right or privilege at the airport is granted to any person, firm, or corporation to conduct or

to engage in any aeronautical activity for furnishing services to the public at the airport, the sponsor will insert and enforce provisions requiring the contractor to-

1) furnish said services on a reasonable, and not unjustly discriminatory, basis to all users thereof, and

2) charge reasonable, and not unjustly discriminatory, prices for each unit or service, provided that the contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

c. Each fixed-based operator at the airport shall be subject to the same rates, fees, rentals, and other charges as are uniformly applicable to all other fixed-based operators making the same or similar uses of such airport and utilizing the same or similar facilities.

d. Each air carrier using such airport shall have the right to service itself or to use any fixed-based operator that is authorized or permitted by the airport to serve any air carrier at such airport.

e. Each air carrier using such airport (whether as a tenant, non-tenant, or subtenant of another air carrier tenant) shall be subject to such nondiscriminatory and substantially comparable rules, regulations, conditions, rates, fees, rentals, and other charges with respect to facilities directly and substantially related to providing air transportation as are applicable to all such air carriers which make similar use of such airport and utilize similar facilities, subject to reasonable classifications such as tenants or non-tenants and signatory carriers and non-signatory carriers. Classification or status as tenant or signatory shall not be unreasonably withheld by any airport provided an air carrier assumes obligations substantially similar to those already imposed on air carriers in such classification or status.

f. It will not exercise or grant any right or privilege which operates to prevent any person, firm, or corporation operating aircraft on the airport from performing any services on its own aircraft with its own employees [including, but not limited to maintenance, repair, and fueling] that it may choose to perform.

g. In the event the sponsor itself exercises any of the rights and privileges referred to in this assurance, the services involved will be provided on the same conditions as would apply to the furnishing of such services by commercial aeronautical service providers authorized by the sponsor under these provisions.

h. The sponsor may establish such reasonable, and not unjustly discriminatory, conditions to be met by all users of the airport as may be necessary for the safe and efficient operation of the airport.

i. The sponsor may prohibit or limit any given type, kind or class of aeronautical use of the airport if such action is necessary for the safe operation of the airport or necessary to serve the civil aviation needs of the public.

23. **Exclusive Rights.**

It will permit no exclusive right for the use of the airport by any person providing, or intending to provide, aeronautical services to the public. For purposes of this paragraph, the providing of the services at an airport by a single fixed-based operator shall not be construed as an exclusive right if both of the following apply:

a. It would be unreasonably costly, burdensome, or impractical for more than one fixed-based operator to provide such services, and

b. If allowing more than one fixed-based operator to provide such services would require the reduction of space leased pursuant to an existing agreement between such single fixed-based operator and such airport. It further agrees that it will not, either directly or indirectly, grant or permit any person, firm, or corporation, the exclusive right at the airport to conduct any aeronautical activities, including, but not limited to charter flights, pilot training, aircraft rental and sightseeing, aerial photography, crop dusting, aerial advertising and surveying, air carrier operations, aircraft sales and services, sale of aviation petroleum products whether or not conducted in conjunction with other aeronautical activity, repair and maintenance of aircraft, sale of aircraft parts, and any other activities which because of their direct relationship to the operation of aircraft can be regarded as an aeronautical activity, and that it will terminate any exclusive right to conduct an aeronautical activity now existing at such an airport before the grant of any assistance under Title 49, United States Code.

24. **Fee and Rental Structure.**

It will maintain a fee and rental structure for the facilities and services at the airport which will make the airport as self-sustaining as possible under the circumstances existing at the particular airport, taking into account such factors as the volume of traffic and economy of collection. No part of the Federal share of an airport development, airport planning or noise compatibility project for which a grant is made under Title 49, United States Code, the Airport and Airway Improvement Act of 1982, the Federal Airport Act or the Airport and Airway Development Act of 1970 shall be included in the rate basis in establishing fees, rates, and charges for users of that airport.

