



Missoula County Airport Authority  
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# Lease Rates and Charges Policy

**DRAFT**

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Missoula County Airport Authority

*Missoula Montana Airport (MSO)*

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Date Published:



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## 1. INTRODUCTION

### 1.1. *Statement of Policy*

- A. It is the intent of the Missoula County Airport Authority (Authority) to: (1) plan, manage, operate, finance, and develop the Missoula Montana Airport (Airport) to ensure the long-term financial health of the Airport and the safety of the public consistent with all applicable Regulatory Measures; and (2) encourage the development and operation of air carriers and general aviation and the provision of air carriers and general aviation products, services, and facilities to the public at the Airport
- B. As set forth by the Federal Aviation Administration (FAA), by way of its Airport Sponsor Assurances, any airport developed with federal grant assistance is required to operate for the use and benefit of the public and is to be made available to all types, kinds, and classes of Aeronautical Activity on fair and reasonable terms and without unjust discrimination.
- C. Accordingly, any Entity wishing to lease Airport land or improvements or engage in an Aeronautical Activity at the Airport shall be given equal opportunity to compete, without discrimination, for the use of available Airport land or improvements subject to the Primary Guiding Documents.
- D. However, no Entity shall occupy or use (for commercial purposes) Airport land or improvements or engage in an Aeronautical Activity at the Airport unless both parties have executed an Agreement authorizing such occupancy/commercial use or Activity.
- E. In addition, in accordance with the Sponsor Assurances given to the federal and/or state government as a condition to receiving federal and/or state funds, the granting of rights and/or privileges to engage in Activities shall not be construed in any manner as affording an Operator any exclusive right, other than the exclusive use of the land or improvements that may be leased to the Operator, and then only to the extent provided in an Agreement.
  - i. The presence on the Airport of only one enterprise engaged in a particular Aeronautical Activity (and/or non-aeronautical commercial activity) does not, in and of itself, indicate that an exclusive right has been granted. However, it is the policy of the Authority not to enter into or promote an understanding, commitment, or express agreement to exclude other reasonably qualified enterprises. Accordingly, those who desire to enter into an Agreement with the Authority should neither expect nor request that the Authority exclude others who also desire to engage in the same or similar activities. The opportunity to engage in an Aeronautical Activity (and/or non-aeronautical commercial activity) shall be made available to those Entities meeting the qualifications and the requirements set forth in the Primary Guiding Documents and as space may be available at the Airport to support such Activity provided such use is consistent with the best interests of the Airport and is consistent with the current and planned uses of Airport land and improvements.
  - ii. If the FAA determines that any provision of an Agreement or a practice constitutes a grant of a prohibited exclusive right, such provision or grant shall be deemed null and void.
- F. The right of use of the Airport infrastructure and any land and/or improvements other than that leased “exclusively” to an Operator is non-exclusive.

- G. To this end, this Policy sets forth the parameters for leasing Airport land and/or improvements, using Airport land and/or improvements for commercial purposes, and/or engaging in Aeronautical Activities at the Airport. In addition, this Policy outlines the process that will be utilized by the Authority to establish and adjust associated rents, fees, and/or other charges.

**1.2. *Compliance with Regulatory Measures***

All Operators shall comply, at the Operator's expense, with all applicable Regulatory Measures, including, without limitation, those of the United States Department of Transportation, the FAA, and the Authority including the Primary Guiding Documents; all as may be in effect and amended from time to time.

**1.3. *Temporary Structures***

No temporary or mobile structures shall be placed on Airport land except those that are directly related to a construction project on the Airport. The Authority must approve the siting (and the allowed number of days) of temporary or mobile structures in writing. In addition, no Activities may be performed from temporary or mobile structures, unless approved in advance by the Authority.

**1.4. *Conflicts with Existing Agreements***

- A. This Policy does not affect the current term or currently authorized extension of any Agreement properly executed prior to the date of adoption of this Policy, unless provided for in the Agreement in which case this Policy shall be effective consistent with the Agreement. Upon expiration of the term of an existing Agreement or if an Operator desires to change or expand its Activities, the Operator shall then comply with the provisions of this Policy and the Primary Guiding Documents.
- B. Within this policy statement, *existing Agreements* refer to those Agreements that are currently in effect at the Airport and in which specific land and/or improvements (premises) and/or Activities are defined, and a termination date is specified.
- C. *New Agreements* refer to Agreements with Entities who are not presently leasing land and/or improvements and/or engaging in an Activity at the Airport or to new agreements with an existing Operator for additional land and/or improvements and/or Activities at the Airport.

**1.5. *Governing Body***

The Airport is owned and operated by the Missoula County Airport Authority, governed by and through the Missoula County Airport Authority Board of Commissioners. While the Airport Director has the authority to manage the Airport (including the authority to interpret, administer, and enforce Agreements and the Primary Guiding Documents and the authority to permit temporary, short-term occupancy/use of Airport land and/or improvements), the ultimate authority to grant the occupancy/use of Airport land and/or improvements and the right to engage in an Aeronautical Activity at the Airport, and to approve, adopt, amend, or supplement any Agreement, policy, or practice relating thereto is expressly reserved to the Authority.

**1.6. *Rights Reserved***

In addition to the rights and privileges identified in Attachment A, the Authority reserves the rights and privileges outlined under federal and/or state Sponsor Assurances.

**1.7. *Severability***

If one or more clauses, sections, or provisions of this Policy shall be held to be unlawful, invalid, or unenforceable by final judgment of any court of competent jurisdiction, the invalidity of such clauses, sections, or provisions shall not in any way affect any other clauses, sections, or provisions of this Policy.



**1.8. Subordinate**

This Policy is subject and subordinate to the provisions of any existing or future agreements between the Authority and the United States or the state of Montana pertaining to the operation, management, planning, and development of the Airport.

## 2. APPLICATION REQUIREMENTS

### 2.1. *New Operator*

Any Entity desiring to enter into an Agreement with the Authority for permission to occupy or use (for commercial purposes) land or improvements and/or engage in an Aeronautical Activity at the Airport shall submit a written application to the Authority using the form provided in Attachment B. Non-commercial Lessees or Operators need only to complete those portions of the application form relevant to the proposed occupancy of Airport land/or improvements.

- A. At the time of and as part of its application, the prospective Operator shall submit all of the information requested on the application form and, thereafter, shall submit any additional information that may be required or requested by the Authority in order to properly evaluate the application.

### 2.2. *Existing Operator (with an Existing Agreement)*

- A. **No Change in Scope of Activities**  
An existing Operator may request to enter into a new Agreement (subject to the provisions of this Policy) without filing a new application provided that the Operator proposes no changes in the scope of the previously approved Activity; is in compliance with the Primary Guiding Documents in place at the time of such request; is current in payment of all rents, fees, or other sums accruing to the Authority; and is not in default of any provision of any existing Agreement with the Authority.
- B. **Change in Scope of Activities**  
If an existing Operator intends to change or expand the scope of the previously approved Activity or if the Authority deems that a new application is required, the Operator must submit a new application at least twelve months prior to the expiration of an existing Agreement.
- C. **Notification Process**  
If an existing Operator desires to enter into a new Agreement with the Authority (subject to the provisions of this Policy), the Operator shall notify the Authority twelve months in advance of the expiration date of the Operator's existing Agreement.
  - i. Within three months of receiving such notification from an existing Operator, the Authority shall inform the Operator whether the existing Agreement will be extended, whether a new Agreement will be granted, or whether the Authority has determined that no new Agreement will be granted and/or that a Request for Proposals shall be issued.
  - ii. Denial of an extension or new agreement is at the sole discretion of the Authority and will be based on the factors included in Section 2.4 of this Policy as well as factors related to the Operator's prior or current performance such as, but not limited to:
    - ii.a. Has the Operator remained in good standing with the Authority throughout the duration of a prior or existing Agreement; and
    - ii.b. Has the Operator's maintenance of the property and facility satisfied maintenance, safety and appearance standards.
    - ii.c. Is the Operator in compliance with other terms of a prior or existing Agreement.
  - iii. If an extension or new Agreement will be granted, the Authority's notice will convey the terms, conditions, rents, fees, and/or other charges that have been established (by the Authority) for the continued occupancy and/or use of the subject land and/or improvements.
  - iv. The term length of an extension or new agreement will be based on the factors described in more detail in Section 3.3.B.
- D. Within one month of receiving this information from the Authority, the existing

Operator shall indicate whether the terms, conditions, rents, fees, and/or other charges established (in accordance with this Policy) by the Authority are acceptable (to the Operator).

