

DATE: September 15, 2023
TO: SAA Board of Directors
FROM: Tim Rogers and Shelli Swanson
SUBJECT: September 20, 2023, SAA Regular Board Meeting

Enclosed are items for your review prior to Wednesday's meeting. Please note that the meeting will be held in the **first-floor conference room, Hangar 600, 2720 Arnold Ct.** A map showing the location of Hangar 600 is enclosed in your board meeting packet. The meeting is also available via the following GoTo link.

<https://meet.goto.com/salinaairport/salina-airport-authority-board-meeting>

Wednesday's meeting will feature discussion concerning the following Airport Authority **STARS** objectives:

- Community partnerships that result in positive economic impact and jobs growth
- Successful financial budgeting to ensure that Airport Authority meets operational and capital budget needs.
- Leasing activity that retains jobs and payroll at the Salina Airport and Airport Industrial Center.

Please note the following agenda item comments.

Agenda Item #5 – Airport Activity Reports and Financial Statement Reports for the Month Ending August 31, 2023 (Rogers and Swanson)

Airport Activity – Air Traffic (Rogers)

The Salina air traffic control tower (ATCT) recorded 5,945 operations during August 2023 which was a 47% increase as compared to the August 2022 total of 4,040. For the year-to-date, a total of 55,988 operations have occurred at Salina Airport which is 30% more than the August 2022 YTD total of 43,117. **The difference in air traffic count is due the last year's Runway 17/35 resurfacing project that resulted in fewer aircraft operations during the construction project and closure of the runway.**

Airport Activity – Fuel Flowage (Rogers)

The August 2023 fuel flowage came in at 134,249 gallons which was 29% more than the August 2022 total of 103,932 gallons. For the year-to-date, a total of 1,311,463 gallons have been delivered at the airport which is 9% less than the August 2022 YTD total of 1,438,737 gallons.

Airport Activity – Passenger Enplanements (Rogers)

During August 2023 SkyWest enplaned 1,209 passengers, which was a **9% increase** over the August 2022 total of 1,109 passengers. The August 2023 total passenger count was 2,366 which was a 4% increase as compared to the August 2022 total of 2,277. Total August 2023 YTD passenger enplanements on SkyWest flights totaled 10,459 which was a 22% decrease as compared to the July 2022 YTD total of 13,436. **The DEN and ORD schedules are set to maximize holiday traffic.**

Financial Reports – Comments and Notes (Swanson)

Highlights from the August 2023 financials include:

- Unrestricted cash in bank at \$2,041,415 (Cash in bank operating funds less security deposits returnable.)
- Total YTD income came in \$62,795 over the same period in 2022 (3%) and is tracking \$107,005 ahead of 2023 budget projections.
- Total operating expenses came in 3% under budget and down \$4,295 from 2022.
- Net operating income before depreciation equaled \$191,382 YTD at the end of August.

The disbursements from the 2022-1 GO Temporary Note project fund account during August are included as a separate report in the enclosed financial statements.

Financial Reports – August 2023 Significant Capital Expenditures/Payables Report Enclosed

Financial Reports – Accounts Receivable Past Due 31 days or more as of September 15, 2023 (Swanson)

Account	Amount	Days	Comments
AGCO Corporation	\$8,367	>90	Building rental & finance charges
Allegiant Air Charter	\$1,302	61-90	Landing Fees & ARFF coverage
Enel Green Power	\$4,990	31-90	Building rental & finance charges
Enterprise Rent-A-Car	\$200	61-90	Facility fee
Kansas Military Board	\$2,166	31-90	Building rental
Millenium Inc.	\$150	31-90	Land rental
Sherwin Williams Company	\$3,699	31-90	Utility reimbursement

Short-term Leasing Activity

On September 15, 2023, the SAA entered into a 9-day agreement with Fort Riley for the leasing of a portion of Hangar 600. The Combat Aviation Brigade with the 1st ID is a regular FOL customer at SLN. This agreement will generate \$6,300 in hangar rental revenue. Staff are currently working on two additional contracts with their procurement team for FOL activities slated for later in the year.

Agenda Item #6 – Consideration of a Request from the Salina Area Chamber of Commerce. (Rogers)

Salina Chamber president and CEO Renee Duxler will attend the meeting to present an overview of the Chamber's plans to complete an update of a Salina community vision statement and goals. The written proposal is enclosed along with a copy of the services to be provided by Sevenfold, which is the firm selected to provide community vision and goal setting services. The total project cost is \$42,000. Others funding the project are Greater Salina Community Foundation (\$5,000), The Salina Chamber (\$10,000), City of Salina (\$5,400), Saline County (\$5,400), SCEDO (\$5,400), and Salina Downtown (\$5,400). The Airport Authority's cost share would be \$5,400.

Recommendation: Approval of the Airport Authority's \$5,400 cost share for the Salina Chamber's proposed community vision and goals setting process.

Agenda Item #7 – Consideration and Approval of SAA Resolution No. 23-14. (Swanson)

Enclosed is a copy of SAA Resolution No. 23-14 to levy an ad valorem tax of an estimated 5.304 mills on all taxable tangible property within the City of Salina for the purpose of paying the interest on and principal of general obligation bonds of the Salina Airport Authority pursuant to K.S.A 27-323(a).

The consideration of Resolution 23-14 is the last step in the process of establishing the SAA's 2023 mill levy for GO Bond debt service for the budget year 2024. Previously, the SAA had declared its intent and published the required notice to levy a tax above its Revenue Neutral Rate of 4.724 and held the public hearing after publication of the required notices.

Enclosed is the 2024 GO Bond Debt Service Schedule for 2024. There is no change from the version presented at the August 30, SAA special board meeting.

Recommendation:

Approval of and authorize Chair Roberg to sign SAA Resolution No. 23-14 levying an ad valorem tax of an estimated 5.304 mills on all taxable tangible property within the City of Salina, Kansas for the purpose of paying the interest on and principal of general obligation bonds of the Salina Airport Authority pursuant to K.S.A. 27-323(a).

Agenda Item #8 – Consideration and Approval of SAA Resolution No. 23-15. (Swanson)

Enclosed is a copy of SAA Resolution No. 23-15 establishing the Airport Authority's 2023 Mill Levy required for federal and state grant matching funds during the 2024 budget year.

On June 16, 2023, the Salina Airport Authority board approved Resolution 23-10 declaring an intent to levy a tax not to exceed one (1) mill to provide matching funds to qualify for any federal or state grant funds relating to the development, improvement, operation, or maintenance of the Salina Regional Airport. A notice was prepared and published as required by K.S.A. 27-322(b) and appeared in the Salina Journal on June 28, 2023, and July 2, 2023. The notice informed the public that the Airport Authority's use of mill levy funds to qualify for state or federal grants is subject to a petition by qualified electors of the City of Salina. The 30-day period for submittal of a petition by qualified voters expired on August 1, 2023. A petition was not filed during the 30 days following the last publication of the Airport Authority's notice of intent.

The consideration of Resolution 23-15 is the last step in the process of establishing the SAA's 2023 mill levy for matching federal or state grant funds for the budget year 2024.

Recommendation:

Approval of and authorize Chair Roberg to sign SAA Resolution No. 23-15 levying an ad valorem tax of an estimated 1 mill on all taxable tangible property within the City of Salina, Kansas for the purpose of providing matching funds to qualify for federal or state grants relating to the development, improvement, operation, or maintenance of the Salina Regional Airport pursuant to K.S.A 27-322(b).

Agenda Item #9 – Consideration and approval of a Lease with the Federal Aviation Administration.

(Swanson)

Since 1989, the Federal Aviation Administration (FAA) has been a tenant of the SAA for the purpose of leasing office and shop space for technicians that service and maintain the Airport's navigation aids. In September of 2015, the SAA and the FAA entered into an agreement for the leasing of Hangar 409-2

which expired on September 30, 2020. On August 17, 2020, the SAA renewed the lease and added additional space comprised of 1,697 SF in Bldg. 412 to allow for FAA employee growth and warehouse storage capacity. The current lease agreement is set to expire on September 30, 2023, and the enclosed agreement provides for the renewal of lease under the following terms and conditions:

Term:	Ten years subject to Federal annual appropriations
Rate:	\$54,270.64/Year or \$4,522.55/Month (Hangar 409=\$15.59/SF/Year; Bldg. 412=\$9.39/SF/Year
Annual Adj.	Annual adjustment for changes in costs of operating expenses including utilities and services attributable to the FAA's occupancy.
Area:	4,156 SF comprised of office, warehouse, and technical space.
Effective date:	October 1, 2023
Lease Type:	Gross Lease whereby the SAA is responsible for utilities, trash removal, all building maintenance, janitorial (except in Bldg. 412) snow removal and landscaping.

<u>Recommendation:</u>	Approval of the Standard Space Lease Agreement No. 697DCM-23-L-00161 with the Federal Aviation Administration for occupancy of the Salina Systems Service Center staff and authorize the Executive Director to sign the lease.
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Please let me know if you had questions that you would like me to prepare for prior to the board meeting.

SALINA AIRPORT AUTHORITY REGULAR BOARD MEETING
Hangar H600, First Floor Conference Room
2720 Arnold Court

September 20, 2023 – 8:00 AM

AGENDA

Call to Order: (Roberg)

1. Determine that a quorum is present and confirm that a meeting notice has been published. (Windhorst)
2. Recognition of guests. (Roberg)
3. Additions to the agenda and agenda overview. (Rogers)

Action Items: (Roberg)

4. Approval of the minutes of the August 16, 2023, regular board meeting and August 30, 2023, special board meeting. (Roberg)
5. Review of airport activity and financial reports for the month ending August 31, 2023. (Rogers and Swanson)
6. Consideration of a request from the Salina Area Chamber of Commerce to participate in a process to renew Salina community growth vision and goals. (Rogers)
7. Consideration of SAA Resolution No. 23-14 levying an ad valorem tax of 5.304 mills for the purpose of paying general obligation bond principal and interest. (Rogers and Swanson)
8. Consideration of SAA Resolution No. 23-15 levying an ad valorem tax of 1.000 mills for the purpose of providing local matching funds required for state and federal grants related to the development, improvement, operation, or maintenance of the Salina Regional Airport. (Rogers and Swanson)
9. Consideration of a Lease with the Federal Aviation Administration for 4,156 SF of office, storage, and technical space at the Salina Regional Airport. (Swanson)

Staff Reports: (Rogers)

Directors' Forum: (Roberg)

Visitor's Questions and Comments: (Roberg)

Announcements: (Windhorst)

Adjournment: (Roberg)



**MINUTES OF THE REGULAR MEETING OF THE BOARD
OF DIRECTORS OF THE SALINA AIRPORT AUTHORITY
AUGUST 16, 2023
HANGAR 600, ROOM 100**

Call to Order

Chair Tod Roberg called the meeting to order at 8:00 A.M. and confirmed that a quorum was present. Business and Communications Manager Kasey Windhorst noted that the meeting notice was published Friday, August 11, 2023, and the board packet was distributed Monday, August 14, 2023.

Attendance

Attendance was taken. Present were Directors Roberg (via VTC), Carlin, Gunn, O'Brien and Boos. Executive Director Tim Rogers; Director of Administration and Finance Shelli Swanson; Director of Facilities and Construction Maynard Cunningham; Business and Communications Manager Kasey Windhorst; and Attorney Greg Bengtson attended. Guests were Mitch Robinson, Salina Community Economic Development Organization; Cody Heiman, First Bank Kansas; Julie Yager-Zucker, Avflight Salina; David Arteberry, Stiefel; Mitch Walter, Gillmore & Bell; Lindsey Dreiling, Dreiling Aviation Services; and Pieter Miller, Hutchinson airport manager.

Agenda

Executive Director Rogers provided an overview of the agenda and stated no additions to the agenda.

Minutes

Director Gunn moved to approve the minutes of the July 19, 2023 regular board meeting as

presented. Director Boos seconded the motion. Motion carried 5 – 0.

Airport Activity

Rogers reviewed the air traffic, fuel flowage and enplanement reports for the month of July. ATCT recorded a total of 6,791 operations which was a 47% increase compared to the same period last year. Fuel flowage came in at 137,603 gallons which was 32% higher than July 2022. The increase is due to last year's Runway 17/35 closure which resulted in reduced operations and fuel sales. SkyWest boarded a total of 1,558 passengers during the month of July. Rogers updated the board on the media campaign and results for air service marketing.

Financial Review

Swanson provided a review of financial activity ending July 31, 2023. Unrestricted cash in bank at month end is \$1,730,342. Total income year-to-date is up 3% over 2022 (\$48,079 higher), tracking ahead of the budget projections for 2023. Net Operating Income Before Depreciation is \$212,944 year to date. Swanson reviewed the significant capital expenditures and disbursements from the 2022-1 GO Temp note project fund account during the month of July. Chair Roberg directed staff to file the financials for audit.

Federal Aviation Administration, Military Airport Program (MAP) Grant Offer – Fuel

Farm Construction Project

Rogers provided an overview and updated the board on the fuel farm construction project. Construction of a new fuel farm would result in additional revenue potential, such as: an increase in fuel flowage fees and adjustment to the lease rate. Rogers provided two options for consideration: (1) do not accept the grant, or (2) accept the grant and proceed with the new fuel

farm project. Arteberry reviewed the temporary note options available; Walter stated that the temporary notes would be taxable. Rogers reviewed the design and scope of work, scaled down to 152,000 gallons. Salina Airport Authority staff will provide additional revenue options at the next regular board meeting.

Director Gunn moved to accept the Federal Aviation Administration grant offer of \$2,341,271, seconded by director Boos. Motion carried 5 – 0.

Director O'Brien moved to award the fuel farm construction contract, in the amount of \$7,985,013, to American Environmental Aviation, seconded by director Gunn. Motion carried 5 – 0.

Director Boos moved to adopt SAA Resolution 23-12, providing for the issuance of up to \$5M in temporary general obligation notes, seconded by director Gunn. Motion carried 5 – 0.

FAA Airport Improvement Program (AIP) Grant - Snow Removal Equipment (SRE)

Rogers discussed the availability of \$1,599,592 in FAA grant funds for the purchase of snow removal equipment. The FAA's grant funding will cover 90% of the estimated cost of \$1.78M to purchase two new snowplows. A final grant offer will be submitted to the SAA after bids are received.

General Aviation (GA) C-Hangar Construction

Cunningham updated the board on the new General Aviation (GA) C-hangars at the Salina Regional Airport. Below is a summary of contractors selected for construction of the GA C-Hangars at SLN.