25. **Airport Revenues.**

a. All revenues generated by the airport and any local taxes on aviation fuel established after December 30, 1987, will be expended by it for the capital or operating costs of the airport; the local airport system; or other local facilities which are owned or operated by the owner or operator of the airport and which are directly and substantially related to the actual air transportation of passengers or property; or for noise mitigation purposes on or off the airport. The following exceptions apply to this paragraph:

1) If covenants or assurances in debt obligations issued before September 3, 1982, by the owner or operator of the airport, or provisions enacted before September 3, 1982, in governing statutes controlling the owner or operator's financing, provide for the use of the revenues from any of the airport owner or

operator's facilities, including the airport, to support not only the airport but also the airport owner or operator's general debt obligations or other facilities, then this limitation on the use of all revenues generated by the airport (and, in the case of a public airport, local taxes on aviation fuel) shall not apply.

2) If the Secretary approves the sale of a privately owned airport to a public sponsor and provides funding for any portion of the public sponsor's acquisition of land, this limitation on the use of all revenues generated by the sale shall not apply to certain proceeds from the sale. This is conditioned on repayment to the Secretary by the private owner of an amount equal to the remaining unamortized portion (amortized over a 20-year period) of any airport improvement grant made to the private owner for any purpose other than land acquisition on or after October 1, 1996, plus an amount equal to the federal share of the current fair market value of any land acquired with an airport improvement grant made to that airport on or after October 1, 1996.

3) Certain revenue derived from or generated by mineral extraction, production, lease, or other means at a general aviation airport (as defined at Section 47102 of title 49 United States Code), if the FAA determines the airport sponsor meets the requirements set forth in Sec. 813 of Public Law 112-95.

b. As part of the annual audit required under the Single Audit Act of 1984, the sponsor will direct that the audit will review, and the resulting audit report will provide an opinion concerning, the use of airport revenue and taxes in paragraph (a), and indicating whether funds paid or transferred to the owner or operator are paid or transferred in a manner consistent with Title 49, United States Code and any other applicable provision of law, including any regulation promulgated by the Secretary or Administrator.

c. Any civil penalties or other sanctions will be imposed for violation of this assurance in accordance with the provisions of Section 47107 of Title 49, United States Code.

26. **Reports and Inspections.**

It will:

a. submit to the Secretary such annual or special financial and operations reports as the Secretary may reasonably request and make such reports available to the public; make available to the public at reasonable times and places a report of the airport budget in a format prescribed by the Secretary;

b. for airport development projects, make the airport and all airport records and documents affecting the airport, including deeds, leases, operation and use agreements, regulations and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request;

c. for noise compatibility program projects, make records and documents relating to the project and continued compliance with the terms, conditions, and assurances of this grant agreement including deeds, leases, agreements, regulations, and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request; and

d. in a format and time prescribed by the Secretary, provide to the Secretary and make available to the public following each of its fiscal years, an annual report listing in detail:

1) all amounts paid by the airport to any other unit of government and the purposes for which each such payment was made; and

2) all services and property provided by the airport to other units of government and the amount of compensation received for provision of each such service and property.

27. **Use by Government Aircraft.**

It will make available all of the facilities of the airport developed with Federal financial assistance and all those usable for landing and takeoff of aircraft to the United States for use by Government aircraft in common with other aircraft at all times without charge, except, if the use by Government aircraft is substantial, charge may be made for a reasonable share, proportional to such use, for the cost of operating and maintaining the facilities used. Unless otherwise determined by the Secretary, or otherwise agreed to by the sponsor and the using agency, substantial use of an airport by Government aircraft will be considered to exist when operations of such aircraft are in excess of those which, in the opinion of the Secretary, would unduly interfere with use of the landing areas by other authorized aircraft, or during any calendar month that –

a. Five (5) or more Government aircraft are regularly based at the airport or on land adjacent thereto; or

b. The total number of movements (counting each landing as a movement) of Government aircraft is 300 or more, or the gross accumulative weight of Government aircraft using the airport (the total movement of Government aircraft multiplied by gross weights of such aircraft) is in excess of five million pounds.