- i. If the terms, conditions, rents, fees, and/or other charges established by the Authority are not acceptable, the Operator shall present (to the Authority) the terms, conditions, rents, fees, and/or other charges that are acceptable to the Operator.
- ii. If terms, conditions, rents, fees, and/or other charges that are acceptable to both parties cannot be negotiated within one month from the time this information is presented to the Authority (by the Operator), the Authority may initiate the Competitive Proposal Process, under Authority Initiative (as described in this Policy).

### 2.3. *Immediate Need*

Any Entity seeking to lease land and/or improvements from the Authority must demonstrate an “immediate need” for the entire land area(s) and/or improvement(s) proposed to be leased (i.e., the Entity must demonstrate that the entire land area(s) and/or improvement(s) will be required to engage in the proposed Activities and will be Immediately utilized).

### 2.4. *Grounds for Denial of Application*

The Authority may deny any application for any one or more of the following reasons:

- A. The Applicant, for any reason, does not fully meet the qualifications, standards, and requirements established by the Authority. The burden of proof shall be on the Applicant and the standard of proof shall be by clear and convincing evidence.
- B. The Applicant’s proposed Activities and/or improvements will create a safety hazard at or on the Airport.
- C. The granting of the application will require the Authority to expend funds and/or supply labor and/or materials in connection with the proposed Activities and/or improvements that the Authority is unwilling and/or unable to spend and/or will result in a financial loss or hardship to the Authority.
- D. No appropriate, adequate, or available land and/or improvement exists at the Airport to accommodate the proposed Activity of the Applicant at the time of application, nor is such availability contemplated within a reasonable time frame (approximately 12 months).
- E. The proposed Activities and/or improvements do not comply with the Master Plan of the Airport (and/or ALP) then in effect or anticipated to be in effect within the time frame proposed by the Applicant.
- F. The development or use of the land requested by the Applicant will result in a congestion of Aircraft and/or the improvements will, in the sole discretion of the Authority, unduly interfere with Activities of any existing Operator on the Airport and/or prevent adequate access to the Leased Premises of any existing Operator.
- G. The Applicant has either intentionally or unintentionally misrepresented or omitted material fact in the application or in supporting documentation.
- H. The Applicant has failed to make full disclosure on the application or in supporting documentation.
- I. The Applicant or an officer, director, agent, representative, shareholder, or employee of Applicant has a record of violating the Regulatory Measures of any other Airport, FAA, or any other Regulatory Measure applicable to the Airport or the Applicant’s proposed Activity.
- J. The Applicant or an officer, director, agent, representative, shareholder, or employee of Applicant has defaulted in the performance of any Lease, Sublease, or other Agreement at

- the Airport or at any other airport.
- K. The Applicant does not exhibit adequate financial responsibility or capability to undertake the proposed Activity.
  - L. The Applicant cannot provide a performance bond or applicable insurance in the type and amounts required by the Authority for the proposed Activity.
  - M. The Applicant or an officer or director of Applicant has been convicted of a felony.
  - N. Applicant's proposed Activity has been or could be detrimental to the Airport.
  - O. The Applicant seeks terms and conditions which are inconsistent with Authority policies or any RFP, invitation for proposals, or other advertisement issued by the Authority.
  - P. The proposed use and/or the Applicant are not in the best interests of the Authority and/or is inconsistent with the Airport's mission, goals, objectives, or purposes or inconsistent with any grant assurances. See also, Section 3.2.3.
  - Q. The Applicant has not demonstrated an immediate need for the entire land area(s) and/or improvement(s) proposed to be leased.

### 2.5. *Public Disclosure*

Applicants should be aware that the Authority, as a governmental entity, is subject to the general public's "right to know" provision of the Montana Constitution. This gives the public a right to examine public records of a government agency and observe the agency's public meetings unless "the demand of individual privacy clearly exceeds the merits of public disclosure." *Montana Constitution*, Article II, Section 9. Therefore, applicants should designate those portions of their applications that they deem confidential, if any, and state the basis for the claimed right of individual privacy that applies to each such designated part of their application.

### 2.6. *Approval Process*

- A. The application and all accompanying materials (deemed necessary to facilitate an analysis of the prospective Operator's proposal) shall be submitted to the Airport Director for review and recommendation.
- B. The Authority, subject to the Primary Guiding Documents, will then review complete applications. No application will be deemed complete that does not provide the Authority with the information necessary to allow the Authority to make a meaningful assessment of the costs and the benefits of committing Airport land or improvements to the Applicant.
- C. Once the Authority approves the application, an Agreement will be negotiated with the prospective Operator. At the discretion of the Authority, the Authority may require that the prospective Operator shall pay an earnest money deposit equivalent to the rents, fees, and other charges for one month and submit a written letter of acceptance of the general terms and conditions of the Agreement as evidence of good faith to proceed with the preparation of the Agreement by the Authority.
- D. The Agreement will then be presented to the Authority for approval. If the Authority approves the Agreement, the Operator shall execute the Agreement within 30 days. If the Operator does not execute the Agreement within 30 days, the Agreement shall be void and the Authority will retain any earnest money deposit.

### 2.7. *Competitive Proposal Process*

- A. Authority Initiative.
  - i. If land or improvements are available at the Airport, the Authority may issue a Request for Proposal (RFP) seeking competitive proposals from Entities who wish to occupy or use (for commercial purposes) such land or improvements and/or engage in Aeronautical Activities at the Airport.
  - ii. The Authority shall advertise (in accordance with Authority practices and legal

requirements) the opportunity using local and/or industry mediums. The advertisement shall provide a description of the opportunity (which shall include identification of the land and/or improvements that are available for use/occupancy and the products, services, and/or facilities required and/or desired by the Authority if known), instructions to proposers for obtaining the RFP document, the time and place for submitting sealed proposals, and the Authority's right to reject any and all proposals. In addition, the Authority may mail the RFP directly to those Entities who have expressed previous interest, may be interested, or that the Authority may wish to attract.

- iii. The RFP document shall:
- iii.a. Provide an overview of the Airport, the market, and the opportunity (products, services, and/or facilities required and/or desired);
  - iii.b. Identify the location of the land and/or improvements (and provide associated site plans, drawings, or photographs);
  - iii.c. Indicate the expected timeframe for occupancy of the land and/or improvements;
  - iii.d. Outline the submission and selection process, state the proposer's responsibilities, and provide a schedule for the process;
  - iii.e. Provide the proposal (response) format (or forms) and the proposed Agreement;
  - iii.f. Convey the evaluation and/or selection criteria that will be utilized by the Authority;
  - iii.g. State the grounds for denial or disqualification and withdrawal; and
  - iii.h. Indicate the place, date, and time the proposals will be opened.
  - iii.i. If a pre-proposal conference will be held, the RFP document shall state the place, date, and time of such conference.
    - During the pre-proposal conference, the RFP process, procedures, and requirements shall be discussed, and prospective Operators shall be given the opportunity to ask questions and/or convey concerns that shall be addressed by the Authority or its representatives during and/or subsequent to the conference.
- iv. The Authority will receive and open the proposals at the designated place and time. The Authority will then review (for compliance with the RFP specifications), evaluate, and rank the proposals. The Authority may also require interviews with prospective Operators. Upon completion of the review and evaluation process, the Authority shall select the best proposal (i.e., the proposal that is most advantageous to the Authority). The Authority will then negotiate an Agreement with the selected proposer. If an Agreement cannot be reached with the selected proposer, the Authority may negotiate with the next best proposer.
- v. The Authority has the right to reject any and all proposals, to advertise for new proposals, and to modify the proposal process. In addition, the Authority is under no obligation to make any award or to make an award to the proposer specifying the highest price.

B. Initiative of Others

- i. If during the application process, a qualified Entity (other than the Applicant) expresses interest and demonstrates an immediate need for the same land and/or improvements, the Authority may negotiate with the Entity and/or issue an RFP (in which case, the Competitive Proposal Process, under Authority Initiative, would be followed).
- ii. However, if the Authority approves an application (during public session),

the Authority is under no obligation to negotiate with any Entity (other than the Applicant) and/or issue an RFP.