Work Item	Qty	Unit Cost	Estimated Construction Cost		Actual Cost	Variance	Selected Contractor
Box Hangars	13	\$138,462	\$1,800,000		\$1,800,000	\$0	Bret Givens Construction
Box Hangars CO No. 1 (relocation of the 60' hangars)	1	\$15,306	\$15,306		\$15,306	\$0	Bret Givens Construction
Sitework, Concrete	13	\$30,000	\$390,000		\$679,384	\$289,384	Prairie Landworks
Sitework (clearing along Jumper Road)	1	\$50,000	\$50,000		\$16,245	(\$33,755)	Prairie Landworks
Electric service	13	\$0	\$0		\$0	\$0	Everygy
Electrical	13	\$17,500	\$227,500		\$217,172	(\$10,328)	Precision Electrical
Asphalt Taxilane	13	\$25,700	\$334,100		\$224,610	(\$109,490)	APAC
Survey/Engineering	13	\$2,000	\$26,000		\$12,000	(\$14,000)	Earles Engineering
Permits	13	\$400	\$5,200		\$5,200	\$0	SAA
Fence Relocation	13	\$1,200	\$15,600		\$14,320	(\$1,280)	Prairie Landworks/ Dellinger Temp Fence
P-Hangar Demolition	9	\$0	\$0		\$0	\$0	
Contingency	0.49%	\$1,365	\$14,003		\$14,003	\$0	SAA
TOTAL		\$281,932	\$2,877,709		\$2,998,240	\$120,531	

Sitework is scheduled to begin in September with an estimated completion date in April 2024.

SLN Aviation Innovation and Maintenance Center of Excellence (AIM Center)

Dreiling gave an overview and update on the startup of the Salina Regional Airport AIM Center. Steering committee meetings are held monthly. The program timeline has the first class, ("Intro to Aviation Maintenance"), estimated to begin in October of 2023.

2024 Capital Expenditures Budget

Swanson presented and reviewed the proposed capital expenditures budget and projects scheduled for the calendar year 2024.

Announcements

Rogers discussed the upcoming partnership announcement event scheduled for Tuesday, August 22, 2023, 10:30 a.m. at Hangar H600.

Executive Session

At 9:30 A.M., Director Boos made the following motion:

I move that the Salina Airport Authority board of director's recess into executive session for twenty (20) minutes to discuss the subject of applicants for the position of deputy executive director and matters affecting the privacy interests of other individual employees based upon the need to discuss personnel matters of non-elected personnel pursuant to K.S.A. 75-4319(b)(1).

The open meeting will resume in this room at 9:50 A.M.

Director Gunn seconded the motion. The motion passed unanimously.

The open meeting resumed at 9:50 A.M.

There was no board action following the executive session.

Director Gunn moved to adjourn, seconded by Director O'Brien. The meeting was adjourned at 10:06 A.M. following a unanimous vote.

Minutes approved at the September 20, 2023 board meeting.

Kasey L. Windhorst, Board Clerk

(SEAL)

DRAFT

**MINUTES OF THE SPECIAL MEETING OF THE BOARD
OF DIRECTORS OF THE SALINA AIRPORT AUTHORITY
AUGUST 30, 2023
HANGAR 600, ROOM 100**

Call to Order

Chair Tod Roberg called the meeting to order at 4:00 P.M. and confirmed that a quorum was present. Business and Communications Manager Kasey Windhorst noted that the meeting notice was published Thursday, August 24, 2023, and the board packet was distributed Monday, August 28, 2023.

Attendance

Attendance was taken. Present were Directors Roberg, Carlin, Gunn, O'Brien and Boos. Executive Director Tim Rogers; Director of Administration and Finance Shelli Swanson; Director of Facilities and Construction Maynard Cunningham; Business and Communications Manager Kasey Windhorst; Administration Specialist Michelle Moon; and Attorney Greg Bengtson attended. Guests were Bob Vidricksen, Saline County Commissioner, and community member Sandy Welch.

Agenda

Executive Director Rogers provided an overview of the agenda and stated no additions to the agenda.

Public Hearing

Chair Roberg opened the public hearing. Rogers explained the process of the public hearing and noted that the 2024 preliminary budget information would be presented, followed by public

comments.

Swanson provided a review of the 2024 preliminary budget summary. \$3.4 million estimated for operating revenue supported by: \$0.095/gallon for fuel flowage, an increase of \$25,000; additional hangar rent; and a 6% increase in rental fees for land and buildings, for a total increase in revenue of \$340,000 over 2023. The expenses side of the budget indicates a total increase of 7.9%. Administrative Expense is up 8.7%, Maintenance Expense is up 6.5% and Equipment Maintenance and Fuel increased by \$10,000. The projected net operating income before depreciation is projected at \$131,625, up 303.5%. Swanson distributed the bond structuring scenario and bond/interest fund mill levy projections.

Chair Roberg opened the meeting to Public Comments.

Sandy Welch, 1233 Lois Lane, Salina, asked for a clarification of the 33.45% increase listed on the public notice she received from the Saline County Clerk's office. Rogers explained the Revenue Neutral Rate process as designed by the Kansas State Legislature. Swanson reviewed the debt schedule and projected mill rates. Swanson noted that 5.304 mills is for bond servicing, 1 mill is the community grant match.

No further questions or comments were directed to the board.

Chair Roberg closed the public hearing at 4:53 P.M.

SAA Resolution No. 23-13 – A Resolution of the Salina Airport Authority, Salina, Kansas, to

Exceed the Revenue Neutral Rate in its Property Tax Levy for the Tax Year of 2023

Director Boos moved to approve SAA Resolution 23-13, to levy a property tax rate exceeding the Revenue Neutral Rate of 4.724 mills for Tax Year 2023, and to authorize Chair Roberg to sign SAA Resolution No. 23-13. The motion was seconded by Director Gunn.

Roll call vote: Director Boos – Aye, Director Gunn – Aye, Director Carlin – Aye, Director O’Brien – Aye, Director Roberg – Aye. Motion passed unanimously.

The motion was made to adjourn the meeting at 5:09 P.M., followed by a unanimous vote.

Minutes approved at the September 20, 2023 board meeting.

Kasey L. Windhorst, Board Clerk

(SEAL)

SALINA AIRPORT AUTHORITY

AIRPORT ACTIVITY REPORT

2023

AIR TRAFFIC/ATCT

August, 2023	5,945 Operations 720 Instrument Operations 367 Peak Day
August, 2022	4,040 Operations 526 Instrument Operations 282 Peak Day
January 2023 - August 2023	55,988 Operations
January 2022 - August 2022	43,117 Operations
January 2021 - August 2021	53,535 Operations

FUEL FLOWAGE

August, 2023	134,249 Gallons
August, 2022	103,932 Gallons
January 2023 - August 2023	1,311,463 Gallons
January 2022 - August 2022	1,438,737 Gallons
January 2021 - August 2021	1,394,313 Gallons

		Avflight	
			Self-fuel
KSU-S	Avflight Salina	Military/Gov't Portion	Station Portion
9,755	124,495	23,974	263
7,981	95,951	13,472	337
85,775	1,225,688	352,527	2,063
80,821	1,357,916	412,630	2,817
84,001	1,310,312	303,626	3,565

SkyWest Airlines

ENPLANEMENTS

DEPLANEMENTS

TOTAL

August, 2023	1,209 Passengers	1,157 Passengers	2,366
August, 2022	1,109 Passengers	1,168 Passengers	2,277
January 2023 - August 2023	10,459 Passengers		
January 2022 - August 2022	13,436 Passengers		
January 2021 - August 2021	10,505 Passengers		

ENPLANEMENTS - Charter Flights

August, 2023	0 Passengers
August, 2022	0 Passengers
January 2023 - August 2023	462 Passengers
January 2022 - August 2022	2,198 Passengers
January 2021 - August 2021	862 Passengers

TOTAL ENPLANEMENTS - Scheduled Flights & Charter Flights

August, 2023	1,209 Passengers
August, 2022	1,109 Passengers
January 2023 - August 2023	10,921 Passengers
January 2022 - August 2022	15,634 Passengers
January 2021 - August 2021	11,367 Passengers

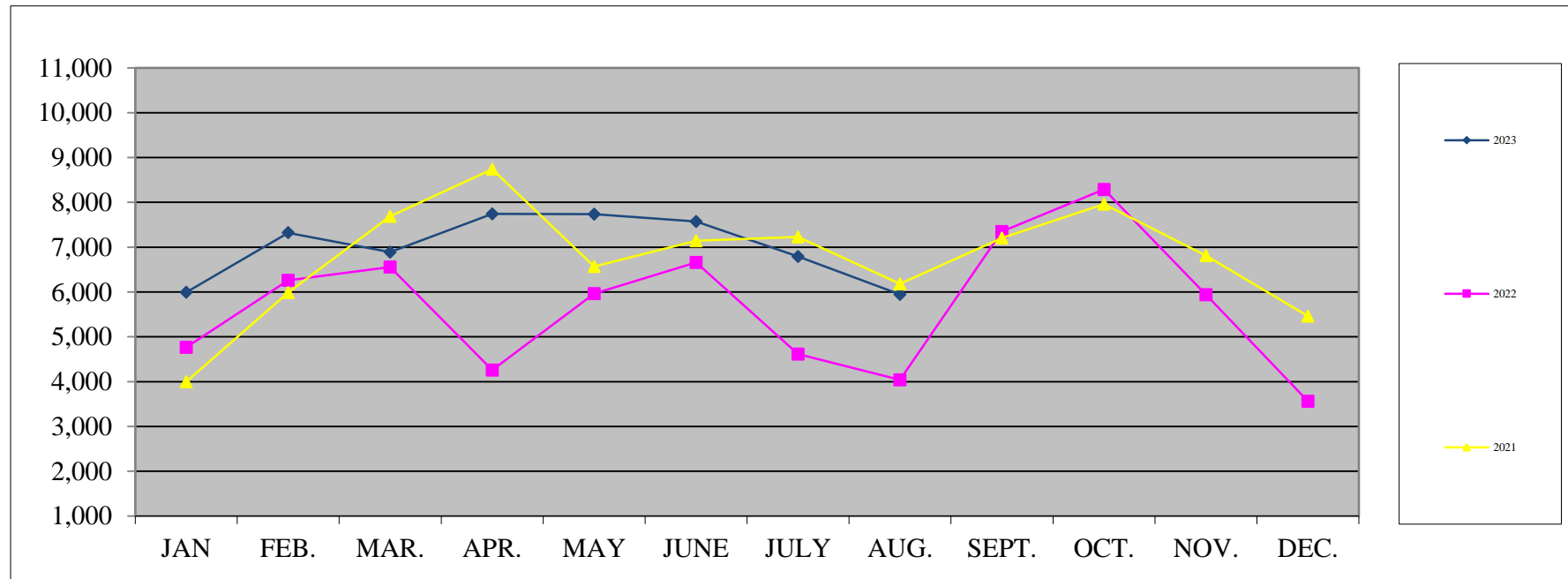
AIRPORT TRAFFIC RECORD

2022 - 2023

	ITINERANT					LOCAL			
	AC	AT	GA	MI	Total Itinerant	Civil	Military	Total Local	Total Operations
2023									
January, 23	125	1,650	655	267	2,697	3,018	278	3,296	5,993
February, 23	130	2,351	701	299	3,481	3,615	224	3,839	7,320
March, 23	138	1,757	652	349	2,896	3,766	228	3,994	6,890
April, 23	130	2,074	759	348	3,311	4,246	186	4,432	7,743
May, 23	128	1,893	898	341	3,260	4,184	290	4,474	7,734
June, 23	133	1,930	856	373	3,292	4,010	270	4,280	7,572
July, 23	130	1,553	842	252	2,777	3,780	234	4,014	6,791
August, 23	120	1,422	873	306	2,721	2,934	290	3,224	5,945
September, 23									
October, 23									
November, 23									
December, 23									
Totals January - August	1,034	14,630	6,236	2,535	24,435	29,553	2,000	31,553	55,988
2022									
January, 22	124	1,618	610	156	2,508	2,062	194	2,256	4,764
February, 22	128	2,269	680	151	3,228	2,974	58	3,032	6,260
March, 22	131	2,009	722	329	3,191	3,188	178	3,366	6,557
April, 22	176	1,876	616	151	2,819	1,381	58	1,439	4,258
May, 22	186	1,617	711	176	2,690	3,093	182	3,275	5,965
June, 22	178	1,782	749	450	3,159	3,209	292	3,501	6,660
July, 22	148	1,508	773	88	2,517	2,040	56	2,096	4,613
August, 22	122	1,392	644	168	2,326	1,630	84	1,714	4,040
September, 22									
October, 22									
November, 22									
December, 22									
Totals January - August	1,193	14,071	5,505	1,669	22,438	19,577	1,102	20,679	43,117
Difference	-159	559	731	866	1,997	9,976	898	10,874	12,871
YTD % Change	-13%	4%	13%	52%	9%	51%	81%	53%	30%
Legend:	AC: Air Carrier		AT: Air Taxi						
	GA: General Aviation		MI: Military						

