



Aviation Management Consulting Group

September 24, 2008

Mr. Brent Seifert
GFK Flight Support
2467 Air Cargo Drive
Grand Forks, ND 58203

RE: Minot International Airport's Minimum Standards (Amendment 1)

Dear Brent:

Aviation Management Consulting Group (AMCG) has reviewed the revised Minimum Standards (Minimum Standards for Commercial Activity Amendment 1 with Markup) for Minot International Airport and offers the following additional comments and recommendations.

Table of Contents

Title – Change “Minimum Standard For The Conduct of Commercial Activities” to “Minimum Standards for Commercial Aeronautical Activities”.

Introduction Section

First paragraph, second line – Add (“City”) after “City of Minot”.

First paragraph, third line – Capitalize “airport”.

Third paragraph, second line – Replace “activities” with “Aeronautical Activities”.

Fourth paragraph, second line – Capitalize “commercial aeronautical activities”.

Fourth paragraph, second line – Capitalize “airport”.

General Section

Paragraph A, last line – Replace “space” with “non-aeronautical activity”.

Section II – Application Requirements

AMCG recommends that the City require the submittal of a business plan (or, at a minimum, a financial proforma). Without this information, the City will have no way of judging the financial viability of the proposed operation and the ability of the prospective operator to fund the development, management, and operation of the proposed enterprise and, most importantly, make timely payments of rents and fees.

Section III – General Conditions and Requirements

A. *Non Discrimination* (Section 3, third line) – Delete “and non-discriminatory”.

C. *Non-Exclusive Right* (Fifth line) – Add after “provided in a”, “signed lease agreement or”. Also, uncapitalize “Agreement”.

D. *Airport Development* (First paragraph, last line) – Add at end of sentence, “ with just and reasonable compensation”.

D. *Airport Development* (Second paragraph, fourth line) – Capitalize “airport”.

L. *Change in Services Offered* (Last line) – Capitalize “standards”.

Section IV – Action Upon Application

First paragraph, first line – Replace “commercial aeronautical aviation activity” with “Commercial Aeronautical Activity”.

First paragraph, second line – Capitalize “standards”.

Section V – Minimum Standards

A. *Single Service Operator* – Add (“SSO”) after “Single Service Operator”.

1. *Airframe or Powerplant/Specialized Aircraft Services (Paragraph a)* – The land requirement should stipulate that this applies only to lessees and not sublessees. In most situations, Sublessees do not lease land and should not be required to lease land from a lessee.

1. *Airframe or Powerplant/Specialized Aircraft Services (Paragraph b, first line)* – Replace “Construct or lease” with “Construct, lease, or sublease”.

1. *Airframe or Powerplant/Specialized Aircraft Services (Paragraph d, second line)* – Add “, excluding holidays,” after “Friday”.

1. *Airframe or Powerplant/Specialized Aircraft Services (Paragraph h, second line)* – Capitalize “airport”.

2. *Flight Instruction* – Recommend including in this title “Aircraft Rental” as the standards would be similar and an aircraft rental company may want to provide aircraft rental without flight instruction and, vice versa, a flight instruction company may not want to provide aircraft rental.

2. *Flight Instruction* – Why is there no land requirement for a lessee? If someone wants to lease land from the City to construct a flight instruction facility, what is the minimum amount of land the City will require?

2. *Flight Instruction (Paragraph a, first line)* – Replace “provide, lease or a sublease of” with “Construct, lease, or sublease”.

2. *Flight Instruction (Paragraph a)* – Similar to the language added for Air Taxi and Charter Services, add “Hangar space adequate for the storage of aircraft or maintenance may be constructed, leased, or subleased”.

2. *Flight Instruction (Paragraph c, third line)* – Add “, excluding holidays,” after “week”.

2. *Flight Instruction (Paragraph g, second line)* – Capitalize “airport”.

3. *Aerial Application* – Why is there no land requirement for a lessee? If someone wants to lease land from the City to construct an aerial application facility, what is the minimum amount of land the City will require?

2. *Aerial Application (Paragraph a)* – Similar to the language added for Air Taxi and Charter Services, add “Hangar space adequate for the storage of aircraft or maintenance may be constructed, leased, or subleased”.

3. *Aerial Application (Paragraph i, second line)* – Capitalize “airport”.

4. *Air Taxi and Charter Services* – Why was land requirements deleted? If someone wants to lease land from the City to construct an aerial application facility, what is the minimum amount of land the City will require?

4. *Air Taxi and Charter Services (Paragraph a)* – Replace “leased or sub-leased” with “constructed, leased, or subleased”.

4. *Air Taxi and Charter Services (Paragraph c, second line)* – Add “, excluding holidays,” after “Friday”.

4. *Air Taxi and Charter Services (Paragraph e, second line)* – Capitalize “airport”.

5. *Specialized Aircraft Services (Paragraph a)* – The land requirement should stipulate that this applies only to lessees and not sublessees. In most situations, Sublessees do not lease land and should not be required to lease land from a lessee.

5. *Specialized Aircraft Services (Paragraph b, first line)* – Replace “Construct or lease” with “Construct, lease, or sublease”.

5. *Specialized Aircraft Services (Paragraph d, second line)* – Add “, excluding holidays,” after “Friday”.