### 3. AGREEMENTS

#### 3.1. *General/Introduction*

- A. Prior to engaging in Activities at the Airport, an Operator will be required to enter into an Agreement with the Authority that will recite the terms and conditions under which the Operator shall use/occupy land and/or improvements and/or engage in Activities at the Airport. Neither the conditions stated nor set forth in this Policy represent a complete recitation of the provisions to be included in the Agreement. In addition, the provisions contained in any Agreement shall not be deemed or construed to modify this Policy.
- B. The Agreement shall convey one or more of the following privileges: (1) the privilege of using the Airport in common with others who are authorized to do so, (2) the privilege of occupying and/or exclusively using specifically designated land and/or improvements at the Airport, and/or (3) the privilege of providing products, services, and/or facilities to the public at the Airport.

#### 3.2. *Premises*

- A. Aviation use
  - i. The Agreement shall identify the aviation products, services, and facilities that must (required), may (optional), or can with permission (additional) be provided by an Operator. The products, services, and facilities that must and/or

may be provided by an Operator must meet the minimum requirements set forth in the Minimum Standards. Additional products, services, and/or facilities may only be provided after receiving written permission from the Authority. Failure to meet the Minimum Standards or obtain written permission from the Authority before providing additional products, services, and/or facilities shall be considered a default under the Agreement.

B. Restrictions

Airport land and/or improvements shall not be leased for any use(s) or purpose(s) that are contrary to: (1) the best interests of the Authority, (2) the safe, effective, and efficient operation of the Airport including the safety of the public and the Aircraft (or other property) located at the Airport, (3) the goals of financial self-sufficiency for the Airport, (4) the future development of the Airport, and (5) Airport Sponsor Assurances.

C. Assignment

An Operator shall not assign an Agreement (or any part of an Agreement) or any interest the Operator may have in an Agreement, without the prior express written consent of the Authority.

- i. At the time an assignment is approved (written consent is provided) by the Authority, the Operator shall reimburse the Authority for reasonable attorney's fees and expenses (incurred by the Authority) directly relating to the assignment.
- ii. Any proposed Assignee must complete an application, satisfy all criteria for new Operators as set forth in this Policy and be approved by the Authority.

D. Encumbrances

An Operator shall not mortgage, pledge, assign as collateral, encumber or in any manner transfer, convey, or dispose of the land and/or improvements leased by the Operator or any interest therein without the prior written consent of the Authority.

- i. At the time an encumbrance is approved (written consent is provided) by the Authority, the Operator shall reimburse the Authority for reasonable attorney's fees and expenses (incurred by the Authority) directly relating to the encumbrance.
- ii. The Authority Board of Commissioners may delegate authority to the Airport Director to consent to specific types of encumbrances.

E. Subletting

Unless otherwise stated in an Agreement, an Operator shall not sublease all or a portion of the Leased Premises without the prior written consent of the Authority. A sublease made contrary to the requirements of this section shall be null and void. Unless otherwise stated in the written consent, a sublease is subject to all of the terms and conditions of the lease governing the land and/or improvements being sublet. A sublessee may not occupy the premises before the Authority consents to the sublease in writing.

- i. Any proposed Sublessee must complete an application, satisfy all criteria for new Operators as set forth in this Policy and be approved by the Authority.
- ii. The Authority may enter into an Agreement with an Operator that authorizes the subletting of portions of their Leased Premises, or of space for Aircraft parking, Tiedown, and hangar (and associated office and/or shop space) or other designated areas without prior written consent. In such a case, the sublease agreement utilized by the Operator must be approved by the Authority, must not allow further subletting and must be consistent with the Agreement between the Operator and the Authority.
- iii. At the time subletting (or the sublease agreement) is approved (written consent is

- provided) by the Authority, the Operator shall reimburse the Authority for reasonable attorney's fees and expenses incurred by the Authority directly relating to the subletting.
- iv. The Operator shall pay to the Authority all rents, fees, and/or other charges relating to the subletting (in accordance with this Policy).
  - v. It is the policy of the Authority that an Operator shall not sublease space to Entities providing non-aeronautical products and/or services currently provided at the Passenger Terminal Building (i.e., car rental companies, gift shops, etc.).

### 3.3. Term

- A. The term of an Agreement (for both new Agreements and extensions of existing Agreements) shall be at the sole discretion of the Authority. Terms may be month-to-month or in yearly increments but shall normally reflect an initial term of 1-5 years for short term Agreements and 5-10 years for long term Agreements; terms may extend beyond 10 years in limited circumstances based on the factors described below in Sections 3.3.B.ii-iv.
- B. Shorter term or longer terms may be determined at the sole discretion of the Authority and will be guided by long term airport planning such as the Airport Master Plan, Airport Layout Plan and development visions for the airport. The following factors will be utilized to administratively constrain the Authority's decision-making to parameters that reflect the Authority's duties to support aeronautical purposes, operate in a financially self-sustaining manner and avoid unjust economic discrimination among public-serving aeronautical service providers.
  - i. Factors supporting the use of shorter-term Agreements involve maintaining land and facilities more readily available for future aeronautical uses and/or allowing the Authority to more easily adapt to changing markets, increase competition, encourage compatible public uses, and increase future revenue opportunities. Example factors supporting shorter term lengths include:
    - i.a. *Long-term airport plans*: The use is not reflected in long term airport planning documents and/or a different use is reflected in long term airport planning documents for the same area.
    - i.b. *Intended use*: The use is non-aeronautical in purpose.
    - i.c. *Intended use*: Use is private or corporate with little public benefit, including hangars and non-hanger uses.
    - i.d. *Type of Agreement*: Ground leases of unimproved land.
    - i.e. *Type of Agreement*: Operating or concession leases/agreements.
    - i.f. *Level of Investment*: Agreements involving existing facilities with little to no additional capital investment.
  - ii. Factors supporting the use of longer-term Agreements involve:
    - ii.a. *Long-term planning*: If the use is identified in long term airport planning documents as a long term use for the same area.
    - ii.b. *Intended use*: If the use is aeronautical in purpose.
    - ii.c. *Intended use*: If the use supports airport purposes.
    - ii.d. *Intended use*: If the use is commercial or public therefor enhancing public benefit, including hangar and non-hanger uses.
    - ii.e. *Level of Investment*: Agreements with new construction or major capital improvements may require a longer Agreement term to amortize and/or finance the capital investment. See more below in Section 3.3.b.iv.
  - iii. Additional considerations for setting Agreement term lengths:
    - iii.a. Careful consideration and analysis will be needed if the use is a combination of non-aeronautical and aeronautical activities.
    - iii.b. Consideration of the Operator's compliance with prior or current

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- Agreements involving the Authority's property or facilities.
- iii.c. Costs or benefits to the Authority in terms of other improvements or infrastructure needed to support the use.
  - iii.d. Whether the agreement term aligns with the reasonable remaining useful life of the improvements on the property.
  - iii.e. Montana state statute limits contract or lease terms to a maximum of 50 years.<sup>1</sup>
  - iii.f. The Federal Aviation Administration (FAA) will not consent to an aeronautical lease with a term longer than 50 years.<sup>2</sup>
  - iii.g. The FAA prohibits exclusive concession agreements in excess of 10 years.<sup>3</sup>
  - iii.h. The FAA recommends terms of only 3-5 years for the non-aeronautical use of hangars and only when there is no current aeronautical need for hangar space.<sup>4</sup>
  - iii.i. As a general standard, improvements above 50 years in age may be nearing the end of their reasonable useful life and will be reviewed with additional scrutiny prior to the negotiation of any new lease term. Such improvements may be considered candidates for shorter term extensions.
- iv. When considering a longer-term Agreement due to the Operator's investment in new construction or a major capital investment, the term may be influenced by the following considerations:
    - iv.a. The standard amortization period for the investment;
    - iv.b. The useful life of the investment if it is new construction; and
    - iv.c. The length of the financing mechanism for the improvement.
    - iv.d. Additionally, the FAA recommends that 30-35 years is the upper threshold needed to provide an Operator sufficient time to retire their financial obligations for major aeronautical facility improvements.<sup>5</sup>
- C. In the case of new Agreements whereby the Authority constructs all or part of the capital improvements, the Authority may amortize all or part of the costs of such improvements over the term of the Agreement granted to the Operator. The Authority shall utilize a minimum amortization period of 15 years. In addition, if the improvements are constructed for the exclusive use of an Operator, the Operator may be involved in the design process.
- D. When an existing Operator undertakes new construction or implements major capital improvements to the property or facility during the term of an existing Agreement, the term of the Agreement may be extended by the Authority based upon the level of capital improvement/investment made (or which will be made) by the Operator.
- i. Whenever possible and practical, the Authority may extend the term of an existing Agreement when such major capital improvements/investments are made by an Operator as opposed to entering into a new Agreement. However, the Authority reserves the right to amend other provisions of the Agreement at the time the term of an existing Agreement is extended.
- E. Agreements shall expire on June 30th. This will provide the Operator with the opportunity for the timely removal of any improvements (if desired by the Authority) during favorable weather conditions and will provide the Authority the ability to streamline its administration of its Agreement management system and to align with the Authority's fiscal year.