AIR TRAFFIC

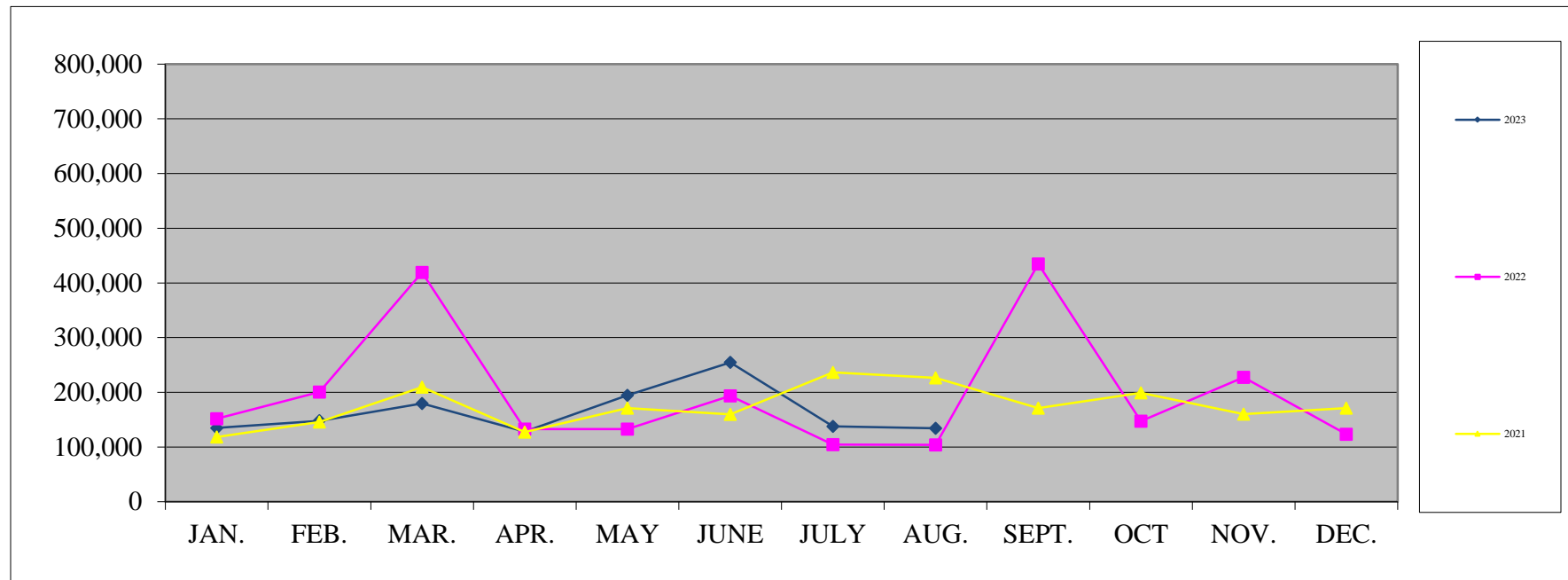
	<u>JAN</u>	<u>FEB.</u>	<u>MAR.</u>	<u>APR.</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>AUG.</u>	<u>SEPT.</u>	<u>OCT.</u>	<u>NOV.</u>	<u>DEC.</u>	<u>TOTAL</u>
2023	5,993	7,320	6,890	7,743	7,734	7,572	6,791	5,945					55,988
2022	4,764	6,260	6,557	4,258	5,965	6,660	4,613	4,040	7,352	8,289	5,940	3,564	68,262
2021	3,996	5,989	7,688	8,739	6,570	7,142	7,230	6,181	7,206	7,958	6,808	5,463	80,970
2020	3,109	6,494	2,841	1,398	2,614	5,846	5,399	7,318	7,550	8,532	5,078	4,269	60,448
2019	3,102	4,852	6,848	8,225	6,328	8,541	8,051	5,520	7,187	7,240	6,072	4,587	76,553
2018	3,418	4,601	6,312	5,510	5,094	6,865	6,865	4,910	6,336	9,974	5,317	4,091	69,293
2017	3,539	6,598	5,329	5,340	4,253	4,338	3,613	4,717	7,081	6,177	6,062	4,094	61,141
2016	4,422	7,789	7,962	7,312	6,898	8,011	5,877	4,789	7,593	6,052	5,458	4,948	77,111
2015	6,918	7,133	8,557	8,870	8,022	7,268	8,089	5,426	8,846	11,367	8,753	7,101	96,350
2014	6,511	6,887	7,143	8,426	8,365	7,234	7,423	5,756	9,035	10,496	8,316	5,509	91,101
2013	5,341	7,146	7,440	7,349	7,336	8,291	6,696	6,694	8,755	10,136	7,946	7,001	90,131



FUEL FLOWAGE

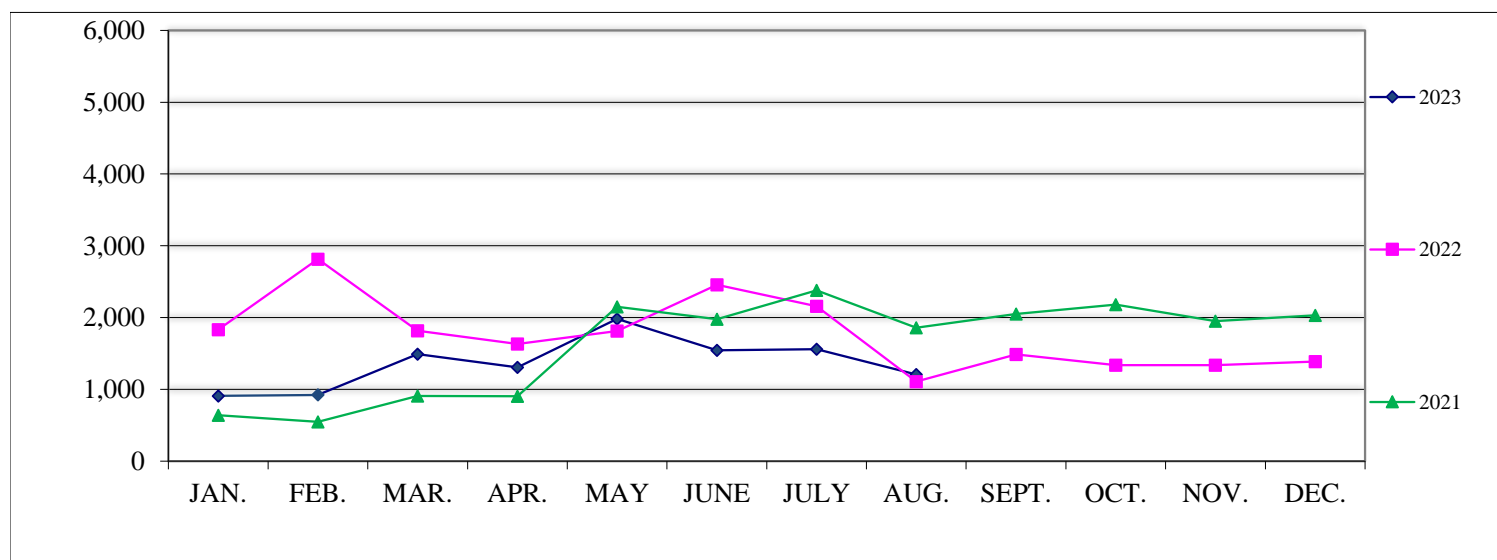
Gallons of Fuel Sold at SLN

	<u>JAN.</u>	<u>FEB.</u>	<u>MAR.</u>	<u>APR.</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>AUG.</u>	<u>SEPT.</u>	<u>OCT</u>	<u>NOV.</u>	<u>DEC.</u>	<u>TOTAL</u>
2023	134,955	147,775	179,414	128,122	194,746	254,599	137,603	134,249					1,311,463
2022	151,697	200,550	418,947	132,791	132,881	193,611	104,328	103,932	434,725	147,216	227,214	123,281	2,371,173
2021	118,269	145,726	209,376	127,107	171,289	159,725	236,452	226,367	171,259	199,197	160,279	171,150	2,096,198
2020	118,337	341,329	124,865	56,765	90,326	105,987	142,234	692,613	128,710	208,081	170,893	114,869	2,295,009
2019	156,531	183,334	150,881	119,745	172,835	157,376	111,147	645,834	161,888	223,382	108,525	87,182	2,278,659
2018	74,807	186,507	172,561	154,513	131,941	367,663	288,977	303,273	348,454	161,563	125,129	99,437	2,414,825
2017	115,075	588,072	203,387	149,134	143,801	211,351	160,134	126,751	418,616	172,614	200,050	133,173	2,622,158
2016	80,221	136,763	130,990	94,673	153,410	132,964	208,846	375,330	137,906	126,983	100,764	182,062	1,860,912
2015	176,746	188,406	290,470	132,543	128,100	126,428	237,782	108,581	143,816	717,601	147,853	89,277	2,487,603
2014	115,573	135,651	112,694	95,549	110,387	282,468	103,108	83,757	91,423	652,207	90,948	97,295	1,971,061
2013	139,227	165,167	138,056	121,295	120,083	282,743	134,677	137,840	126,523	134,024	151,427	106,917	1,757,981



ENPLANEMENTS

	<u>JAN.</u>	<u>FEB.</u>	<u>MAR.</u>	<u>APR.</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>AUG.</u>	<u>SEPT.</u>	<u>OCT.</u>	<u>NOV.</u>	<u>DEC.</u>	<u>TOTAL</u>
2023	910	922	1,489	1,307	1,982	1,544	1,558	1,209					10,921
2022	1,833	2,815	1,815	1,634	1,813	2,458	2,157	1,109	1,486	1,338	1,339	1,386	20,252
2021	638	548	909	904	2,151	1,979	2,379	1,859	2,050	2,182	1,949	2,032	19,407
2020	1,232	4,716	2,219	52	105	338	392	1,705	552	624	602	628	10,561
2019	996	1,659	1,698	1,548	1,865	1,727	2,065	2,556	1,540	1,958	1,703	1,874	21,189
2018	414	715	370	783	1,387	1,751	1,623	5,553	2,095	2,230	1,756	1,622	20,299
2017	720	1,344	731	756	761	852	793	746	3,874	946	1,229	1,207	13,959
2016	36	0	0	0	0	104	372	910	637	558	574	692	3,883
2015	528	107	4,550	531	122	88	77	79	61	3,574	592	80	10,389
2014	145	109	140	135	175	403	282	223	178	431	157	178	2,556
2013	166	191	205	214	243	218	202	205	161	178	212	243	2,438



****Adjustment based on Nonscheduled/On-Demand Air Carrier Filings FAA Form 1800-31**

SALINA Airport *Authority*

AUGUST 2023

FINANCIAL STATEMENTS

Moody's Credit Opinion -
Salina Airport Authority, KS /
8 May 2023

Salina Airport Authority
Statement of Net Position Prev Year Comparison
As of August 31, 2023

09/15/2023

	Aug 31, 23	Jul 31, 23	\$ Change	Aug 31, 22	\$ Change	% Change
ASSETS						
Current Assets						
Checking/Savings						
Cash in Bank-Bond Funds	9,730,938	9,785,287	-54,349	2,346,909	7,384,029	315%
Cash in bank-Operating Funds	2,159,635	1,848,562	311,073	1,861,485	298,150	16%
Cash in Bank - Mill Levy	605,107	2,560,187	-1,955,080	588,296	16,811	3%
Total Checking/Savings	12,495,680	14,194,036	-1,698,356	4,796,690	7,698,990	161%
Accounts Receivable						
Accounts Receivable	46,980	93,287	-46,307	43,852	3,128	7%
Total Accounts Receivable	46,980	93,287	-46,307	43,852	3,128	7%
Other Current Assets						
Agri Land Receivable	71,000	71,000	0	66,760	4,240	6%
Mill Levy receivable	235,117	235,117	0	281,658	-46,541	-17%
Other current assets	816,238	834,045	-17,807	1,106,936	-290,698	-26%
Undeposited Funds	3,521	37,486	-33,965	12,653	-9,132	-72%
Total Other Current Assets	1,125,876	1,177,648	-51,772	1,468,007	-342,131	-23%
Total Current Assets	13,668,536	15,464,971	-1,796,435	6,308,549	7,359,987	117%
Fixed Assets						
Fixed assets at cost	104,269,340	103,635,196	634,144	96,598,967	7,670,373	8%
Less accumulated depreciation	-55,453,721	-55,203,721	-250,000	-51,938,926	-3,514,795	-7%
Total Fixed Assets	48,815,619	48,431,475	384,144	44,660,041	4,155,578	9%
Other Assets						
Deferred Outflow of Resources	1,147,779	1,147,779	0	1,085,654	62,125	6%
Other assets	3,009,970	3,009,970	0	3,331,006	-321,036	-10%
Total Other Assets	4,157,749	4,157,749	0	4,416,660	-258,911	-6%
TOTAL ASSETS	66,641,904	68,054,195	-1,412,291	55,385,250	11,256,654	20%
LIABILITIES & EQUITY						
Liabilities						
Current Liabilities						
Accounts Payable						
Accounts payable	697,564	205,052	492,512	496,038	201,526	41%
Total Accounts Payable	697,564	205,052	492,512	496,038	201,526	41%
Total Credit Cards	0	-114	114	2,598	-2,598	-100%
Other Current Liabilities						
Accrued debt interest payable	-2,023	202,765	-204,788	-8,036	6,013	75%
Debt, current portion	1,710,000	1,710,000	0	1,710,800	-800	-0%
Deferred Agri Land Revenue	23,667	29,583	-5,916	22,253	1,414	6%
Deferred Mill Levy revenue	910,957	1,138,696	-227,739	818,685	92,272	11%
Other current liabilities	272,770	257,696	15,074	285,387	-12,617	-4%
Total Other Current Liabilities	2,915,371	3,338,740	-423,369	2,829,089	86,282	3%
Total Current Liabilities	3,612,935	3,543,678	69,257	3,327,725	285,210	9%
Long Term Liabilities						
Debt - Long Term	33,029,395	34,739,395	-1,710,000	24,927,207	8,102,188	33%
Deferred Inflows of Resources	3,621,787	3,621,787	0	4,430,714	-808,927	-18%
Less current portion	-1,710,000	-1,710,000	0	-1,710,800	800	0%
Net OPEB Liability (KPERs)	9,003	9,003	0	13,911	-4,908	-35%
Net Pension Liability	942,015	942,015	0	509,789	432,226	85%
Security Deposits Returnable	118,220	118,220	0	94,339	23,881	25%
Total Long Term Liabilities	36,010,420	37,720,420	-1,710,000	28,265,160	7,745,260	27%
Total Liabilities	39,623,355	41,264,098	-1,640,743	31,592,885	8,030,470	25%
Equity						
Invested in Capital Assets net	25,701,142	24,172,467	1,528,675	22,656,181	3,044,961	13%
Net assets, Designated	90,000	90,000	0	90,000	0	0%
Net assets, Unrestricted	817,903	2,346,578	-1,528,675	175,685	642,218	366%
Net Income	409,505	181,050	228,455	870,500	-460,995	-53%
Total Equity	27,018,550	26,790,095	228,455	23,792,366	3,226,184	14%
TOTAL LIABILITIES & EQUITY	66,641,905	68,054,193	-1,412,288	55,385,251	11,256,654	20%