28. **Land for Federal Facilities.**

It will furnish without cost to the Federal Government for use in connection with any air traffic control or air navigation activities, or weather-reporting and communication activities related to air traffic control, any areas of land or water, or estate therein, or rights in buildings of the sponsor as the Secretary considers necessary or desirable for construction, operation, and maintenance at Federal expense of space or facilities for such purposes. Such areas or any portion thereof will be made available as provided herein within four months after receipt of a written request from the Secretary.

29. **Airport Layout Plan.**

a. It will keep up to date at all times an airport layout plan of the airport showing

1) boundaries of the airport and all proposed additions thereto, together with the boundaries of all offsite areas owned or controlled by the sponsor for airport purposes and proposed additions thereto;

2) the location and nature of all existing and proposed airport facilities and structures (such as runways, taxiways, aprons, terminal buildings, hangars and

roads), including all proposed extensions and reductions of existing airport facilities;

3) the location of all existing and proposed nonaviation areas and of all existing improvements thereon; and

4) all proposed and existing access points used to taxi aircraft across the airport's property boundary. Such airport layout plans and each amendment, revision, or modification thereof, shall be subject to the approval of the Secretary which approval shall be evidenced by the signature of a duly authorized representative of the Secretary on the face of the airport layout plan. The sponsor will not make or permit any changes or alterations in the airport or any of its facilities which are not in conformity with the airport layout plan as approved by the Secretary and which might, in the opinion of the Secretary, adversely affect the safety, utility or efficiency of the airport.

b. If a change or alteration in the airport or the facilities is made which the Secretary determines adversely affects the safety, utility, or efficiency of any federally owned, leased, or funded property on or off the airport and which is not in conformity with the airport layout plan as approved by the Secretary, the owner or operator will, if requested, by the Secretary (1) eliminate such adverse effect in a manner approved by the Secretary; or (2) bear all costs of relocating such property (or replacement thereof) to a site acceptable to the Secretary and all costs of restoring such property (or replacement thereof) to the level of safety, utility, efficiency, and cost of operation existing before the unapproved change in the airport or its facilities except in the case of a relocation or replacement of an existing airport facility due to a change in the Secretary's design standards beyond the control of the airport sponsor.

30. **Civil Rights.**

It will promptly take any measures necessary to ensure that no person in the United States shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in any activity conducted with, or benefiting from, funds received from this grant.

a. Using the definitions of activity, facility and program as found and defined in §§ 21.23 (b) and 21.23 (e) of 49 CFR § 21, the sponsor will facilitate all programs, operate all facilities, or conduct all programs in compliance with all non-discrimination requirements imposed by, or pursuant to these assurances.

b. Applicability

1) Programs and Activities. If the sponsor has received a grant (or other federal assistance) for any of the sponsor's program or activities, these requirements extend to all of the sponsor's programs and activities.

2) Facilities. Where it receives a grant or other federal financial assistance to construct, expand, renovate, remodel, alter or acquire a facility, or part of a facility, the assurance extends to the entire facility and facilities operated in connection therewith.

3) Real Property. Where the sponsor receives a grant or other Federal financial assistance in the form of, or for the acquisition of real property or an interest in real property, the assurance will extend to rights to space on, over, or under such property.

c. Duration.

The sponsor agrees that it is obligated to this assurance for the period during which Federal financial assistance is extended to the program, except where the Federal financial assistance is to provide, or is in the form of, personal property, or real property, or interest therein, or structures or improvements thereon, in which case the assurance obligates the sponsor, or any transferee for the longer of the following periods:

1) So long as the airport is used as an airport, or for another purpose involving the provision of similar services or benefits; or

2) So long as the sponsor retains ownership or possession of the property.

d. Required Solicitation Language. It will include the following notification in all solicitations for bids, Requests For Proposals for work, or material under this grant agreement and in all proposals for agreements, including airport concessions, regardless of funding source:

"The **(Name of Sponsor)**, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders that it will affirmatively ensure that any contract entered into pursuant to this advertisement, disadvantaged business enterprises and airport concession disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award."

e. Required Contract Provisions.