### 3.4. Improvements

<sup>1</sup> Mont. Code Ann. § 67-2-302.

<sup>2</sup> FAA Order 5190.6B, Airport Compliance Manual, Chapter 12.

<sup>3</sup> 49 C.F.R. § 23.75.

<sup>4</sup> Federal Register. Volume 81, No. 115. June 15, 2016. p. 38906, Policy on the Non-Aeronautical Use of Airport Hangars.

<sup>5</sup> FAA Order 5190.6B, Airport Compliance Manual, Chapter 12.

- A. All improvements made (or which will be made) by an Operator shall comply with the requirements set forth by the appropriate Agency and the Authority.
- B. Upon the expiration of the term of the Agreement, the Authority shall have the option of purchasing all permanent improvements (at fair market value) not currently owned by the Authority and/or require that the Operator demolish and/or remove all (or a portion of the) improvements not currently owned by the Authority and return the leasehold as nearly as possible to its original condition (and character) excluding ordinary wear and tear.
- C. Upon the extension of an Agreement, the Authority retains the option to purchase all permanent improvements (at fair market value utilizing the cost approach), not currently owned by the Authority, at the time the Agreement was originally scheduled to expire. If this option is exercised, the Operator shall then pay the Authority fair market rent (as established by this Policy) for use of those improvements purchased by the Authority during the remaining term of the Agreement.
- D. With the prior written consent and at the sole discretion of the Authority, the Operator may sell all permanent improvements to a third party willing and able to enter into an Agreement with the Authority.

### 3.5. *Responsibilities*

#### A. Authority

Unless otherwise stated in an Agreement, all Agreements shall reflect Triple Net terms with the Authority responsible for maintenance of all public Airport infrastructure and common areas including runways, taxiways, public apron areas, roadways, navigational aids, and associated land areas.

#### B. Operator

- i. Unless otherwise stated in an Agreement, the Operator shall be responsible for all maintenance (and related expenses) of land and/or improvements (situated on the leasehold) which includes all structural components, all exterior and interior maintenance, landscaping, janitorial, trash removal, snow removal, and sweeping.
- ii. The Operator shall be responsible for all utilities, shall maintain all insurance coverages at or above the policy limits set forth in the Minimum Standards, and shall remain current on all taxes and/or assessments charged by any applicable government entity including leasehold (or possessory interest tax), personal property, income, or any other business taxes.
- iii. The failure of an Operator to maintain the land and/or improvements and/or pay all utilities, insurance, and taxes shall be considered a default of the Agreement.

### 3.6. *Condemnation*

- A. In the event of a full condemnation action, the Authority shall engage an appraiser to determine the value of the leasehold interest held by the Operator.
  - i. The appraisal shall be performed by an MAI appraiser or similarly designated and equally qualified appraiser who is certified by a recognized appraisal organization. Furthermore, the appraiser shall hold a Certified General Appraiser classification within the state of Montana obtained through the qualification procedures set forth by the Montana Department of Labor & Industry Division of Professional & Occupational Licensing Board of Real Estate Appraisers.
    - i.a. This requirement shall not preclude out-of-state appraisers from performing the required appraisal; however, any out-of-state appraiser must obtain a Certified General Appraiser license from the state of Montana prior to being awarded an appraisal contract by the

Authority.

- ii. In addition to the aforementioned qualifications, any appraiser selected by the Authority to perform appraisals of aeronautical land and/or improvements shall have working knowledge of the aviation industry (to include air carrier operations, fixed base operations, and specialized aviation service organizations) and demonstrate familiarity with FAA rules, regulations, and policies impacting airport properties.
  - iii. Furthermore, the appraiser shall have performed a minimum of two aeronautical property appraisals completed within the past five years and shall provide a list to the Authority identifying the location and type of appraisal conducted. It should be noted that appraisals performed on non-aeronautical properties for the purpose of airport acquisition shall not meet these requirements.
  - iv. Appraisals performed on all aeronautical properties, to include land and/or improvements, shall consider all three recognized appraisal methods: Cost Approach, Market Data or Sales Comparison Approach, and Income Capitalization Approach. Although application of all three approaches is not required, the appraiser must adequately explain the omission of any method.
  - v. However, at a minimum, the appraiser shall utilize the Income Capitalization Approach (direct capitalization technique) to derive the value of the leasehold interest. Integral to this process, the appraiser shall conduct an analysis of rents, fees, and/or other charges for similar aeronautical properties (and/or activities) at similar (comparable) airports. All rents, fees, and/or other charges used in the appraisal process shall be obtained from and confirmed by either the lessor or lessee in the transaction.
  - vi. The appraiser shall utilize current appraisal methods that are appropriate for the appraisal of aeronautical properties. The appraiser shall utilize an appropriate (justifiable) rate of return for airport-based properties (land and/or improvements). To this end, the capitalization rates utilized by the appraiser shall be obtained through reasonable and acceptable methods and must be adequately discussed in the appraisal report.
  - vii. The property shall be appraised assuming that highest and best use is aviation-related. It shall also be assumed that the property will continue to be part of an operating airport and that access to the infrastructure and amenities of the Airport will continue to be available.
  - viii. In addition, the appraisal shall meet the Uniform Standards of Professional Appraiser Practice (USPAP).
- B. The Agreement shall terminate effective when the physical taking shall occur in the same manner as if the date of taking were the date originally fixed in the Agreement for the expiration of term. Upon termination of the Agreement, the Authority shall pay the Operator the appraised value less any adjustment for amounts due to the Authority.
- C. If the Operator disagrees with the value conclusion reached by the appraiser, the Operator shall have the right to engage an unbiased, objective third party appraiser to conduct an independent appraisal subject to the same qualification standards set forth in this Policy. All costs (fees and/or expenses) associated with this engagement shall be the responsibility of the Operator.
- i. If the conclusions of the two appraisals reflect a variance of ten percent or less, the results of both appraisals shall be averaged to determine the value. If the variance exceeds ten percent and an agreement cannot be reached to

the mutual satisfaction of both parties, the parties shall mutually select a third appraiser (subject to the same qualification standards) who shall serve as an Arbitrator.

- ii. The Arbitrator shall review both appraisals and have the discretion to request a hearing at which both appraisers shall be available to provide additional information and/or clarification to the Arbitrator.
  - iii. The Arbitrator shall derive a conclusion based upon the data contained in each appraisal and/or in each appraiser's files. Furthermore, the Arbitrator shall have the right to gather, analyze, and consider additional data not provided by either appraiser. All decisions rendered by the Arbitrator shall be legally binding to the full extent allowed by applicable law.
  - iv. The cost (fees and/or expenses) associated with engaging an Arbitrator shall be divided equally between the parties.
- D. In the event of a partial condemnation (which would not prevent or materially interfere with the use of the Leased Premises for the purpose for which it is then being used), the Agreement shall not terminate, but the rents, fees, and/or other charges due to the Authority during the unexpired portion of the Agreement shall be reduced proportionately based upon the square footage of the Leased Premises.
- E. In the event of a full or partial condemnation by an Agency other than the Authority, the Authority and the Operator shall each be entitled to receive or retain separate awards, or a portion of lump sum awards as may be allocated to each party based upon the respective interests held by each party in any condemnation proceeding.
- F. Condemnation shall follow all applicable federal, FAA, and Montana Regulatory Measures for condemnation proceedings and any appraisal report shall meet the requirements of such Regulatory Measures. If there is any inconsistency between this Policy and such Regulatory Measures, then the Regulatory Measures shall control.