Salina Airport Authority
Profit & Loss Budget Performance
August 2023

9:35 AM
09/15/2023
Accrual Basis

	Aug 23	Jan - Aug 23	YTD Budget	\$ Over Budget	% of Budget	Annual Budget
Ordinary Income/Expense						
Income						
Airfield revenue						
Fuel Flowage Fees	11,626	116,181	120,000	-3,819	97%	180,000
Hangar rent	73,638	687,921	628,667	59,254	109%	943,000
Landing fees	1,944	17,374	20,367	-2,993	85%	30,550
Ramp rent	6,266	50,935	44,667	6,268	114%	67,000
Total Airfield revenue	93,474	872,411	813,701	58,710	107%	1,220,550
Building and land rent						
Agri land rent	5,917	47,833	47,333	500	101%	71,000
Building rents - Long Term						
Short-term leasing	28,675	279,809	377,333	-97,524	74%	566,000
Building rents - Long Term - Other	88,733	708,422	566,000	142,422	125%	849,000
Total Building rents - Long Term	117,408	988,231	943,333	44,898	105%	1,415,000
Land rent						
Basic Land Rent	11,182	91,258	85,049	6,209	107%	127,574
Property tax - tenant share	9,167	73,333	71,618	1,715	102%	107,426
Total Land rent	20,349	164,591	156,667	7,924	105%	235,000
Tank rent	1,220	9,760	9,760	0	100%	14,640
Total Building and land rent	144,894	1,210,415	1,157,093	53,322	105%	1,735,640
Other revenue						
Airport Marketing	0	20,000	13,333	6,667	150%	20,000
ARFF Training	0	0	0	0	0%	0
Commissions	2,044	18,879	13,333	5,546	142%	20,000
Other income	923	32,760	50,000	-17,240	66%	75,000
Total Other revenue	2,967	71,639	76,666	-5,027	93%	115,000
Total Income	241,335	2,154,465	2,047,460	107,005	105%	3,071,190
Gross Income	241,335	2,154,465	2,047,460	107,005	105%	3,071,190
Expense						
Administrative expenses						
A/E, consultants, brokers	7,805	62,009	31,111	30,898	199%	46,667
Airport promotion	18,693	172,307	167,333	4,974	103%	251,000
Bad Debt Expense	0	0	3,333	-3,333	0%	5,000
Computer/Network Admin.	3,510	30,265	34,880	-4,615	87%	52,320
Dues and subscriptions	1,373	19,928	19,447	481	102%	29,170
Employee retirement	6,975	60,492	61,655	-1,163	98%	92,483
FICA and medicare tax expense	5,531	48,031	48,875	-844	98%	73,313
Industrial development	4,792	38,333	40,000	-1,667	96%	60,000
Insurance , property	18,750	150,417	150,000	417	100%	225,000
Insurance, medical	34,854	142,422	148,000	-5,578	96%	222,000
Kansas unemployment tax	0	475	667	-192	71%	1,000
Legal and accounting	720	46,400	40,000	6,400	116%	60,000
Office salaries	41,781	370,120	399,795	-29,675	93%	599,693
Office Supplies	161	3,970	6,667	-2,697	60%	10,000
Other administrative expense	1,159	9,277	9,900	-623	94%	14,850
Postage	439	1,511	1,333	178	113%	2,000
Property appraisal expense	0	0	0	0	0%	0
Property tax expense	12,083	96,667	96,667	0	100%	145,000
Special Events	0	730	1,333	-603	55%	2,000
Telephone	1,471	12,826	18,800	-5,974	68%	28,200
Training	2,400	4,388	7,567	-3,179	58%	11,350
Travel and meetings	1,233	3,221	10,000	-6,779	32%	15,000
Total Administrative expenses	163,730	1,273,789	1,297,363	-23,574	98%	1,946,046

	Aug 23	Jan - Aug 23	YTD Budget	\$ Over Budget	% of Budget	Annual Budget
Maintenance expenses						
Airfield maintenance	3,642	37,940	33,333	4,607	114%	50,000
Airport Security	0	1,648	1,667	-19	99%	2,500
Building maintenance	32,441	153,573	123,333	30,240	125%	185,000
Equipment fuel and repairs	4,737	57,915	53,333	4,582	109%	80,000
Fire Services	154	2,396	21,333	-18,937	11%	32,000
Grounds maintenance	1,844	12,441	14,667	-2,226	85%	22,000
Maintenance salaries	30,775	260,112	266,016	-5,904	98%	399,024
Other maintenance expenses	1,352	12,329	14,667	-2,338	84%	22,000
Snow removal expense	0	413	13,333	-12,920	3%	20,000
Utilities	15,733	150,527	186,667	-36,140	81%	280,000
Total Maintenance expenses	90,678	689,294	728,349	-39,055	95%	1,092,524
Total Expense	254,408	1,963,083	2,025,712	-62,629	97%	3,038,570
Net Ordinary Income	-13,073	191,382	21,748	169,634	880%	32,620
Other Income/Expense						
Other Income						
Capital contributed	254,525	712,318	1,666,667	-954,349	43%	2,500,000
Gain on sale of assets	0	29,653	0	29,653	100%	0
Interest income						
Int. Income -2023 Bond Proceeds	45,734	99,868	17,333	82,535	576%	26,000
Interest income on deposits	8,239	65,948	6,667	59,281	989%	10,000
Total Interest income	53,973	165,816	24,000	141,816	691%	36,000
Mill levy income	227,739	1,828,335	1,821,914	6,421	100%	2,732,871
Total Other Income	536,237	2,736,122	3,512,581	-776,459	78%	5,268,871
Other Expense						
Debt interest expense net						
Bond issue cost	120	161,276	105,000	56,276	154%	105,000
Interest Expense on Debt	44,591	356,724	356,724	0	100%	535,086
Total Debt interest expense net	44,711	518,000	461,724	56,276	112%	640,086
Depreciation expense	250,000	2,000,000	2,000,000	0	100%	3,000,000
Total Other Expense	294,711	2,518,000	2,461,724	56,276	102%	3,640,086
Net Other Income	241,526	218,122	1,050,857	-832,735	21%	1,628,785
Net Income	228,453	409,504	1,072,605	-663,101	38%	1,661,405

Salina Airport Authority
Profit & Loss Prev Year Comparison
January through August 2023

9:39 AM
09/15/2023
Accrual Basis

	Jan - Aug 23	Jan - Aug 22	\$ Change	% Change
Ordinary Income/Expense				
Income				
Airfield revenue				
Fuel Flowage Fees	116,181	130,164	-13,983	-11%
Hangar rent	687,921	631,281	56,640	9%
Landing fees	17,374	29,242	-11,868	-41%
Ramp rent	50,935	44,580	6,355	14%
Total Airfield revenue	872,411	835,267	37,144	4%
Building and land rent				
Agri land rent	47,833	45,007	2,826	6%
Building rents - Long Term				
Short-term leasing	279,809	308,537	-28,728	-9%
Building rents - Long Term - Other	708,422	617,247	91,175	15%
Total Building rents - Long Term	988,231	925,784	62,447	7%
Land rent				
Basic Land Rent	91,258	106,759	-15,501	-15%
Property tax - tenant share	73,333	71,618	1,715	2%
Total Land rent	164,591	178,377	-13,786	-8%
Tank rent	9,760	9,760	0	0%
Total Building and land rent	1,210,415	1,158,928	51,487	4%
Other revenue				
Airport Marketing	20,000	20,000	0	0%
Commissions	18,879	16,957	1,922	11%
Other income	32,760	61,082	-28,322	-46%
Total Other revenue	71,639	98,039	-26,400	-27%
Uncategorized Income	564	0	564	100%
Total Income	2,155,029	2,092,234	62,795	3%
Gross Income	2,155,029	2,092,234	62,795	3%
Expense				
Administrative expenses				
A/E, consultants, brokers	62,009	35,319	26,690	76%
Airport promotion				
Air Serv. Mktg - SAA	166,761	161,092	5,669	4%
Airport promotion - Other	5,546	5,101	445	9%
Total Airport promotion	172,307	166,193	6,114	4%
Computer/Network Admin.	30,265	25,607	4,658	18%
Dues and subscriptions	19,928	22,244	-2,316	-10%
Employee retirement	60,492	57,093	3,399	6%
FICA and medicare tax expense	48,031	47,077	954	2%
Industrial development	38,333	38,333	0	0%
Insurance , property	150,417	154,248	-3,831	-2%
Insurance, medical	142,422	130,312	12,110	9%
Kansas unemployment tax	475	461	14	3%
Legal and accounting	46,400	47,011	-611	-1%
Office salaries	370,120	366,258	3,862	1%
Office Supplies	3,970	7,560	-3,590	-47%
Other administrative expense				
Merchant Processing Fees	5,447	5,044	403	8%
Other administrative expense - Other	3,829	3,366	463	14%
Total Other administrative expense	9,276	8,410	866	10%
Postage	1,511	1,077	434	40%
Property tax expense	96,667	96,377	290	0%
Special Events	730	1,004	-274	-27%
Telephone	12,826	13,333	-507	-4%
Training	4,388	5,990	-1,602	-27%
Travel and meetings	3,221	12,224	-9,003	-74%
Total Administrative expenses	1,273,788	1,236,131	37,657	3%

	Jan - Aug 23	Jan - Aug 22	\$ Change	% Change
Maintenance expenses				
Airfield maintenance	37,940	30,129	7,811	26%
Airport Security	1,648	377	1,271	337%
Building maintenance	153,573	154,981	-1,408	-1%
Equipment fuel and repairs	57,915	56,230	1,685	3%
Fire Services	2,396	4,753	-2,357	-50%
Grounds maintenance	12,441	17,253	-4,812	-28%
Maintenance salaries	260,112	256,985	3,127	1%
Other maintenance expenses	12,329	10,477	1,852	18%
Snow removal expense	413	8,740	-8,327	-95%
Utilities	150,527	191,885	-41,358	-22%
Total Maintenance expenses	689,294	731,810	-42,516	-6%
Uncategorized Expenses	564	0	564	100%
Total Expense	1,963,646	1,967,941	-4,295	-0%
Net Ordinary Income	191,383	124,293	67,090	54%
Other Income/Expense				
Other Income				
Capital contributed				
ARPA Grant No. 45 - Equipment	0	0	0	0%
ARPA Grant No. 45 - Operating	0	75,272	-75,272	-100%
Capital contributed - Other	712,318	1,432,511	-720,193	-50%
Total Capital contributed	712,318	1,507,783	-795,465	-53%
Gain on sale of assets	29,653	0	29,653	100%
Interest income				
Int. Income -2023 Bond Proceeds	99,868	0	99,868	100%
Interest income on deposits	65,948	4,639	61,309	1,322%
Total Interest income	165,816	4,639	161,177	3,474%
Mill levy income	1,828,335	1,637,370	190,965	12%
Total Other Income	2,736,122	3,149,792	-413,670	-13%
Other Expense				
2021-05-26 Storm Damage Repairs	0	7,107	-7,107	-100%
2021-12-15 Storm Damage Repairs	0	71,787	-71,787	-100%
Debt interest expense net				
Bond issue cost	161,276	11,640	149,636	1,286%
Interest Expense on Debt	356,724	376,354	-19,630	-5%
Total Debt interest expense net	518,000	387,994	130,006	34%
Depreciation expense	2,000,000	1,936,696	63,304	3%
Total Other Expense	2,518,000	2,403,584	114,416	5%
Net Other Income	218,122	746,208	-528,086	-71%
Net Income	409,505	870,501	-460,996	-53%

Salina Airport Authority
Capital Additions Budget vs. Actual
As of August 31, 2023

9:58 AM
09/15/2023
Accrual Basis

	Aug 23	Jan - Aug 23	Annual Budget	+/- Annual Budget	% of Annual Budget
ASSETS					
Fixed Assets					
Fixed assets at cost					
Airfield					
AIP-42 Rwy 17/35 Rehab		8,947	50,410	-41,463	18%
AIP-47 Fuel Farm-A/E & Bidding		212,048	200,000	12,048	106%
AIP-48 Rwy 12/30 Rehab Design		0	375,000	-375,000	0%
AIP-49 Fuel Farm Construction	1,160	4,293	8,417,585	-8,413,292	0%
AIP-XX AFFF to F3 Transition		5,595	25,000	-19,405	22%
AIP-XX SRE Equip A/E & Acq.	1,775	1,775	45,000	-43,225	4%
AIP-XX Term. Bldg. Exp. Design		52,259	55,000	-2,741	95%
AIP-XX Term. Parking Lot Design		20,900	560,000	-539,100	4%
Airfield Improvements		14,058	50,000	-35,942	28%
Fuel Farm Construction-Non Fed		26,478	1,860,000	-1,833,522	1%
GA Hangar Construction	60	275,222	2,912,809	-2,637,587	9%
Rwys 17/35 - 12/30 LED Lighting		57,128	30,000	27,128	190%
Total Airfield	2,995	678,703	14,580,804	-13,902,101	5%
Buildings & Improvements					
Bldg. 120 Terminal building					
Concourse Imps.		7,200	20,000	-12,800	36%
Total Bldg. 120 Terminal building	0	7,200	20,000	-12,800	36%
Building improvements					
Bldg. 412 Imps.		36,475	25,000	11,475	146%
Bldg. 520 Imps.		708	20,000	-19,292	4%
Bldg. Imps. Other	15,493	42,202	75,000	-32,798	56%
Hangar 504 Improvements		2,604	10,000	-7,396	26%
Hangar 626 Rehabilitation	615,656	1,364,417	5,020,000	-3,655,583	27%
Hangar 959 Rehabilitation		58,750	100,000	-41,250	59%
Total Building improvements	631,149	1,505,156	5,250,000	-3,744,844	29%
FBO Improvements					
Bldg. 700 Imps. Avflight North		0	20,000	-20,000	0%
Hangar 409-1 Imps Avflight So.		0	20,000	-20,000	0%
Total FBO Improvements	0	0	40,000	-40,000	0%
Pumphouse 305		5,069	15,000	-9,931	34%
Total Buildings & Improvements	631,149	1,517,425	5,325,000	-3,807,575	28%
Equipment					
Airfield Equipment		2,223	15,000	-12,777	15%
ARFF equipment		1,732	25,000	-23,268	7%
Communications equipment		0	20,000	-20,000	0%
Computer equipment		0	15,000	-15,000	0%
Industrial center equipment		0	25,000	-25,000	0%
Office equipment		0	7,500	-7,500	0%
Other Equipment		0	15,000	-15,000	0%
Shop equipment		7,900	15,000	-7,100	53%
Terminal bldg equipment		0	10,000	-10,000	0%
Total Equipment	0	11,855	147,500	-135,645	8%
Land					
Airport Indust. Cent. Imps.		1,955	15,000	-13,045	13%
Rail Spur Imps.		0	20,000	-20,000	0%
Total Land	0	1,955	35,000	-33,045	6%
Total Fixed assets at cost	634,144	2,209,938	20,088,304	-17,878,366	11%