1) It will insert the non-discrimination contract clauses requiring compliance with the acts and regulations relative to non-discrimination in Federally-assisted programs of the DOT, and incorporating the acts and regulations into the contracts by reference in every contract or agreement subject to the non-discrimination in Federally-assisted programs of the DOT acts and regulations.

2) It will include a list of the pertinent non-discrimination authorities in every contract that is subject to the non-discrimination acts and regulations.

3) It will insert non-discrimination contract clauses as a covenant running with the land, in any deed from the United States effecting or recording a transfer of real property, structures, use, or improvements thereon or interest therein to a sponsor.

4) It will insert non-discrimination contract clauses prohibiting discrimination on the basis of race, color, national origin, creed, sex, age, or handicap as a

covenant running with the land, in any future deeds, leases, license, permits, or similar instruments entered into by the sponsor with other parties:

a) For the subsequent transfer of real property acquired or improved under the applicable activity, project, or program; and

b) For the construction or use of, or access to, space on, over, or under real property acquired or improved under the applicable activity, project, or program.

f. It will provide for such methods of administration for the program as are found by the Secretary to give reasonable guarantee that it, other recipients, sub-recipients, sub-grantees, contractors, subcontractors, consultants, transferees, successors in interest, and other participants of Federal financial assistance under such program will comply with all requirements imposed or pursuant to the acts, the regulations, and this assurance.

g. It agrees that the United States has a right to seek judicial enforcement with regard to any matter arising under the acts, the regulations, and this assurance.

31. **Disposal of Land.**

a. For land purchased under a grant for airport noise compatibility purposes, including land serving as a noise buffer, it will dispose of the land, when the land is no longer needed for such purposes, at fair market value, at the earliest practicable time. That portion of the proceeds of such disposition which is proportionate to the United States' share of acquisition of such land will be, at the discretion of the Secretary, (1) reinvested in another project at the airport, or (2) transferred to another eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order, (1) reinvestment in an approved noise compatibility project, (2) reinvestment in an approved project that is eligible for grant funding under Section 47117(e) of title 49 United States Code, (3) reinvestment in an approved airport development project that is eligible for grant funding under Sections 47114, 47115, or 47117 of title 49 United States Code, (4) transferred to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport, and (5) paid to the Secretary for deposit in the Airport and Airway Trust Fund. If land acquired under a grant for noise compatibility purposes is leased at fair market value and consistent with noise buffering purposes, the lease will not be considered a disposal of the land. Revenues derived from such a lease may be used for an approved airport development project that would otherwise be eligible for grant funding or any permitted use of airport revenue.

b. For land purchased under a grant for airport development purposes (other than noise compatibility), it will, when the land is no longer needed for airport purposes, dispose of such land at fair market value or make available to the Secretary an amount equal to the United States' proportionate share of the fair market value of the land. That portion of the proceeds of such disposition which is proportionate to the United States' share of the cost of acquisition of such land will, (1) upon application to the Secretary, be reinvested or transferred to another

eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order: (1) reinvestment in an approved noise compatibility project, (2) reinvestment in an approved project that is eligible for grant funding under Section 47117(e) of title 49 United States Code, (3) reinvestment in an approved airport development project that is eligible for grant funding under Sections 47114, 47115, or 47117 of title 49 United States Code, (4) transferred to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport, and (5) paid to the Secretary for deposit in the Airport and Airway Trust Fund.

c. Land shall be considered to be needed for airport purposes under this assurance if (1) it may be needed for aeronautical purposes (including runway protection zones) or serve as noise buffer land, and (2) the revenue from interim uses of such land contributes to the financial self-sufficiency of the airport. Further, land purchased with a grant received by an airport operator or owner before December 31, 1987, will be considered to be needed for airport purposes if the Secretary or Federal agency making such grant before December 31, 1987, was notified by the operator or owner of the uses of such land, did not object to such use, and the land continues to be used for that purpose, such use having commenced no later than December 15, 1989.

d. Disposition of such land under (a) (b) or (c) will be subject to the retention or reservation of any interest or right therein necessary to ensure that such land will only be used for purposes which are compatible with noise levels associated with operation of the airport.