### 3.7. *Relocation*

- A. If relocation is deemed necessary, the Authority may provide land and/or improvements, if available, that are comparable to the land and/or improvements currently being leased by (and/or that have been developed by) the Operator. Such land and/or improvements shall be leased to the Operator at the same rent and/or for the same fees and under the same terms and conditions as stipulated in the current Agreement.
- B. If comparable improvements are not available, the Authority shall buy out the Operator's interest in any improvements that have been made by the Operator as determined by an appraiser who meets the qualification standards set forth in this Policy. The Authority shall engage the appraiser to determine the value of the Operator's improvements using the Cost Approach.
- C. If the Operator disagrees with the value conclusion reached by the appraiser, the Operator shall have the right to engage an unbiased, objective third party appraiser to conduct an independent appraisal subject to the same qualification standards set forth in this Policy. In this case, the balance of the dispute resolution provision delineated under the condemnation section of this Policy would apply.
- D. The Authority shall pay all reasonable relocation costs and expenses associated with moving the Operator, unless otherwise stated in the Operator's Agreement with the Authority.
- E. Relocation shall follow all applicable federal, FAA, and Montana Regulatory Measures for relocation proceedings and any appraisal report shall meet the requirements of such Regulatory Measures. If there is any inconsistency between this Policy and such Regulatory Measures, then the Regulatory Measures shall control.

#### 4. RENTS AND FEES

##### 4.1. *General/Introduction*

- A. The Authority recognizes its duties and obligations to make all Airport land and/or improvements productive and to obtain fair market rents and fees. In addition, the Authority has an obligation to maintain a rent and fee structure that makes the Airport as self-sustaining as possible. To this end, the Authority, through Agreements with Operators and by other means that may be available to the Authority shall endeavor to recover the cost of providing, operating, and maintaining the Airport through rents, fees, and/or other charges.
- B. Accordingly, all Agreements must adequately compensate the Authority for the rights and/or privileges granted to an Operator. It is the policy of the Authority to seek Agreement terms and conditions that, while being fair, reasonable, and non-discriminatory, provide the greatest return to the Authority.
- C. Every Operator at the Airport shall be subject to the same rates, fees, and other charges as are uniformly applicable to other Operators utilizing the same or similar land and/or improvements at the Airport for the same or similar use or purpose. However, Operators seldom lease land and/or improvements that have the same attributes and/or values. As a result, the Authority may charge different rates to similar users of the Airport if such rates are non-discriminatory. In addition, Agreements that were reached through negotiation or a competitive proposal process may generate rents, fees, and/or other charges that may be higher than those being generated by existing Operators at a given point in time.

##### 4.2. *Establishing Rents (for Land and/or Improvements)*

- A. The Authority shall establish rents for land and/or improvements by conducting a market survey, of comparable rents paid by other Operators of the same class, or by competitive proposal process.

##### 4.3. *Establishing Fees*

- A. Use of the Airport

To recover the costs associated with the development, operation, and maintenance of the Airport, the Authority shall charge fees based upon the proportionate use of the Airport by tenants, consumers, and users.

- i. Fees shall be determined using compensatory and residual approaches. The costs (both direct and indirect) incurred by the Authority to develop, operate, and maintain the Airport property, infrastructure, and/or facilities shall be allocated to one of four cost centers: Administrative, Passenger Terminal Building, Airfield, Operations (Public Safety), and.
- ii. The Passenger Terminal Building is defined as the building(s) and/or related facilities that are used by air carriers (to facilitate the provision of commercial air transportation services to the public), by airport concessions (to facilitate the sale of goods and services), and by airport consumers and/or visitors including the Passenger Terminal Building, the cooling well house and well, the sidewalks approaching the building (to the roadway curb back). It also includes the permit parking lot west of the building and the air carrier parking/operating ramp and security access control system.
- iii. Airfield Operations Area (AOA) is defined as those areas that provide for Aircraft landing, takeoff, and taxiing. The AOA includes, without limitation, the runways, taxiways, approach and clear zones, safety areas, infield areas,

landing and navigation aids, and other areas at the Airport that are required by or related to Aircraft operations. The AOA is displayed in yellow on the Airport Layout Plan depicting visually the AOA.

## RENTS AND FEES

- iv. Parking and Roadways is defined as those roadways (outside the AOA) that accommodate Vehicle operations between and among airport facilities. The Parking portion of this cost center includes the public and employee parking areas.
- v. Support Facilities includes the FBO leasehold and areas identified for future general aviation use, T-hangars, corporate hangars, FAA offices, rental car Vehicle storage/staging/cleaning facilities, fuel farms, surface parking lots, etc.
- vi. Operations (Public Safety) is defined as those costs associated with police, fire protection, emergency response and any associated buildings and/or vehicles.
- vii. Administration is defined as those costs associated with the administration and management of the Airport and Authority.
- viii. Costs shall include all operating and maintenance costs, debt service, small capital outlays, reserves, and amortization.
- ix. Costs associated with Operations (Public Safety) and Administration will be distributed over the remaining cost centers on a pro-rata basis.
- x. All revenues shall be deducted from the appropriate cost center and the difference (in the form of fees) shall be charged to Airport tenants, consumers, and/or users on a pro-rata basis using the formulas provided in the following table:
- xi. All fees shall be adjusted each year based upon the Authority's fiscal year budget for the Airport. All adjustments shall be effective on July 1<sup>st</sup> or the first day of the fiscal year budget.
- xii. Any deficits shall be carried forward to (and considered when establishing fees for) the following year. The Authority may utilize any surplus for capital improvements (or carry any surplus or any portion of any surplus forward for consideration in establishing fees for the following year).

### B. Authority Rights

The Authority reserves the right to use other methodologies and/or establish and/or charge additional (or other) rents, fees, and/or other charges for the use and/or occupancy of Airport land and/or improvements (and/or engaging in activities at the Airport).

#### 4.4. *Adjusting Rents*

- A. All rents and fees owed to the Authority for aeronautical leases shall be adjusted from time to time, but not more frequently than annually, to the rate specified per square foot per year by Resolution of the Missoula County Airport Authority Board of Commissioners ("Rate Resolution"). Resolutions shall be adopted pursuant to state and local regulations, including open meeting and notice laws.
- B. All rents and fees owed to the Authority for non-aeronautical, commercial leases shall be adjusted (either upward or downward) at least every three years, effective July 1<sup>st</sup>, by a percentage equal to the percentage change in the Consumer Price Index (U.S. Department of Labor, Consumer Price Index, All Urban Consumers, All Items, U.S. City Average, Not Seasonally Adjusted, 1982-1984 = 100) published by the United

States Department of Labor, Bureau of Labor Statistics (the "Index") between April of the initial year of the Agreement and April in the year of the adjustment. The CPI adjustment is based on the Index figures for April, rather than the index figures for July to ensure that the Index will be available at the time of the adjustment, because the index figures for July are not published and readily available for several months after the beginning of July. If the Index ceases to be published by the United States Department of Labor, Bureau of Labor Statistics, or a significant change is made in the manner in which the Index is calculated, then the parties agree to substitute the most nearly equivalent cost of living index which is published by the United States Department of Labor, its successor, or a

similar agency.

- i. An example of the adjustment of the Ground Rent provided for in this section is as follows: if the Index for April of 2001 is 168.3 and for April of 2006 is 180.0, which is a 7.0 percent increase in the Index from the base Index (i.e.  $180.0 - 168.3 = 11.7$ , and  $11.7/168.3 = 0.07$  or 7%), then effective July 1, 2006, the Ground Rent will be increased by \$0.008 (i.e.,  $\$0.12 \times .07 = \$0.008$ ) to \$0.128 per square foot per year.

C. Additionally, rental rates may be increased pursuant to a Market Survey as outlined in §4.2.2 above.

#### Dispute Resolution

- i. If an Operator disagrees with an adjustment made pursuant to a Market Survey, the Operator shall have the right to engage an unbiased, objective third party aviation consultant to conduct a Lease Rate Analysis (Market Survey) subject to the same qualification standards set forth in this Policy. All costs (fees and/or expenses) associated with this engagement shall be the responsibility of the Operator.
- ii. If the conclusions of the two Lease Rates Analyses (Market Surveys) reflect a variance of ten percent or less, the results of both Lease Rate Analyses (Market Surveys) shall be averaged to determine the rental rate.
- iii. If the variance exceeds ten percent and an agreement cannot be reached to the mutual satisfaction of both parties, the parties shall mutually select a third aviation consultant (subject to the same qualification standards) who shall serve as an Arbitrator.
- iv. The Arbitrator shall review both Lease Rate Analyses (Market Surveys) and have the discretion to request a hearing at which both aviation consultants shall be available to provide additional information and/or clarification to the Arbitrator.
- v. The Arbitrator shall derive a conclusion based upon the data contained in each Lease Rate Analysis (Market Survey) and/or each aviation consultant's files. Furthermore, the Arbitrator shall have the right to gather, analyze and consider additional data not provided by either aviation consultant. All decisions rendered by the Arbitrator shall be legally binding to the full extent allowed by applicable law.
- vi. The cost (fees and/or expenses) associated with engaging an Arbitrator shall be divided equally between the parties.
- vii. The Operator shall still be responsible for the payment of the adjusted rents, fees, and/or other charges during the dispute period.