Salina Airport Authority

Significant Capital Expenditures Detail

August 2023

Type	Date	Name	Memo	Amount	Balance
Fixed assets at cost					
Airfield					
AIP-49 Fuel Farm Construction					
Bill	08/30/2023	Clark, Mize & Linville	AIP 49 - 5.8 hrs	1,160.00	1,160.00
		Total AIP-49 Fuel Farm Construction		1,160.00	1,160.00
AIP-XX SRE Equip A/E & Acq.					
Bill	08/31/2023	Garver, LLC	SRE Acquisition project management fees - August 2023	1,775.00	1,775.00
		Total AIP-XX SRE Equip A/E & Acq.		1,775.00	1,775.00
GA Hangar Construction					
Bill	08/14/2023	KDHE	NOI - GA Hangar Construction KDHE NOI permit fee - 2023	60.00	60.00
		Total GA Hangar Construction		60.00	60.00
		Total Airfield		2,995.00	2,995.00
Buildings & Improvements					
Building improvements					
Bldg. Imps. Other					
Bill	08/21/2023	Precision Electrical Contractors L...	Maintenance Shed - 100A panel - electrical improvements	5,673.00	5,673.00
Bill	08/24/2023	Kansas State University	B824 Road Improvements, SAA share	9,820.30	15,493.30
		Total Bldg. Imps. Other		15,493.30	15,493.30
Hangar 626 Rehabilitation					
Bill	08/31/2023	Hutton Corporation	Progress billing H626 Remodel (A/E design fees)	4,920.00	4,920.00
Bill	08/31/2023	Hutton Corporation	H626 Renovations	610,736.10	615,656.10
		Total Hangar 626 Rehabilitation		615,656.10	615,656.10
		Total Building improvements		631,149.40	631,149.40
		Total Buildings & Improvements		631,149.40	631,149.40
		Total Fixed assets at cost		634,144.40	634,144.40
TOTAL				634,144.40	634,144.40

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09/15/23

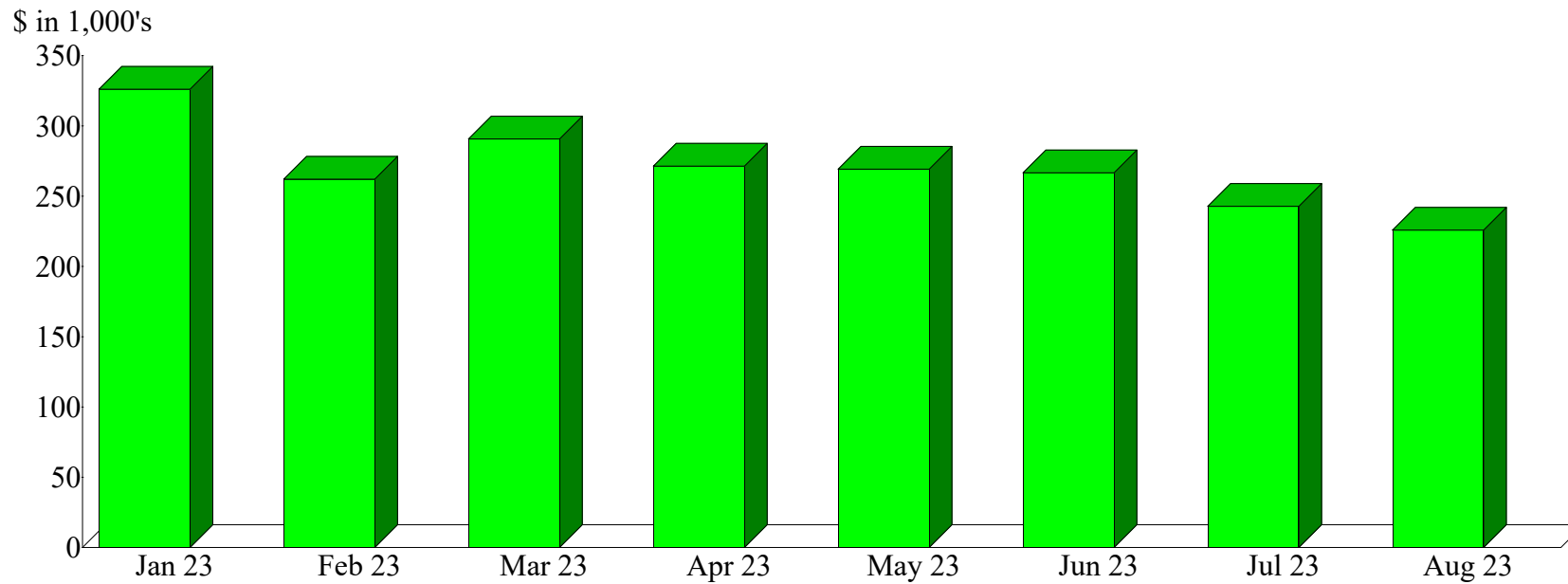
Accrual Basis

Salina Airport Authority
Distributions from the 2022-1 GO Temp Note Project Fund
As of August 31, 2023

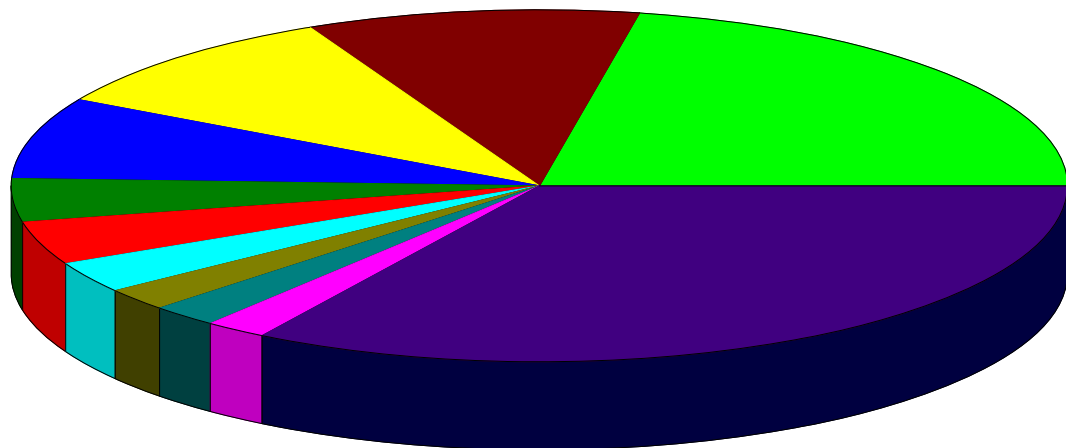
Type	Date	Name	Memo	Amount	Balance
Cash in Bank-Bond Funds					109,877.09
BSB 2022-1 GO Temp Note (9668)					109,877.09
Bill Pmt -Check	08/11/2023	Hutton Corporation	Hangar 626 Renovations - Progress payment 5	-95,176.73	14,700.36
Bill Pmt -Check	08/11/2023	Hutton Corporation	Progress Payment 10 - Hangar 626 Remodel	-4,920.00	9,780.36
Deposit	08/31/2023		Interest	53.86	9,834.22
Total BSB 2022-1 GO Temp Note (9668)				-100,042.87	9,834.22
Total Cash in Bank-Bond Funds				-100,042.87	9,834.22
TOTAL				-100,042.87	9,834.22

Sales by Month
January through August 2023

Dollar Sales



Sales Summary
January through August 2023

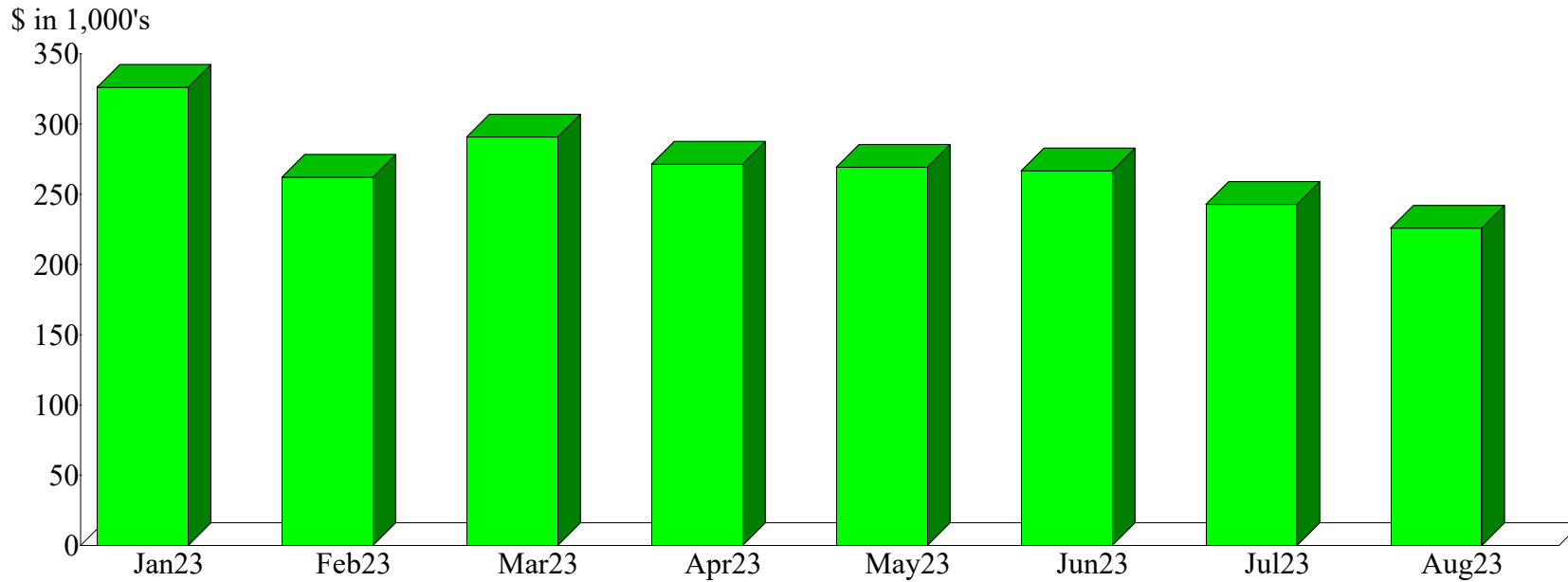


1 Vision Aviation, PLLC	22.09%
Avflight Salina	10.27
Kansas Erosion Products, LLC.	9.75
Stryten Salina, LLC	7.48
K-State Salina	4.09
Universal Forest Products (UFP)	4.01
SFC Global Supply Chain	2.91
SkyWest Airlines, Inc.	2.10
Durham School Service, L.P.	2.08
Gartner Refrigeration, Inc.	1.95
Other	33.27
Total	\$2,154,584.99

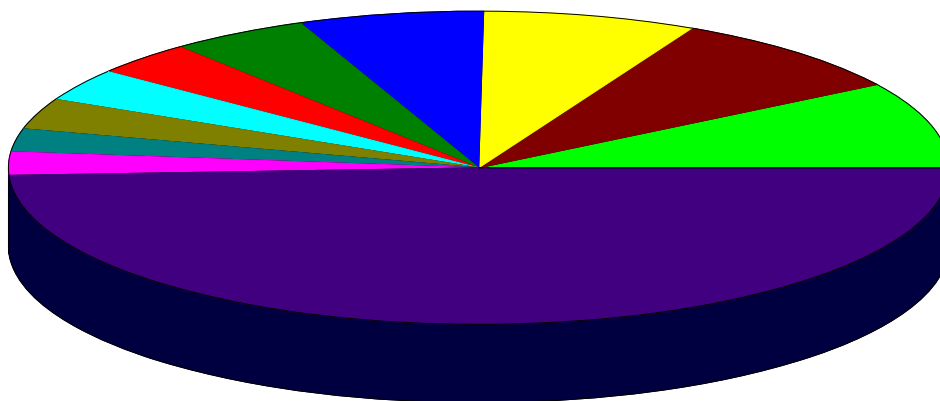
By Customer

Sales by Month
January through August 2023

Dollar Sales



Sales Summary
January through August 2023



H-00959-1 (Hangar Facility H959 - 2044 S	9.00%
H-0606-3 (Hangar 606, 2630 Arnold Court	8.60
B-01021 (Building #1021 located at 3600	7.32
B-00655-3 (Bldg. #655 (96,611 SF) - 2656	6.52
FFF-Avflight Salina (Fuel Flowage Fee @	4.93
B-00620-1 (Building #620 (30,000 SF) an	3.54
H-0600-1 (Hangar 600 - 20,217 sq. ft.)	3.36
Insurance(CP) (Insurance Reimbursement)	3.33
H-0600-4 (Hangar 600 - 2720 Arnold Court	2.48
Utility Reimbursement (Utility Reimburse	2.43
Other	48.47
Total	\$2,154,584.99

By Item

Salina Area Chamber of Commerce
Community Strategic Planning Proposal

Community Overview

Over the last five years, Salina and Saline County have experienced substantial economic growth. We've seen over \$1 billion invested in both public and private infrastructure and business investments, with well over \$300 million currently in the pipeline for continued development. Business expansion as well as increased demand for goods and services in the area has resulted in a projected 2,000 new jobs within the next five years. We've also experienced historical wage growth, with wages increasing almost 20 percent from \$17.32/hour in 2018 to \$20.66/hour in 2022. Major initiatives like the revitalization of downtown, the Kanvas mural project, the AIM Center of Excellence, and the Smoky Hill River renewal all are contributing to the health and growth of our community.

Despite our economic growth, low cost of living, and premium quality of life, Salina and the area continue to struggle with workforce development. Critical housing and childcare shortages have stunted retention and attraction efforts, and Salina continues to lag behind in being competitive in the labor market. Collaborative efforts among community stakeholders, including the City, County, Salina Airport Authority, Salina Community Economic Development Organization, and the Salina Area Chamber of Commerce have made substantial progress in addressing barriers. But as we find ourselves needing to retain and attract talent at levels that we've never been able to before, it becomes necessary to evaluate our playbook and understand what might be continuing to hold us back.

Current Crossroads

The Imagine Salina strategic plan and campaign outlined a plan of action for the Salina Area Chamber of Commerce in addressing workforce development, as well as business expansion and retention. As the five-year campaign ends in 2023, the Chamber is also re-evaluating what economic and workforce development efforts continue to look like for our organization. The campaign made significant strides in strengthening community marketing efforts, building relationships between secondary and post-secondary schools and employers, participating in advocacy for housing and childcare dollars from the state, growing entrepreneurial support and infrastructure, and providing valuable education and resources to area employers. Despite this progress, we know we need to move the needle further.

Chamber leadership and board members have decided that we're not interested in starting another capital campaign, but we do recognize the need to once again take a look at community assets and deficiencies in order to evaluate where the Chamber can best provide support toward economic development and community health. If we are asking our partners, stakeholders and members to invest in economic and workforce development, we want to be positioned to deliver results.

Our Proposal

The Salina Area Chamber of Commerce executive team has researched and chosen a consultant to facilitate community strategic planning. Their proposal is attached.

Sevenfold was ultimately chosen because we are interested in being bold and innovative with how we address this process, and we felt this group will help us in being both visionary and realistic with actionable goals and objectives.