5. *Specialized Aircraft Services (Paragraph h, second line)* – Capitalize “airport”.

6. *Commercial Aircraft Storage* – Commercial aircraft storage is a key and primary service of an FBO. Allowing Single Service Operators to provide this service in competition with an FBO without the availability or delivery of the other products, services, and facilities required of an FBO will dilute the viability of an FBO and may reduce the overall type, level, and quality of the FBO’s products, services, and facilities.

6. Commercial Aircraft Storage (Paragraph a, last sentence) – It is one thing to allow a commercial aircraft storage operator to accommodate based aircraft within a hangar facility in competition with an FBO, but to allow (require) this operator to have apron area to accommodate transient storage (which is a specific FBO activity) will undermine the viability of the FBO. AMCG strongly recommends deleting this sentence.

6. Commercial Aircraft Storage (Driver Training Paragraph) – This paragraph should be added as required for all other SSOs

B. Multiple Service Operator (Paragraph 1) – The land requirement should stipulate that this applies only to lessees and not sublessees.

B. Multiple Service Operator (Paragraph 2, first line) – Replace “Construct or lease” with “Construct, lease, or sublease”.

B. Multiple Service Operator (Paragraph 2) – If a MSO is providing Commercial Aircraft Storage as one of the activities, the minimum hangar square footage is less than that required for an SSO. AMCG recommends that an MSO providing Commercial Aircraft Storage be subject to the same building size requirements as an FBO (similar to the requirement for an MSO conducting three or more activities).

B. Multiple Service Operator (Paragraph 4, second line) – Capitalize “airport”.

C. Full Service Operator (Paragraph 2, 3, and 4) – Language should be included that allows Operator to provide directly or arrange for these activities.

C. Full Service Operator (paragraph 3) – Is there sufficient demand within the market to support the operation of single engine reciprocating, multi engine reciprocating, and business jet aircraft? Is there no market for turboprop aircraft? What types of aircraft are based at the airport today that is utilized for aircraft charter? A Single Service Operator has no minimum aircraft types specified. Allowing a Single Service Operator to compete with a Full Service Operator with lower minimums may be considered unjustly discriminatory.

C. Full Service Operator (paragraph 4 and paragraph i.) – Is there sufficient demand within the market to support the flight training and aircraft rental of a multi engine aircraft? The flight training (and aircraft rental) industry has changed dramatically since 9/11. Multi-engine flight training is now typically provided by institutions focused on training students desirous of becoming a professional pilot for the airline industry. These institutions attract large volumes of students that can support the ownership and operating costs of multiengine aircraft. AMCG recommends reducing the aircraft requirements to single engine reciprocating aircraft. A Single Service Operator has a requirement of only one aircraft, with no specification of being a multi-engine aircraft. Allowing a Single Service Operator to compete with a Full Service Operator with lower minimums may be considered unjustly discriminatory.

Further, this section is written in a way that a single multi-engine aircraft could be utilized to meet the requirements, thereby forcing students to utilize a multi-engine aircraft (versus a single-engine aircraft) and thereby missing the primary market of flight training.

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C. Full Service Operator (Paragraph 6) – Single and multiple service operators are required to have contiguous building space on contiguous property. AMCG highly recommends the same for the full service operator.

C. Full Service Operator (Paragraph 7) – Delete last paragraph/sentence re: 5 year development plan. This language is more appropriate for an agreement versus Minimum Standards. The minimum is the arrangement or provision of these services.

C. Full Service Operator (Paragraph 5) – The City has acknowledged that a back-up refueling vehicle “is often needed”. AMCG highly recommends the requirement of two refueling vehicles for each fuel type. Further, these refueling vehicles should be late model (no older than 10 years).

C. Full Service Operator (Paragraph 13, second line) – Capitalize “airport”.

D. Private Flying Clubs (Paragraph 2d) – Replace “commercial activities” with “Commercial Aeronautical Activities” and capitalize “airport”.

E. Other Commercial Aeronautical Activities (First line) – Capitalize “commercial aeronautical activities”.

F. Fueling Permits (Paragraph 2b) – Capitalize “airport” throughout the paragraph.

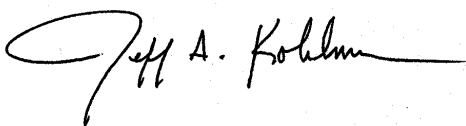
F. Fueling Permits (Paragraph 2b) – The Standards have stipulated a maximum gallonage for a self-fueling mobile fuel truck. The City should consider establishing a minimum as well. Otherwise, numerous pickup trucks with 50 gallon tanks could be utilized.

F. Fueling Permits (Paragraph 4a, last line) – Capitalize “airport”.

AMCG understands that these Minimum Standards shall apply to all entities at the Airport that wish to engage in the commercial aeronautical activities outlined in the Minimum Standards. However, entities that already have approved lease agreements directly with the City will be required to comply with these Minimum Standards upon expiration of the existing term of their agreements or upon a change of their existing commercial aeronautical activities

AMCG appreciates this opportunity to review these draft Minimum Standards and provide our professional opinion on recommended changes. Please contact me should you have any questions.

Respectfully,



Jeff A. Kohlman
Principal

Cc: Patrick Dame, Director, Minot International Airport