#### D. Payment of Rents, Fees, and/or Other Charges

- i. No Operator shall be permitted to engage in Activities unless the Operator is current (not in default and beyond the point at which the default can be cured) in the payment of all rents, fees, or other charges accruing to the Authority under any and all Agreements with the Authority.
- ii. An Operator's failure to remain current in the payment of all rents, fees, or other sums accruing to the Authority will be grounds for termination of the Agreement authorizing the conduct of Activities at the Airport.
- iii. In addition, the Authority shall have the right to enforce the payment of any rent, fee, and/or other charge assessed by the Authority by any legal means available to the Authority under any Agreement and/or as provided by Montana

law.

E. Bookkeeping and Records

- i. Records must be kept to evidence amounts due to the Authority for rents, fees, and/or other charges applicable to the Operator's Activities at the Airport. The Authority or its representatives shall be entitled to have access to such records upon reasonable notice. The Authority reserves the right to audit such records.

## 5. ATTACHMENT A

### 5.1. *Rights Reserved*

- A. The Authority reserves and retains the right for the use of the Airport by others who may desire to use the same pursuant to applicable federal, state, and local Regulatory Measures pertaining to such use.
- B. The Authority further reserves the right to designate specific Airport areas for Activities in accordance with the currently adopted Airport Layout Plan (ALP), as may be amended from time to time. Such designation shall give consideration to the nature and extent of current and/or future Activities and the land and/or improvements that may be available and/or used for specific Activities and shall be consistent with the safe, orderly, and efficient use of the Airport.
  - i. The ALP depicts all of the Airport's land and/or improvements and future development plans. The ALP reflects an agreement with the FAA regarding the proposed allocation of Airport land and/or improvements to specific uses and/or development. It is the policy of the Authority that any use, occupancy, construction, or modification of land and/or improvements that is inconsistent with the ALP is undesirable. Any development that is substantially different than that depicted on the ALP could adversely affect the safe, orderly, or efficient use of the Airport. While the Authority may consider making an application to the FAA for approval of the revision of the ALP on behalf of a prospective Operator, nothing contained in this Policy shall require the Authority to make such application.
- C. The Authority reserves the right to develop and make any improvements and/or repairs to (at) the Airport that it deems necessary. The Authority will provide advance notice of the date and time that such developments, improvements, and/or repairs will be made.
- D. The Authority reserves the right to prohibit any Entity from using the Airport or engaging in Activities at the Airport (and/or revoke or suspend any privileges granted to any Entity) upon determination by the Authority that such Operator has not complied with the Primary Guiding Documents, any other applicable Regulatory Measures, or has otherwise jeopardized the safety of Entities utilizing the Airport or the land and/or improvements located at the Airport.
- E. The Authority reserves the right to lease the Airport or portions thereof during war or national emergency to the United States government for military use. If such lease is executed, the provisions of any Agreement including, without limitation, the Operator's financial obligations, to the extent they are inconsistent with said lease, shall be suspended.
- F. The Authority will not enter into an Agreement that will require the Authority to relinquish the right to take any action the Authority considers necessary to protect the aerial approaches of the Airport against obstruction or to prevent an Entity from erecting or permitting to be erected any building or other structure which might limit the usefulness of the Airport or constitute a hazard to Aircraft.
- G. The Authority will not enter into an Agreement that requires the Authority to waive any sovereign, governmental or other immunity to which the Authority may be entitled or that would require the Authority to submit to the laws of any state other than those of the state of Montana.
- H. The Authority is under no obligation to provide financing and/or make any improvements to Airport land and/or improvements to facilitate any development proposed by a prospective Operator.

- i. While the Authority may choose to pursue federal, state, and/or other funds to contribute to the development, the Authority is under no obligation to do so. In addition, the Authority is under no obligation to provide matching funds if required to secure such funding.
- I. This Policy may be supplemented, amended, or modified by the Authority, from time to time, and in such manner and to such extent as is deemed appropriate by the Authority.
- J. The Authority reserves the right to take such actions as it may deem necessary, appropriate, and/or in the best interest of the Authority to preserve and protect the safety and integrity of the Authority's mission, purpose, and facilities as well as those who use the Airport.



**Aviation Operator and  
Lessee Application**

**DRAFT FOR DISCUSSION PURPOSES ONLY**

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Missoula County Airport Authority

*Missoula Montana Airport (MSO)*

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Date Published:

To help the Missoula County Airport Authority (Authority) make an informed decision, Applicant shall complete all relevant and applicable sections of this Operator Application and/or Aviation Lessee (Application) and submit this Application (along with any additional information, data, and/or documentation pertinent to the Applicant and/or the Aviation Commercial or Non-commercial Aeronautical Activity) to the Authority.

Please note the following:

- Applicant shall complete all relevant and applicable sections of this Application to the best of the Applicant's ability and include all pertinent information, data, and/or documentation in or with the Application.
- Commercial Applicants are expected to complete all sections of this Application.
- Non-Commercial Applicants are **NOT** expected to complete the sections of this Application which are identified as "Commercial Applicant Only".
- If any section or question is not applicable, the Applicant shall indicate **N/A** in the appropriate field.
- Upon completion, the Application must be signed in ink by the Applicant or an authorized representative of the Applicant.
- In case of a conflict between words and numerals, the words, unless obviously incorrect, shall govern.
- Supplemental tables, charts, diagrams, graphics, photographs, and other exhibits may be attached to the Application as necessary.

Following review of the completed and submitted Application by the Authority, the Authority may request that the Applicant complete the Supplemental Information Request Form.



SECTION I – GENERAL INFORMATION

SECTION I – GENERAL INFORMATION

1. Applicant’s Information

- A. Applicant’s legal name:
Indicate Applicant’s legal name exactly as it would appear in any legally binding document.
B. Business or trade name:
If different from Applicant’s legal name.
C. Primary office (and contact information):
Name:
Title:
Address:
City: State: Zip:
Telephone: Facsimile:
Email Address:
D. Proposed or existing on-airport address (if different):
Address:
City: State: Zip:
E. Applicant’s authorized representative (if different from primary)
Identify Applicant’s authorized representative (for notices and communications).
Name:
Title:
Address:
City: State: Zip:
Telephone: Facsimile:
Email Address:
F. Type of Applicant:
Lessee Sublessee Temporary
G. Type of entity (check one):
Sole Proprietor Partnership Corporation Limited Liability Company Other
H. Type of request (check one):
New Application Assignment Change in Majority Ownership
I. Type of activities to be conducted (check all that apply):
Fixed Base Operator Aircraft Rental
Aircraft Maintenance and Repair Flight Training
Avionics/Instruments Maintenance and Repair Aircraft Sales
Aircraft Management Aircraft Storage
Aircraft Charter
Other Commercial Aeronautical Activity
Non-Commercial Aeronautical Activity

2. Applicant’s Legal Statements

Please answer the following questions as applicable to the Applicant (the entity) and the Applicant’s partners (if partnership), members (if limited liability company), or directors, officers, and major shareholders (if corporation). A major shareholder is an individual or entity owning more than 33% of

the outstanding common or preferred stock.