We felt it was crucial to include the community and our partners in this strategic planning for a number of reasons:

- The Chamber doesn't want to duplicate efforts in the community. If we can enhance or support work we will, but our desire is to see what gaps might exist for economic and workforce development and then focus on addressing those. We hope this process also helps us see if other duplication efforts exist in our community, and how we can further facilitate collaborations and partnerships.
- We received a very clear mandate from our membership (via survey in January 2023) that they would like to see us continue with our community marketing efforts. As we continue to develop our marketing strategy, its important for us to get community partner and stakeholder input.
- There is no one silver bullet when it comes to increasing workforce. We know that attracting workers is a part of the solution, but we also need to do better at both retaining talent as well as re-engaging those in our community who are not currently participating in our labor force. We want to investigate where there are further opportunities to partner with schools, institutions, and non-profit organizations in order to keep people here and in the workforce.
- As our community and our partners invest money in economic and workforce development for Salina and Saline County, we want to ensure we're utilizing that investment as efficiently and effectively as possible. We think this deserves introspection as to if we're structured in a way that creates the best return on those dollars.
- Aside from growing our population, what are our goals for our community? What would we like to see in Salina and the area for our kids and our grandchildren? As community leaders we are in a position to plant seeds today that create quality of life and prosperity for the future. We think its important to truly consider those questions as a community and as partners when planning the work we are doing right now.

The cost of this effort will be \$42,000. The Chamber has secured \$5,000 from the Greater Salina Community Foundation for this effort, and we will be investing \$10,000 from our organization.

While we will be seeking input from a number of organizations and leaders in our community, we see the following five partners as being integral in the process:

- City of Salina
- Saline County
- Salina Airport Authority
- Salina Community Economic Development Organization
- Downtown Salina

Engagement of partners not only includes staff leadership, but also governing body and volunteer board input. Since these partners will be crucial in the conversations we'll be having, as well as will undoubtedly benefit from the information and outcomes, then we are asking that each partner contribute toward the remaining balance of \$27,000 **by investing \$5,400 each** toward the effort.

We are excited about moving this work forward, and about what the potential results could truly mean for our continued success as a community. We're committed to a process that utilizes data and information that will help us be creative and visionary in tackling our challenges as a community. We'd love to have you join us!



SALINA AREA CHAMBER OF COMMERCE

Salina, Kansas

Proposal for Services
June 2023



WHAT WE HEARD

The Salina Area Chamber of Commerce has expressed a desire to seek out a new vision for the Salina community. This desire corresponds with a change in leadership at the Chamber, as well as initiatives like Imagine Salina coming to an end this year. The Chamber is looking to spearhead this effort, but is aiming to call on community partners so that the work extends beyond the Chamber and into the wider community.

The Salina community works well together. Strong relationships between the county, the city, businesses, non-profits, et al. have suggested a shared willingness to help move Salina forward together. However, current efforts might be lacking in focus, without clear established goals, or a cohesive strategy to accomplish them.

The Salina Chamber, under the guidance of the board and Renee Duxler, is well-positioned to lead a new initiative to capitalize on this shared desire to see Salina succeed. But how to structure this work, including soliciting input from community members and leaders, and having constructive conversations toward actionable outcomes, is an open question. However it happens, the goal, broadly speaking, is to foster collaboration, drive economic development, and create an outline for collective action to shape Salina's future.

The Salina Chamber has requested Sevenfold's input on what such a process might look like.

OUR IDEA

Most community strategic plans are almost identical: grow population, bring more young people, support economic development, etc. They offer a kind of panacea that attempts to offer all things to all people, which often amounts to offering almost no discernible impact to anyone.

We believe there's a better way. We build our approach to community strategic planning around three principles:

1. **Focus:** One of the hallmarks of a great strategy is its surprising degree of focus. We incorporate this idea by helping to design a strategic plan that is cohesive, not fragmented, and makes real (sometimes painful) trade-offs to do what's best for the community.
2. **Empathy:** Another hallmark of great strategy is the degree of insight it demonstrates into the actual (not assumed) desires of stakeholders. We root our approach to Community Discovery in empathy, not just data gathering, which is messier, but produces far more nuanced and accurate information.
3. **Authorship:** A strategy has a far higher chance of success if it is authored by the people who will be carrying out the work. We create structures and mechanisms so that major choices are made by leaders--not by us--which builds buy-in all along the way.

The proposal that follows uses these principles to help the Salina community create a compelling community strategic plan. What follows are 2 options for consideration for how to help Salina create such a plan.

OPTION 1 : COMMUNITY CHOICES

A campaign focused on capturing voices of the community and making high-level choices about a future and a strategy for the community.

1. START SMART

Introductory meeting and design brief to set direction and clarity for future work.

- A 3-hour group discussion with the Salina Area Chamber of Commerce's team, establishing a foundation of understanding how to navigate strategic work.
- Provide an overview of our process and the principles on which it is based.
- Capture initial conclusions in a design brief, which serves to helpfully narrow the number of possibilities and informs future workshops and interviews.

2. COMMUNITY DISCOVERY

Interviews and community work sessions to uncover assumptions, challenges, critical needs, and ideas for the community of Salina.

- Conduct approximately 15 interviews with stakeholders identified with the team at the Salina Area Chamber of Commerce, using an empathy-based approach to listen and learn about people's lived experiences.
- Facilitate 2 community work sessions to engage community voices and foster collaboration and a sense of ownership in designing a better future for the City of Salina.
- Produce synthesizing documents to show what we heard and to stimulate workshop conversations, including:
 - Community Personas: using anonymized, verbatim phrases to put a human face and emotion on interview findings.
 - Tensions: surfacing perspectives that exist in tension with one another. These tensions highlight key areas of competing interests or unresolved issues, and are ripe areas for constructive discussion.
 - Strategic Insights: overview of findings, highlighting critical themes, white space to innovate, and key symbols of the city's current situation.

3. DESIGN A COHESIVE STRATEGY

A workshop that inspires creative collaboration, aimed at deciding on a specific future for Salina, and designing a strategy to achieve it.

- A 1-day workshop to co-create a better future for the City of Salina. Workshop invitees selected by the Salina Chamber will use documents from above to articulate a desirable future for Salina, and then 'back into' a compelling and cohesive strategy.
- Conclusions will be captured in pithy one-page deliverables that describe the future, the strategic choices, and areas of focus for the Salina community.

OPTION 2: CHOICES AND MOMENTUM

A more intensive campaign to listen to a broader swath of the community, with the intent not only to make high-level choices, but to begin walking them out.

1. START SMART

Introductory meeting and design brief to set direction and clarity for future work.

- A 3-hour group discussion with the Salina Area Chamber of Commerce's team, establishing a foundation of understanding how to navigate strategic work.
- Provide an overview of our process and the principles on which it is based.
- Capture initial conclusions in a design brief, which serves to helpfully narrow the number of possibilities and informs and shapes future workshops and interviews.

2. COMMUNITY DISCOVERY

A broad-based approach to listening to and observing the Salina community, with a view to capture a variety of perspectives in and dimensions of the community.

- Conduct approximately 25 interviews with stakeholders identified with the team at the Salina Area Chamber of Commerce, using an empathy-based approach to listen and learn about people's lived experiences.
- Facilitate 3 community work sessions to engage community voices and foster collaboration and a sense of ownership in designing a better future for the City of Salina.
- Ethnographic observation - immersing ourselves in the community, making direct observation of key events, groups, etc., to develop meaningful insights about how people actually function in distinct ways in Salina.
- Produce synthesizing documents to show what we heard and to stimulate workshop conversations, including:
 - Community Personas: using anonymized, verbatim phrases to put a human face and emotion on interview findings.
 - Tensions: surfacing perspectives that exist in tension with one another. These tensions highlight key areas of competing interests or unresolved issues, and are ripe for discussion.
 - Strategic Insights: overview of findings, highlighting critical themes, white space to innovate, and key symbols of the city's current situation.
 - Asset Inventory: mapping the unique capabilities, individuals, organizations, and resources, to surface opportunities for collaboration and resource sharing.

OPTIONAL ADD-ON:

- Custom Community Survey
 - A custom community survey related to specific areas of concern or opportunity, as surfaced by interviews and community partners.

3. DESIGN A COHESIVE STRATEGY

A workshop using structured conversations to help Salina community leaders identify a compelling future and construct a cohesive strategy.

- A 2-day workshop to co-create a better future for the City of Salina. Workshop invitees will be selected by the Salina Chamber.
- In Day 1, using documents from above, as well as a series of future scenarios built from stakeholder insights, participants will select and refine a desirable future for Salina.
- In Day 2, participants will use this future to 'back into' a compelling and cohesive strategy. This will include fleshing out the focus areas that support the strategy, with work to be done both by a cross-functional team (see below) and various community partner organizations.
- Identify a cross-functional team to begin enacting the changes identified.
- Conclusions will be captured in pithy one-page deliverables that describe the future, the strategic choices, and areas of focus for the Salina community.

4. WALK THE FIRST MILE

Change is easier once it gets going. But creating initial momentum to change is difficult. We partner with teams to help create this initial momentum by providing structure and accountability in the early days of the change.

- Facilitate a half-day (4-6 hour) Launch Workshop to write more detailed goals and strategies for partner organizations.
- Co-write a Team Charter with the identified cross-functional team (made up of community partner organizations that are involved with seeing the strategic choice through).
- Connect (virtually or in-person) with cross-functional team across 6 meetings, using a structured approach to monitoring progress and iterating on tactics.

OPTIONAL ADD-ON: Facilitate mini-workshops with select individual community partner organizations (e.g. Community Foundation, Economic Development) to flesh out the application of the community strategy within their respective organizations.

CONSULTANTS

Brandon Gaide has served as strategic advisor to a wide variety of non-profit organizations, for-profit companies, and municipalities in the last seven years. In 2020 he partnered with Ben Hutton to launch Sevenfold to provide organizations in the region with a better way to grow. Prior to consulting, Brandon spent over a decade as an ordained pastor. Brandon uses his diverse background to help people see things differently, and leads with a deep conviction in the value of people. Brandon earned an MBA from Indiana University, a Master's of Divinity from Fuller Theological Seminary, and a Bachelor's from the University of Texas. He's married to Kelly, with whom he has two daughters, in Wichita, Kansas.

Jordan Buxton joined Sevenfold in 2022. Jordan is masterful at helping clients understand and navigate the human factors in leading change. With over 10 years of facilitation and strategic design experience, Jordan is both a teacher and practitioner of leadership, whose influence has reached the likes of the Kansas Association of School Boards, Leadership Kansas, Leadership Butler, El Dorado Inc., Circle School Board, etc. Jordan previously served as Executive Director of the El Dorado Chamber of Commerce. A native Kansan, Jordan earned a Bachelor's from WSU, and is the consummate lifelong learner. She lives with her husband and three children in El Dorado, Kansas.



Brandon Gaide

PRINCIPAL

bgaide@sevenfoldstrategy.com



Jordan Buxton

CONSULTANT

jbuxton@sevenfoldstrategy.com

INVESTMENT

Below are costs for the services described above. If and when there is an interest in one of these options, we will work with the Chamber to finalize the scope of work and formalize the proposal based on that scope. The costs below include travel time, but do not include expenses.

OPTION 1: \$42,000

Timeframe: Approximately 4-6 months

OPTION 2: \$72,000*

*Add-ons as described above are priced separately

Timeframe: Approximately 7-9 months

Bond and Interest Fund Mill Levy Projection

Salina Airport Authority

Debt Service and Levy Requirements

Year	Annual Debt Service Payments							Aggregate Debt Service	Reductions to Levy Amount				Net Debt Service to Levy	Assessed Valuation (3)	Mill Levy
	Outstanding Bonds and Notes						2023-A,B,C Bonds		Other Operating Revenues (1)	GA Box Hangar Revenues	Motor Vehicle Taxes (2)	Total Reductions			
	Bonds Series 2015-A	Bonds Series 2017-A	Bonds Series 2017-B	Bonds Series 2019-A	Bonds Series 2021-A	Total Outstanding									
2023													1,982,031	496,759,566	3.990
2024	91,043	1,705,600	165,550	77,043	175,305	2,214,540	847,994	3,062,534	(85,000)		(265,500)	(350,500)	2,712,034	511,302,867	5.304
2025	93,195	1,703,160	164,800	80,385	179,580	2,221,120	687,562	2,908,682	(85,000)	(75,000)	(315,667)	(475,667)	2,433,015	513,859,381	4.735
2026		1,522,598	449,050	78,530	178,455	2,228,633	687,562	2,916,195	(85,000)	(75,000)	(287,145)	(447,145)	2,469,050	516,428,678	4.781
2027		1,248,883	714,750	76,605	176,955	2,217,193	687,562	2,904,755	(85,000)	(76,875)	(288,051)	(449,926)	2,454,829	519,010,822	4.730
2028		1,245,333	717,200	79,575	175,305	2,217,413	687,562	2,904,975	(85,000)	(76,875)	(284,324)	(446,199)	2,458,776	521,605,876	4.714
2029		1,244,738	719,050	77,325	178,355	2,219,468	687,562	2,907,030	(85,000)	(78,797)	(282,285)	(446,082)	2,460,948	524,213,905	4.695
2030		1,291,875	675,300		176,030	2,143,205	687,562	2,830,767	(85,000)	(78,797)	(280,100)	(443,896)	2,386,871	526,834,975	4.531
2031			1,967,300		178,705	2,146,005	687,562	2,833,567	(85,000)	(80,767)	(271,133)	(436,900)	2,396,667	529,469,150	4.527
2032					175,985	175,985	1,787,562	1,963,547	(85,000)	(80,767)	(269,712)	(435,479)	1,528,068	532,116,495	2.872
2033					178,265	178,265	1,784,313	1,962,578	(85,000)	(82,786)	(190,393)	(358,179)	1,604,398	534,777,078	3.000
2034					180,130	180,130	1,784,200	1,964,330	(85,000)	(82,786)	(195,607)	(363,393)	1,600,937	537,450,963	2.979
2035					176,900	176,900	1,786,000	1,962,900	(85,000)	(84,856)	(193,686)	(363,541)	1,599,359	540,138,218	2.961
2036					178,500	178,500	1,785,800	1,964,300	(85,000)	(84,856)	(191,947)	(361,802)	1,602,498	542,838,909	2.952
2037					-	-	1,783,600	1,783,600	(85,000)	(86,977)	(190,631)	(362,608)	1,420,992	545,553,104	2.605
2038					-	-	1,784,400	1,784,400	(85,000)	(86,977)	(173,486)	(345,463)	1,438,937	548,280,869	2.624
2039					-	-	1,788,000	1,788,000	(85,000)	(89,151)	(173,594)	(347,745)	1,440,255	551,022,273	2.614
2040					-	-	1,784,200	1,784,200	(85,000)	(89,151)	(172,282)	(346,434)	1,437,766	553,777,385	2.596
2041					-	-	1,788,200	1,788,200	(85,000)	(91,380)	(170,662)	(347,042)	1,441,158	556,546,272	2.589
2042					-	-	1,784,600	1,784,600	(85,000)	(91,380)	(169,544)	(345,925)	1,438,675	559,329,003	2.572
2043					-	-	1,783,600	1,783,600	(85,000)	(93,665)	(167,951)	(346,616)	1,436,984	562,125,648	2.556
Total	184,238	9,962,185	5,573,000	469,463	2,308,470	18,497,355	27,085,406	45,582,761	(1,700,000)	(1,586,843)	(4,533,703)	(7,820,546)	39,744,247		

Assumptions:

(1) Represents transfer of operating revenues into Bond & Interest Fund.