32. **Engineering and Design Services.**

It will award each contract, or sub-contract for program management, construction management, planning studies, feasibility studies, architectural services, preliminary engineering, design, engineering, surveying, mapping or related services with respect to the project in the same manner as a contract for architectural and engineering services is negotiated under Title IX of the Federal Property and Administrative Services Act of 1949 or an equivalent qualifications-based requirement prescribed for or by the sponsor of the airport.

33. **Foreign Market Restrictions.**

It will not allow funds provided under this grant to be used to fund any project which uses any product or service of a foreign country during the period in which such foreign country is listed by the United States Trade Representative as denying fair and equitable market opportunities for products and suppliers of the United States in procurement and construction.

34. **Policies, Standards, and Specifications.**

It will carry out the project in accordance with policies, standards, and specifications approved by the Secretary including but not limited to the advisory circulars listed in the Current FAA Advisory Circulars for AIP projects, dated _____ (the latest approved version as of this grant offer) and included in this grant, and in accordance

with applicable state policies, standards, and specifications approved by the Secretary.

35. **Relocation and Real Property Acquisition.**

    a. It will be guided in acquiring real property, to the greatest extent practicable under State law, by the land acquisition policies in Subpart B of 49 CFR Part 24 and will pay or reimburse property owners for necessary expenses as specified in Subpart B.
    b. It will provide a relocation assistance program offering the services described in Subpart C and fair and reasonable relocation payments and assistance to displaced persons as required in Subpart D and E of 49 CFR Part 24.
    c. It will make available within a reasonable period of time prior to displacement, comparable replacement dwellings to displaced persons in accordance with Subpart E of 49 CFR Part 24.

36. **Access By Intercity Buses.**

    The airport owner or operator will permit, to the maximum extent practicable, intercity buses or other modes of transportation to have access to the airport; however, it has no obligation to fund special facilities for intercity buses or for other modes of transportation.

37. **Disadvantaged Business Enterprises.**

    The sponsor shall not discriminate on the basis of race, color, national origin or sex in the award and performance of any DOT-assisted contract covered by 49 CFR Part 26, or in the award and performance of any concession activity contract covered by 49 CFR Part 23. In addition, the sponsor shall not discriminate on the basis of race, color, national origin or sex in the administration of its DBE and ACDBE programs or the requirements of 49 CFR Parts 23 and 26. The sponsor shall take all necessary and reasonable steps under 49 CFR Parts 23 and 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts, and/or concession contracts. The sponsor's DBE and ACDBE programs, as required by 49 CFR Parts 26 and 23, and as approved by DOT, are incorporated by reference in this agreement. Implementation of these programs is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the sponsor of its failure to carry out its approved program, the Department may impose sanctions as provided for under Parts 26 and 23 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1936 (31 U.S.C. 3801).

38. **Hangar Construction.**

    If the airport owner or operator and a person who owns an aircraft agree that a hangar is to be constructed at the airport for the aircraft at the aircraft owner's expense, the airport owner or operator will grant to the aircraft owner for the hangar a long term lease that is subject to such terms and conditions on the hangar as the airport owner or operator may impose.

39. **Competitive Access.**

a. If the airport owner or operator of a medium or large hub airport (as defined in section 47102 of title 49, U.S.C.) has been unable to accommodate one or more requests by an air carrier for access to gates or other facilities at that airport in order to allow the air carrier to provide service to the airport or to expand service at the airport, the airport owner or operator shall transmit a report to the Secretary that-

   1) Describes the requests;

   2) Provides an explanation as to why the requests could not be accommodated; and

   3) Provides a time frame within which, if any, the airport will be able to accommodate the requests.

b. Such report shall be due on either February 1 or August 1 of each year if the airport has been unable to accommodate the request(s) in the six month period prior to the applicable due date.

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