- A. Has the Applicant ever been convicted of a felony? *If yes, please give date, place, and nature of conviction(s) on a separate sheet and identify it as **Attachment I-2-A**.*  
 YES  NO
- B. Has the Applicant ever been convicted of a crime involving fraud, theft, or dishonesty? *If yes, please give date, place, and nature of conviction(s) on a separate sheet and identify it as **Attachment I-2-B**.*  YES  NO
- C. Over the last 10 years (or longer, if significant), has the Applicant (or any entity the Applicant has held an ownership interest in) been convicted of violating any Legal Requirement related to, associated with, or that involved the proposed activities, or any other activities normally occurring at or associated with an airport? *If yes, please give date, place, and nature of violation(s) on a separate sheet and identify it as **Attachment I-2-C**.*  YES  NO
- D. Have any restrictions ever been placed on the Applicant (or any entity the Applicant has held an ownership interest in) by any governmental agency related to, associated with, or that involved the proposed activities, or any other activities normally occurring at or associated with an airport? *If yes, please give date, place, and nature of the restriction(s) on a separate sheet and identify it as **Attachment I-2-D**.*  YES  NO
- E. Over the last 10 years (or longer, if significant), has the Applicant had any past or pending judicial, regulatory, or administrative proceedings, investigations, arbitrations, mediations, claims, judgments, liens, or litigation against the Applicant (or any entity the Applicant has held or currently holds an ownership interest in)? *If yes, please give date, place, and nature of the action(s) on a separate sheet and identify it as **Attachment I-2-E**.*  YES  NO
- F. Has the Applicant (or any entity the Applicant has held or currently holds an ownership interest in) been involved with, been declared bankrupt, filed a petition in any bankruptcy court, filed for protection from creditors in bankruptcy court, or had involuntary proceedings filed in bankruptcy court? *If yes, please give date, place, and nature of proceeding(s) on a separate sheet and identify it as **Attachment I-2-F**.*  YES  NO
- G. Has any lease, use, or operating agreement for airport land and/or Improvements or General Aviation Commercial Aviation Activities held by Applicant (or any entity the Applicant has held or currently holds an ownership interest in) ever been placed in default, cancelled, or terminated (prior to scheduled expiration)? *If yes, please give date, place, and nature of the default, cancellation, or termination on a separate sheet and identify it as **Attachment I-2-G**.*  YES  NO
- H. Has the Applicant (or any entity the Applicant has held or currently holds an ownership interest in) ever had a bond or surety canceled or forfeited? *If yes, please give name of the bonding/surety company, name and address of principal on bond/surety and reason(s) for such cancellation or forfeiture on a separate sheet and identify it as **Attachment I-2-H**.*  YES  NO
- I. Does any member of the Authority (its governing body, employees, or outside advisors) or any federal, state, or local elected or public official or staff member have any direct or indirect financial interest in the Applicant or the Applicant's proposed operations? *If yes, please provide the name(s) of such individual(s) and describe the relationship(s) on a separate sheet and identify it as **Attachment I-2-I**.*  YES  NO
- J. If the Applicant is owned, controlled, or licensed (in whole or part) by another entity (person, partnership, limited liability company, or corporation), provide the name of the entity on a separate sheet and identify it as **Attachment I-2-J**.  N/A

- K. Identify any agreements or contracts (existing, proposed, or currently being negotiated) with related parties (entities) pertaining to the proposed activity on a separate sheet and identify it as **Attachment I-2-K**.  N/A
- L. Identify any joint ventures, partnerships, or affiliate agreements or contracts (existing, proposed, or currently being negotiated) with other parties (entities) pertaining to the proposed activity on a separate sheet and identify it as **Attachment I-2-L**.  N/A
- M. If the Applicant has used or currently uses trade names or has done or currently does business under other names (fictitious or otherwise), provide the names of those entities on a separate sheet and identify it as **Attachment I-2-M**  N/A
- N. Provide a list of past (over the last 10 years) or pending insured or uninsured claims against the Applicant (or any entity the Applicant has held or currently holds an ownership interest in) on a separate sheet and identify it as **Attachment I-2-N**. *Please give date, place, and nature of the claim(s) and whether or not (and to what extent) insurance and/or reserves have been maintained by the Applicant to cover the claim(s).*  N/A

**3. Applicant’s Qualifications and Experience (Commercial Applicant Only)**

Please answer the following questions as applicable to the Applicant (the entity) and the Applicant’s partners (if partnership), members (if limited liability company), and directors, officers, and major shareholders (if corporation).

- A. Identify the number of years of experience Applicant has in the activities to be conducted (as identified by the Applicant in Section I-1-I).

- |  |   |
|--|---|
| <input type="checkbox"/> Fixed Base Operator                         | <input type="checkbox"/> Aircraft Rental  |
| <input type="checkbox"/> Aircraft Maintenance and Repair             | <input type="checkbox"/> Flight Training  |
| <input type="checkbox"/> Avionics/Instruments Maintenance and Repair | <input type="checkbox"/> Aircraft Sales   |
| <input type="checkbox"/> Aircraft Management                         | <input type="checkbox"/> Aircraft Storage |
| <input type="checkbox"/> Aircraft Charter                            |   |
| <input type="checkbox"/> Other Commercial Aeronautical Activity      |   |

- B. Identify all aviation businesses owned and/or operated by the Applicant (past and present):

- 1. Identify the name and location of the aviation business (airport, city, and state), the type of aviation business owned and/or operated by the Applicant and provide contact information for the airport manager on a separate sheet and identify it as **Attachment I-3-B-1**.

**4. Applicant’s Statement**

The undersigned Applicant understands and states, under penalty of perjury, that:

Applicant is fully qualified, experienced, capable, and competent to lease land and/or Improvements at the Missoula Montana Airport (Airport) and engage in the activities to be conducted at the Airport and is fully aware and understands all the requirements associated with doing so.

Applicant is fully aware of and understands the conditions or circumstances which exist in the aviation industry, the community, the marketplace, and at the Airport.

Applicant understands that any entity desiring to engage in Activities at the Airport must fully comply with the Airport’s Primary Management and Compliance Documents.

Applicant has provided all the information, data, and documentation requested by the Authority and it is true, accurate, and complete. Applicant acknowledges and fully understands that all of the information, data, and documentation submitted by the Applicant and all of the warranties and representations made by the Applicant including, but not limited to, those pertaining to the Applicant’s qualifications, experience, capabilities, and competencies will be relied on by the Authority.

Applicant acknowledges and understands that the Authority has the right to request additional or supplemental information, data, or documentation or clarification, in any area, from Applicant.

Applicant acknowledges and fully understands that the Authority has the right to conduct any inquiries or investigations the Authority considers appropriate with respect to, but not limited to, the qualifications, experience, capabilities, competence, or the reputation of Applicant and/or any or all of the information,



**SECTION I – GENERAL INFORMATION**

data, or documentation submitted by Applicant. Applicant authorizes the release of all information, data, or documentation sought by the Authority in such inquiry or investigation.

Applicant or any party directly related to or associated with the Applicant (e.g., Applicant’s friends, families, outside advisors, vendors, suppliers, agents, or other representatives) have not and will not contact, either on an individual or collective basis, the Authority (its employees or outside advisors) or any federal, state, or local elected or public officials or staff members regarding this application unless prior written approval has been obtained from the Authority.

Applicant is responsible for all costs and expenses incurred by the Applicant in connection with the Application. Applicant fully understands that all information, data, and any other documentation submitted or provided by the Applicant shall become the property of the Authority and shall not be returned to the Applicant.

By affixing my authorized signature, I, hereby certify that I am the \_\_\_\_\_ (title) and the duly authorized representative of \_\_\_\_\_ (Applicant’s name). I possess the legal authority to make this statement on behalf of Applicant and I do solemnly declare and affirm under penalty of perjury that I fully understand, accept, agree to, and will comply fully with the terms, conditions, and provisions of this Application and this statement.