(2) Based on Authority's estimated share of countywide motor vehicle tax collections.

(3) Assessed valuation grows annually at rate of: 0.50%

**SALINA AIRPORT AUTHORITY
RESOLUTION NO. 23-14**

A RESOLUTION LEVYING AN AD VALOREM TAX OF AN ESTIMATED 5.304 MILLS ON ALL TAXABLE TANGIBLE PROPERTY WITHIN THE CITY OF SALINA, KANSAS FOR THE PURPOSE OF PAYING THE INTEREST ON AND PRINCIPAL OF GENERAL OBLIGATION BONDS OF THE SALINA AIRPORT AUTHORITY PURSUANT TO K.S.A. (2016 Supp.) 27-323(a).

WHEREAS, the Salina Airport Authority has prepared a general obligation bond debt service budget for calendar year 2024 relating to general obligation bonds (the “Bonds”) issued by the Salina Airport Authority and approved by the governing body of the City of Salina, Kansas, all pursuant to K.S.A. (2016 Supp.) 27-323(a); and

WHEREAS, the Board of Directors has determined that sufficient funds are not available from operating revenues for such general obligation bond debt service; and

WHEREAS, the Salina Airport Authority is authorized by K.S.A. (2016 Supp.) 27-323(a) to annually levy a tax on all taxable tangible property within the City of Salina, Kansas, in addition to all other levies authorized by law and without the consent of the governing body of the City, in an amount sufficient to pay the interest on and principal of the Bonds as the same become due;

NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE SALINA AIRPORT AUTHORITY THAT:

1. The Salina Airport Authority levies an ad valorem tax in the amount of \$2,712,034 to be derived by an estimated 5.304 mills on each dollar of the assessed valuation of the taxable tangible property within the City of Salina, Kansas, for the year 2023 for the purpose of paying general obligation bond debt service in 2024 and providing funding for the principal and interest fund as detailed below:

	<u>Description</u>	<u>Amount</u>
a.	2015-A General Obligation Bonds (Refunded 2005-A & 2007-A, Fund terminal bldg. and Hangar 959 improvements)	\$91,043
b.	2017-A General Obligation Bonds (Refunded portion of 2009-B and 2011-A, helipad construction Rwy 17/35 improvements, airport industrial center improvements)	\$1,705,600
c.	2017-B General Obligation Bonds (Refunded 2009-A and 2011-B, matching funds AIP, airfield imp.)	\$165,550
d.	2019-A General Obligation Bonds (Rwy. 17/35 imps, ARFF equipment, AIP match)	\$77,043
e.	2021-A General Obligation Bonds (Rehabilitation of Hangars 504 and 959)	\$175,305
f.	2023-A,B,C General Obligation Bonds (Land acquisition, Terminal Concourse remodel, GA public restrooms, B595 warehouse rehabilitation, Hangar 626 renovation, apron and taxiway improvements, GA box hangars, new aviation fuel facility construction)	\$847,993

Less Estimated MV Tax revenue	(\$265,500)
Less Other Operating Revenues	<u>(85,000)</u>

TOTAL AD VALOREM TAX REQUIRED FOR PRINCIPAL & INTEREST FUND \$2,712,034

2. This levy shall be certified to the County Clerk of Saline County, Kansas, by the delivery of a signed copy of this Resolution to the office of the County Clerk of Saline County, Kansas, on or before October 1, 2023.

ADOPTED by the Board of Directors of the Salina Airport Authority this 20th day of September 2023.

SALINA AIRPORT AUTHORITY

By: _____
Tod Roberg, Chair

ATTEST:

By: _____
Kasey L. Windhorst, Board Clerk

(SEAL)



**SALINA AIRPORT AUTHORITY
RESOLUTION NUMBER 23-15**

A RESOLUTION LEVYING AN AD VALOREM TAX OF AN ESTIMATED 1 MILL ON ALL TAXABLE TANGIBLE PROPERTY WITHIN THE CITY OF SALINA, KANSAS FOR THE PURPOSE OF PROVIDING MATCHING FUNDS TO QUALIFY FOR ANY FEDERAL OR STATE GRANT RELATING TO THE DEVELOPMENT, IMPROVEMENT, OPERATION, OR MAINTENANCE OF THE SALINA REGIONAL AIRPORT PURSUANT TO K.S.A 27-322(b).

WHEREAS, pursuant to K.S.A. 27-322(b), if the Authority is required to provide matching funds to qualify for any federal or state grant relating to the development, improvement, operation, or maintenance of the public airport, and such funds are not otherwise available from revenues of the airport facility ("Matching Funds"), the Authority may levy a tax not to exceed one mill upon each dollar of the assessed tangible valuation of the property of the city.

WHEREAS, the requirement exists for the Salina Airport Authority to provide Matching Funds to qualify for Federal and State Grants in 2023.

WHEREAS, as required by K.S.A. 27-322(b), the Salina Airport Authority published its notice of its intent to levy up to one mill in the *Salina Journal* on June 28, 2023, and July 2, 2023.

WHEREAS, a petition requesting an election on the question of the Salina Airport Authority levying up to the additional one mill was not filed within 30 days following the last publication of the published Notice of Intent.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Salina Airport Authority (the "Authority"):

1. The Salina Airport Authority levies an ad valorem tax in the amount of \$511,303 to be derived by an estimated 1 mill on each dollar of the assessed valuation of the taxable tangible property within the City of Salina, Kansas, for the year 2023 for the purpose of providing matching federal and state grant funds.

2. This levy shall be certified to the County Clerk of Saline County, Kansas, by the delivery of a signed copy of this Resolution to the office of the County Clerk of Saline County, Kansas, on or before October 1, 2023.

ADOPTED by the Board of Directors of the Salina Airport Authority this 20th day of September 2023.

SALINA AIRPORT AUTHORITY

By: _____
Tod Roberg, Chair

ATTEST:

By: _____
Kasey Windhorst, Board Clerk

(SEAL)



STANDARD SPACE LEASE
Between
THE UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION
And
SALINA AIRPORT AUTHORITY

FAA CONTRACT NO: 697DCM-23-L-00161
ATID/FACILITY TYPE: SLN SSC
LOCATION: SALINA, KANSAS

1. **Preamble (09/2021) 6.1.1** This Lease for real property is hereby entered into by and between Salina Airport Authority, hereinafter referred to as the Lessor and the United States of America, acting by and through the Federal Aviation Administration, hereinafter referred to as the FAA.

2. **Space Lease Definitions (07/2022) 6.1.1-3** For purposes of this document, the following definitions apply:

Contract- refers to this legal instrument used to acquire an interest in real property for the direct benefit or use by the FAA. A lease is a contract for the acquisition of real property. For purposes of this document, the terms Contract and Lease are interchangeable.

Contractor- refers to the party(ies) awarded a direct procurement contract from the FAA and who is(are) responsible for performance of contract requirements. For purposes of this document, the terms Contractor, Lessor and Offeror are interchangeable.

Government- refers to the United States of America acting by and through the Federal Aviation Administration (FAA). For purposes of this document, the terms Government and FAA are interchangeable.

Real Estate Contracting Officer (RECO) - refers to a trained and warranted official, who has the authority to contract for real property on behalf of the FAA. For purposes of this agreement, the term RECO and Contracting Officer (CO) are interchangeable.

ANSI/BOMA Office Area (ABOA)- refers to the area where a tenant normally houses personnel, and/or furniture, for which a measurement is to be computed, as defined by the most current American National Standards Institute/Building Owners and Managers Association (ANSI/BOMA) publication.

Full Service Lease- refers to a lease structure where the rent covers all base rent, taxes, insurance, management, utilities, janitorial and any other operating expenses for the property.

3. **Succeeding Contract (09/2021) 6.1.2** This contract succeeds DTFACN-16-L-00001 and all other previous agreements between the parties for the property described in this document.

4. **Lease Witnesseth (09/2021) 6.1.3** Witnesseth: The parties hereto, for the consideration hereinafter mentioned, covenant and agree as follows:

5. **Leased Space Description (07/2022) 6.1.4** The Lessor hereby leases to the Government the following described premises: Approximately 2,459 rentable/ABOA square feet of office space at

2010A Rogers Court, also known as Hangar 409-B, and 1,697 rentable/ABOA square feet of storage and technical space at 2804 Arnold Avenue, also known as Building 412, Salina, Kansas 67401, as shown on Floor Plan, identified as Exhibit A, attached hereto and made a part hereof.

The Lessor shall provide 20 reserved off-street parking spaces at no additional cost to the Government. With respect to compliant accessible parking spaces, see the "Accessibility" clause.

6. **Purpose (09/2021) 6.1.5** It is understood and agreed that the use of the herein described premises shall be related to FAA's activities in support of the National Airspace System (NAS).
7. **Legal Authority (09/2021) 6.2.1** This contract is entered into under the authority of 49 U.S.C. 106(l)(6) and (n), which authorizes the Administrator of the FAA to enter into contracts, acquisitions of interests in real property, agreements, and other transactions on such terms and conditions as the Administrator determines necessary.
8. **Term (09/2021) 6.2.3** To have and to hold, for the term commencing on October 1, 2023 and continuing through September 30, 2033 inclusive, provided that adequate appropriations are available from year to year for the consideration herein.
9. **Option(s) to Extend Term (09/2021) 6.2.3-4** The contract may, at the option of the Government, be extended beyond September 30, 2033 at the rental rate established in the "Consideration" clause herein. The extension shall be upon the terms and conditions herein specified and no extension shall extend beyond September 30, 2043. The Government shall notify the contractor in writing, no later than 30 days before the expiration of the Lease term including all options exercised, of its intent to exercise the option(s) or of its intent to vacate the premises at the end of said term. Any extension exercised by the Government pursuant to this clause shall be subject to the availability of adequate appropriations from year to year for the payment of rentals.
10. **Consideration (Standard Space) (09/2021) 6.2.4-1**
 - A. The Government shall pay annual rent for the premises, payable in monthly installments in arrears, at the following rate(s) (monthly installments may vary based on rounding):

Office Area (2,459 RSF)	Rent per RSF	Rent per Year	Rent per Month
Base Rent	\$7.20	\$17,704.80	\$1,475.40
Operating costs	\$8.39	\$20,631.01	\$1,719.25
Total	\$15.59	\$38,335.81	\$3,194.65
Technical Space (1,697 RSF)	Rent per RSF	Rent per Year	Rent per Month
Base Rent	\$5.87	\$9,961.39	\$830.12
Operating costs	\$3.52	\$5,973.44	\$497.79
(no janitorial service provided)			
Total	\$9.39	\$15,934.83	\$1,327.90
Total annual base rent		\$27,666.19	
Total annual operating costs		\$26,604.45	
Annual grand total		\$54,270.64	

- B. Payment shall be made in arrears, without the submission of invoices or vouchers. Payments are due on the first business day following the end of the payment period and are subject to

available appropriations. The payments shall be directly deposited in accordance with the “Payment by Electronic Funds Transfer” clause in this contract. Payments shall be considered paid on the day an electronic funds transfer is made.

C. Payment shall be made in full to: Salina Airport Authority

- 11. Termination for Convenience (09/2021) 6.2.5-1** The Government may terminate this contract at any time, in whole or in part, if the Contracting Officer (CO) determines that a termination is in the best interest of the Government. The CO shall terminate by delivering to the contractor a written notice specifying the effective date of the termination. The termination notice shall be issued 30 days before the effective termination date.

After termination, the Contractor may submit a final termination settlement proposal to the CO in the form and with the certification prescribed by the CO. The proposal must include all documentation necessary to validate the proposal.

The contractor must submit the proposal no later than one (1) year from the effective date of termination unless the submission deadline is extended in writing by the CO upon written request of the contractor within this one (1) year period. However, if the CO determines that the facts justify it, a termination settlement proposal may be received and acted on after one (1) year or any extension. If the contractor fails to submit the proposal within the time allowed, the CO may determine, on the basis of information available, the amount, if any, due the contractor because of the termination and shall pay the amount so determined.

After submission of final termination settlement proposal, the Contractor and the Contracting Officer may agree upon the whole or any part of the amount to be paid because of the termination.

If the contractor and the CO fail to agree, the Government will pay the contractor the amounts determined by the CO as follows:

- 1) The contract price for any unpaid rents;
- 2) The remaining principle balance of Tenant Improvement allowance as described in the clause titled “Lessor’s Recovery of Tenant Improvement Allowance in the Event of Termination” within this contract; and
- 3) Reasonable costs associated with termination.

If the termination is partial, the contractor may file a proposal with the CO for an equitable adjustment of the price(s) of the continued portion of the contract. If agreed upon, the CO may make the equitable adjustment. Any proposal by the contractor for an equitable adjustment under this clause must be requested within 90 days from the effective date of termination unless extended in writing by the CO.

The contractor may file a claim with the Federal Aviation Administration Office of Dispute Resolution for Acquisition based on any determination made by the CO pursuant to this clause. Nothing in this clause will obligate the government to spend in excess of available appropriations.

12. Termination for Default (09/2021) 6.2.5-2

A. Subject to the provision of notice of default to the Lessor, and the provision of reasonable opportunity for the Lessor to cure the default, the following conditions constitute default by the Lessor:

- i. Prior to Acceptance of the Premises. Failure by the Lessor to perform all obligations required for acceptance of the space, to include, but are not limited to, all obligations included within the statement of work and lease clauses, within the times specified, without such failure in performance

being affirmatively excused, in writing, by the RECO.

ii. After Acceptance of the Premises. Failure by the Lessor to perform any service, or to make progress in the work so as to endanger performance; the failure to make any item; or the failure to satisfy any requirement of this Lease, without such failure being affirmatively excused, in writing, by the RECO.

B. Grounds for Termination. The Government may terminate the Lease, in whole or in part, if:

i. after given notice and reasonable opportunity to cure by the Government, the Lessor's default persists; or

ii. the Lessor fails to take such actions as necessary to prevent the recurrence of default conditions, and such conditions substantially impair the Government's use or occupancy of the Premises, as determined by the Government.