Applicant:

\_\_\_\_\_  
Signature  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Applicant Name: \_\_\_\_\_

Witnessed:

\_\_\_\_\_  
Signature  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Entity Name: \_\_\_\_\_



SECTION I – GENERAL INFORMATION

5. Applicant’s Affidavit

Affiant, \_\_\_\_\_, of the municipality of \_\_\_\_\_, in the County of \_\_\_\_\_, and the State of \_\_\_\_\_, of full age, being first duly sworn according to law on my oath, deposes and says that:

- 1. Affiant states that this Application is genuine; that it is not a sham or collusive in any way; that it (and all the information, data, and documentation provided in conjunction with it) is true, accurate, and complete; and that it is not made in the interest of or on the behalf of any entity not named or disclosed herein.
2. Affiant does hereby state that neither the Applicant nor any of Applicant’s officers, partners, owners, shareholders, agents, representatives, employees, or parties in interest, has, in any manner conspired, colluded, connived, or agreed, directly or indirectly, with any person, firm, corporation, or other applicant or potential applicant to unfairly compete or compromise, in any way, the application process and the Applicant has not paid or agreed to pay, directly or indirectly, any person, partnership, company, association, organization, corporation, or any other applicant or any potential applicant and has not paid any money or provided any other valuable consideration to any party for providing assistance in seeking acceptance of the Application or attempting to seek acceptance of the Application or fix the proposed terms, conditions, or provisions of this Application or any other application of any other Applicant, and hereby states that no such money or other reward will be hereinafter paid.
3. Affiant further states that the Applicant (or any partner, member, director, officer, shareholder, agent, representative, or employee of the Applicant) or any parties holding an ownership interest in the Applicant has not recommended or suggested to the Authority or any of its officers, agents, representatives, employees, or parties in interest, any of the terms, conditions, or provisions not set forth in this Application, except at a meeting open to all interested Applicants, of which proper notice was given.
4. Affiant further states that the Applicant (or any partner, member, director, officer, shareholder, agent, representative, or employee of the Applicant) or any parties holding an ownership interest in the Applicant is not a member of the Authority (its employees or outside advisors) nor a federal, state, or local elected or public official or staff member or is a related party except as noted herein below:

Affiant:

Signature

Subscribed and sworn to before me

Name:

This \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_

Title:

Entity Name:

(Seal of Notary)

Notary Public

Commission Expires

**SECTION II - LAND AND/OR IMPROVEMENTS**

**1. Proposed Property**

- A. Identify the proposed property on the Airport Layout Plan/Aerial Photograph – attach and identify as **Attachment II-1-A**.
- B. Provide a preliminary drawing identifying the land and existing Improvement(s) Applicant desires to lease – attach and identify as **Attachment II-1-B**.
- C. Describe the existing Improvement(s) Applicant desires to lease.
  1. Include terminal building; hangar, office, shop, storage space; apron (including tiedowns), and/or vehicle parking space; and, any other improvements.

**2. Proposed Improvements**

If Applicant intends to make Improvements to the proposed property (including improving, enhancing, or renovating existing Improvements and/or developing new Improvements), provide a description of (and preliminary specifications for) the proposed Improvements (by major component). If necessary, attach a separate sheet and identify it as **Attachment II-2-A**.

**SECTION III – BUSINESS PLAN (COMMERCIAL APPLICATIONS ONLY)**

Applicants must address each element completely and accurately and furnish any required information, data, and/or documentation. The Executive Summary shall be typewritten and if bound, it shall be bound on the long side of the paper.

**1. Executive Summary**

The Executive Summary shall, at a minimum, outline the following elements of the business plan:

- A. Name of the Applicant.
- B. A summary of the range, level, and quality of products, services, and facilities proposed to be provided by the Applicant.
- C. The qualifications, experience, capabilities, and competencies of the Applicant as it relates specifically to the proposed activities.
  1. A summary of the products, services, and facilities currently being provided by Applicant.
- D. A summary of the compensation (rents, fees, and other charges) proposed to be paid to the Authority.
- E. A summary of the capital investment in aircraft, vehicles, and equipment proposed to be made (and why needed).
- F. For Applicant's desiring to lease and/or developing Airport land, must provide a summary of:
  1. The land and Improvements proposed to be leased from the Authority.
  2. The lease term (proposed commencement date, base term, and renewal options).
  3. The capital investment proposed to be made in leasehold and/or Airport Improvements (and why needed), the cost of the proposed Improvements, the amortization period for the proposed Improvements, the source of funding for the proposed Improvements, and the schedule for the development and completion of the proposed Improvements.
- G. A statement explaining why the Authority should allow the Applicant to conduct the activity at the Airport.
- H. Signature (in ink) by a representative authorized to make commitments and/or enter into agreements on behalf of the Applicant.

**2. Additional Information**

The Applicant may include any supplemental information, data, and/or documentation which may be useful in helping the Authority evaluate the qualifications and experience of the Applicant.



## ATTACHMENT I-1-G-1 SOLE PROPRIETOR

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The Applicant warrants the following:

If a **SOLE PROPRIETOR**, please complete the following:

- A. The undersigned is an individual doing business under the name of \_\_\_\_\_ in the municipality of \_\_\_\_\_, in the County of \_\_\_\_\_ in the State of \_\_\_\_\_.
  - B. Date operations began: \_\_\_\_\_
  - C. Is the Sole Proprietorship qualified to do business in the State of Montana?  
 YES    NO
1. If a foreign Sole Proprietorship (not from Montana), please provide the “business qualification” number from the Montana Secretary of the State (No. \_\_\_\_\_) and attach a copy of business qualification certificate and identify it as **Attachment I-1-G-1-C-1**.



**ATTACHMENT I-1-G-2 PARTNERSHIP**

The Applicant warrants the following:

If a PARTNERSHIP, please complete the following:

- A. The undersigned is an individual doing business under the name of \_\_\_\_\_ in the municipality of \_\_\_\_\_, in the County of \_\_\_\_\_ in the State of \_\_\_\_\_.
- B. Describe type of partnership (check one)
  - General Partnership                       Joint Venture
  - Limited Partnership                       Other (identify): \_\_\_\_\_
- C. Date Partnership was formed: \_\_\_\_\_
- D. Is the Partnership qualified to do business in the State of Montana?
  - YES    NO
  - 1. If a foreign Partnership (not from Montana), please provide the “business qualification” number from the Montana Secretary of the State (No. \_\_\_\_\_) and attach a copy of business qualification certificate and identify it as **Attachment I-1-G-2-D-1**.
- E. Has the partnership been recorded? (If yes, please indicate where and when?)
  - Yes \_\_\_\_\_  No
- F. The following is a complete and accurate list of names of the partners – if necessary, attach a separate sheet and identify it as **Attachment I-1-G-2-F**.

Name/Title	Business Address	City	State	Zip

The Applicant warrants the following:

If a **CORPORATION**, please complete the following:

- A. The undersigned is a duly authorized officer acting as \_\_\_\_\_ (title) of \_\_\_\_\_ (Applicant Company name) a corporation organized on \_\_\_\_\_ (date) and existing under the laws of the State of \_\_\_\_\_.
- B. Is the corporation in good standing? (If yes, attach a current copy of the certificate of good standing and identify it as **Attachment I-1-G-3-B**)  
 YES  NO
- C. Is the corporation qualified to do business in the State of Montana?  
 YES  NO
  - 1. If a foreign corporation (not incorporated in Montana), please provide a copy of the authorization to do business in the State of Montana issued by the Secretary of the State Corporation Commission and identify it as **Attachment I-1-G-3-C-1**.
- D. The corporation is: (check one)  
 Public  Private
  - 1. If a publicly traded corporation, how and where is the stock traded?  
 \_\_\_\_\_
- E. The following is a complete and accurate list of officers, directors, and major shareholders (having an ownership interest of 33% or more) of the corporation – if necessary, attach a separate sheet and identify it as **Attachment I-1-G-3-E**.  
 (NOTE: If the corporation is listed on the New York or American Stock Exchange and its last annual statement and report is submitted herewith, the names of shareholders need not be listed on this form)

Name/Title	Business Address	City	State	Zip

- F. The following officer is duly authorized to sign the Application submitted on behalf of the corporation – attach a copy of the bylaws or corporation resolution authorizing this officer and identify it as **Attachment 1-1-G-3-F**.



**ATTACHMENT I-1-G-4 LIMITED LIABILITY COMPANY**

The Applicant warrants the following:

If a LIMITED LIABILITY COMPANY, please complete the following:

- A. The undersigned is a duly authorized officer acting as \_\_\_\_\_ (title) of \_\_\_\_\_ (Applicant Company name), a limited liability company organized on \_\_\_\_\_ (date) and existing under the laws of the State of Montana.
- B. Is the limited liability company in good standing? (If yes, attach a current copy of the certificate of good standing and identify it as **Attachment I-1-G-4-B**)  
 YES  NO
- C. Is the limited liability company qualified to do business in the State of Montana?  
 YES  NO
  - 1. If a foreign limited liability company (not from Montana), provide a copy of the authorization to do business in the State of Montana issued by the Secretary of the State Corporation Commission and identify it as **Attachment I-1-G-4-C-1**.
- D. The following is a complete and accurate list of members of the limited liability company – attach separate sheet identified as **Attachment I-1-G-4-D** if preferred or necessary.

Name/Title	Business Address	City	State	Zip

- E. The following members are duly authorized to execute agreements on behalf of the limited liability company – attach a copy of articles of organization and operating agreement authorizing these members and identify it as **Attachment I-1-G-4-E**.

Name/Title	Business Address	City	State	Zip