C. The rights and remedies specified in this clause are in addition to all remedies to which the Government may be entitled to as a matter of law.

13. Excuse (09/2021) 6.2.5-3

A. The Lessor will not be in default because of any failure to perform the requirements of this Lease under its terms if the failure arises from causes beyond the control and without the fault or negligence of the Lessor.

B. Permissible causes for excuse are:

i. acts of God (e.g., fires, floods, pandemics, epidemics, unusually severe weather, etc.),

ii. acts of the public enemy,

iii. acts of the Government in either its sovereign or contractual capacity,

iv. pandemic, epidemic, or quarantine restrictions,

v. strikes, and

vi. freight embargoes. In each instance, the failure to perform must be beyond the control and without the fault or negligence of the Lessor.

C. Excuse will not be granted when:

i. the Lessor had actual or constructive knowledge prior to the Lease Award Date that he/she could not perform in accordance with the requirements of the Lease contract;

ii. the conditions of the property prevent performance;

iii. the Lessor, its employees, agents or contractors, by error or omission, fails to perform; or

iv. the Lessor is unable to obtain sufficient financial resources to perform its obligations.

D. The RECO will ascertain the facts and extent of the failure. If the RECO determines that any failure to perform is excusable, the RECO will revise the delivery schedule subject to the rights of the Government under the default and termination clauses of this contract.

14. Binding Effect (09/2021) 6.2.6 The provisions of this contract and the conditions herein shall be binding upon, and for the benefit of, the parties and their successors and assigns. In the event of any sale or transfer of ownership of the property or any portion thereof, the Government will be deemed to have attorned to any purchaser, successor, assign, or transferee. The succeeding owner will be deemed to have assumed all rights and obligations of the contractor under this contract establishing direct privity of estate and contract between the Government and said succeeding owner, with the same force, effect, and relative priority in time and right as if the contract had initially been entered into between such succeeding owner and the Government.

15. Operating Cost Escalator 6.2.8

- A. The base for the operating costs adjustment will be \$7.14 for Hangar 409-2 and \$3.00 for Bldg. 412 per square foot.
- B. Calculating Annual Adjustment: Beginning October 1, 2024, and each year after, the Government shall reimburse the Lessor for changes in the costs of services and utilities attributable to the Government's occupancy. The Government will pay actual expenses incurred each lease year (October 1 – September 30) after the first year. To justify any increase in operating expenses, the Lessor will submit supporting documents (i.e. copies of invoices paid) to request any additional payments. The Lessor must furnish invoices and documentation to the Government by December 31 of the same calendar year. Only one adjustment will be made annually and will become effective thirty (30) days from receipt of notice, but no earlier than the first day of October of the adjustment year. Upon approval of the request by the RECO, the Government will provide the Lessor with a lump-sum payment. If desired by both parties, the operating expenses may be renegotiated for the option term, and the lease may be amended by supplemental agreement. Additional reimbursement for operating expenses may not exceed 5% of the previous year's operating expenses. In the event of any decreases in operating expenses during the term of the Government's occupancy under this lease, the rental amount of costs of services and utilities will be reduced accordingly. The amount of such reductions will be determined in the same manner as increases in rent provided under this article.

16. Fixed Holdover (01/2022) 6.2.12-1 If after the expiration of the Lease, the Government shall retain possession of the premises, the Lease shall continue in full force and effect on a month-to-month basis for a period not to exceed 365 days. Payment shall be made in accordance with the Consideration clause of the Lease, in arrears on a prorated basis, at the rate paid during the Lease term.

17. RE Clauses Incorporated by Reference (09/2021) 6.3.0 This solicitation or contract, as applicable, incorporates by reference the provisions or clauses listed below with the same force and effect as if they were given in full text. Upon request, the RECO will make the full text available, or the full text may be obtained via internet at https://fast.faa.gov/RPF_Real_Property_Clauses.cfm.

- A. **Officials Not To Benefit (09/2021) 6.3.0-2**
- B. **Assignment of Claims (09/2021) 6.3.0-3**
- C. **Contracting Officer's Representative (09/2021) 6.3.0-4**
- D. **Contingent Fees (09/2021) 6.3.0-5**
- E. **Anti-Kickback Procedures (09/2021) 6.3.0-6**
- F. **Equal Opportunity (09/2021) 6.3.0-7**
- G. **Equal Opportunity for Veterans (04/2022) 6.3.0-8**
- H. **Equal Opportunity for Workers with Disabilities (04/2022) 6.3.0-9**

18. Funding Responsibility for FAA Facilities (09/2021) 6.3.6 The Contractor agrees that all Contractor requested relocation(s), replacement(s), or modification(s) of any existing or future FAA navigational aid or communication system(s) necessitated by Contractor improvements or changes will be at the expense of the Contractor. In the event that the Contractor requested changes or improvements interferes with the technical and/or operational characteristics of the FAA's facility, the Contractor will immediately correct the interference issues at the Contractor's expense. Any FAA requested relocation, replacement, or modifications shall be at the FAA's expense. In the event such relocations, replacements, or modifications are necessary due to causes not attributable to either

the Contractor or the FAA, funding responsibility shall be determined by mutual agreement between the parties, and memorialized in a Supplemental Agreement.

19. **Accessibility (09/2021) 6.3.7** The building and the leased premises must be accessible to persons with disabilities pursuant to the Architectural Barriers Act and Rehabilitation Act as detailed in the Architectural Barriers Act Accessibility Standards (ABAAS) 41 CFR Parts 102-71, 102-72, et al, and all applicable state and local accessibility laws and regulations. ABAAS is available at www.access-board.gov.

Subject to the exception set forth herein, separate ABAAS compliant restroom facilities for men and women must be provided on each floor where the Government leases space. Separate ABAAS compliant restroom facilities must not be required if due to the age of the building, design layout, or other structural requirements, it is technically infeasible to do so. In the event the Lessor determines that it is technically infeasible to provide separate ABAAS compliant restroom facilities, the Lessor must provide the basis for the determination of technical infeasibility in writing to the RECO, together with all supporting documentation.

With respect to all restrooms, water closets, and urinals, they must not be visible when the exterior door is open. Each restroom must contain toilet paper dispensers, soap dispensers, paper towel dispensers, waste receptacles, a sanitary napkin dispenser, and receptacle for each toilet in the women's restroom, disposable toilet seat cover dispensers, a convenience outlet, and hot and cold water. Two or more drinking fountains must be provided. One drinking fountain shall be a low unit commonly called a wheelchair unit and one drinking fountain shall comply with standing persons' requirements, unless sufficient space is not available to provide both a wheelchair unit and a unit for standing persons. In such instance, and subject to the approval of the RECO, a single unit able to accommodate both disabled and non-disabled persons must be provided.

In addition, compliant accessible parking spaces must be provided in accordance with the ABAAS requirements as detailed in 42 U.S.C. 4151 and as set forth in the ABAAS Scoping Requirements.

20. **Changes (09/2021) 6.3.8**

A. The RECO may at any time, by written order via Supplemental Agreement, make changes within the general scope of this Lease in any one or more of the following:

- i. Work or services;
- ii. Facilities or space layout;
- iii. Amount of space/land;
- iv. Any other change made within the scope of this lease.

B. If any such change causes an increase or decrease in the Lessor's cost or time required for performance under this lease, the RECO will modify this Lease to provide one or more of the following:

- i. An equitable adjustment in the rental rate;
- ii. A lump sum equitable adjustment;
- iii. An equitable adjustment of the annual operating costs per rentable square foot; or
- iv. An adjustment to the delivery date.

C. The Lessor must assert its right to an adjustment by written proposal under this clause within thirty (30) days from the date of receipt of the change order. Lessor's request must include all documentation necessary to validate his/her right to an adjustment. Failure to reach agreement on any adjustment constitutes grounds for dispute under the Contract Disputes clause.

- D. Nothing in this clause excuses the Lessor from proceeding with the change as directed.
- E. Absent written supplemental agreement the Government is not liable to the Lessor under this clause.

- 21. **Failure in Performance (09/2021) 6.3.16** In the event the Contractor fails to perform a service, provide an item, or satisfy a requirement under this Contract, the Government may:
 - A. perform the service, provide the item, or satisfy the requirement itself, and abate the rent by its actual costs (including administrative costs) incurred in doing so,
 - B. not correct the Contractor's performance and abate the rent by an amount reasonably calculated to approximate the decreased value of the Contract arising from the Contractor's failure to perform, or
 - C. pursue termination of the contract under the "Termination" clause(s) in this Contract.
- 22. **No Waiver (09/2021) 6.3.17** No failure by the Government to insist upon strict performance of any provision of this Contract or failure to exercise any right, or remedy consequent to a breach thereof, will constitute a waiver of any such breach in the future.
- 23. **Non-Restoration (09/2021) 6.3.18** It is hereby agreed between the parties that, upon termination of its occupancy, including any holdover period, the Government shall have no obligation to restore and/or rehabilitate, either wholly or partially, the property that is the subject of this contract. It is further agreed that the Government may abandon in place any or all of the structures and equipment installed in or located upon said property by the Government during its tenure. Such abandoned equipment shall become the property of the contractor.
- 24. **Quiet Enjoyment (09/2021) 6.3.25** The Contractor warrants that they have good and valid title to the premises, and rights of ingress and egress, and warrants and covenants to defend the Government's use and enjoyment of said premises against third party claims.
- 25. **Damage by Fire or Other Casualty or Environmental Hazards (09/2021) 6.3.26** If the premises is partially or totally destroyed or damaged by fire or other casualty or if environmentally hazardous conditions are found to exist so that the premises is untenable as determined by the Government, the Government may agree to allow restoration/reconstruction, or may elect to terminate the contract, in whole or in part, immediately by giving written notice to the contractor and no further rental will be due. The Government shall have no duty to pay rent while the premises are unoccupied.
- 26. **Delivery and Condition (09/2021) 6.3.27** Unless the Government elects to have the space occupied in increments, the space must be delivered ready for occupancy as a complete unit by the agreed upon occupancy date. The Government reserves the right to determine when the space is ready to occupy, and to assess damages in the event the occupancy date is not met.
- 27. **Occupancy Permit (09/2021) 6.3.27-1** The premises offered must have a valid Occupancy Permit, issued by the local jurisdiction, for the intended use of the Government, or the Lessor will complete and provide a certified copy of the "Checklist: FAA Safety & Environmental Certification" form, in lieu of an occupancy permit, at the RECO's discretion.
- 28. **Interference (09/2021) 6.3.28** In the event that FAA operations interfere with the Contractor's facility, the Contractor must immediately notify the RECO. The FAA will begin assessment of interference immediately upon notification.

If the Contractor or its facility interferes with the FAA's equipment and the Contractor either knows of, or is notified by the FAA, of the interference, the Contractor will immediately remediate the interference at its own cost.

Notification under this clause must include the following information, if known:

- A. type of interference,
- B. the commencement date of the interference, and
- C. the root cause of the interference.

29. **Alterations (09/2021) 6.3.29** The Government shall have the right during the term of this Lease, including any extensions thereof, to make alterations, attach fixtures, and erect structures or signs in or upon the premises hereby leased, which fixtures, alterations or structures so placed in, on, upon, or attached to the said premises shall be and remain the property of the Government and may be removed or otherwise disposed of by the Government. The parties hereto mutually agree and understand, that no restoration rights shall accrue to the Lessor for any alterations or removal of alterations to the leased premises under this Lease, and that the Government shall have the option of abandoning alterations in place, when terminating the Lease, at no additional cost.
30. **Hold Harmless (09/2021) 6.3.30** In accordance with and subject to the conditions, limitations and exceptions set forth in the Federal Tort Claims Act, 28 U.S.C. Ch. 17, the Government will be liable to persons damaged by any personal injury, death or injury to or loss of property, which is caused by a negligent or wrongful act or omission of an employee of the Government while acting within the scope of his office or employment under circumstances where a private person would be liable in accordance with the law of the place where the act or omission occurred. The foregoing shall not be deemed to extend the Government's liability beyond that existing under the Act at the time of such act or omission or to preclude the Government from using any defense available in law or equity.
31. **Compliance with Applicable Laws (09/2021) 6.3.31** The Lessor shall comply with all federal, state and local laws applicable to the Lessor as owner or Lessor, or both, of building or premises, including, without limitation, laws applicable to the construction, ownership, alteration or operation of both or either thereof, and will obtain all necessary permits, licenses and similar items at Lessor's expense. This Lease shall be governed by federal law.
The Government will comply with all federal, state, and local laws applicable to and enforceable against it as a tenant under this lease, provided that nothing in this lease shall be construed as a waiver of the sovereign immunity of the Government.
32. **Examination of Records (09/2021) 6.3.32** The Comptroller General of the United States, the Administrator of FAA or a duly authorized representative of either shall, until three (3) years after final payment under this contract, have access to and the right to examine any of the Lessor's directly pertinent books, documents, paper, or other records involving transactions related to this contract.
33. **Subordination, Nondisturbance and Attornment (09/2021) 6.3.33**
A. The Government agrees, in consideration of the warranties and conditions set forth in this clause, that this contract is subject and subordinate to any and all recorded mortgages, deeds of trust and other liens now or hereafter existing or imposed upon the premises, and to any renewal, modification or extension thereof. It is the intention of the parties that this provision shall be self-operative and that no further instrument shall be required to effect the present or subsequent subordination of this

contract. Based on a written demand received by the RECO, the Government will review and, if acceptable, execute such instruments as the contractor may reasonably request to evidence further the subordination of this contract to any existing or future mortgage, deed of trust or other security interest pertaining to the premises, and to any water, sewer or access easement necessary or desirable to serve the premises or adjoining property owned in whole or in part by the contractor if such easement does not interfere with the full enjoyment of any right granted the Government under this contract.

B. No such subordination, to either existing or future mortgages, deeds of trust or other lien or security instrument shall operate to affect adversely any right of the Government under this contract so long as the Government is not in default under this contract. Contractor will include in any future mortgage, deed of trust or other security instrument to which this contract becomes subordinate, or in a separate non-disturbance agreement, a provision to the foregoing effect. Contractor warrants that the holders of all notes or other obligations secured by existing mortgages, deeds of trust or other security instruments have consented to the provisions of this clause, and agrees to provide true copies of all such consents to the RECO promptly upon demand.

C. In the event of any sale of the premises or any portion thereof by foreclosure of the lien of any such mortgage, deed of trust or other security instrument, or the giving of a deed in lieu of foreclosure, the Government will be deemed to have attorned to any purchaser, purchasers, transferee or transferees of the premises or any portion thereof and its or their successors and assigns, and any such purchasers and transferees will be deemed to have assumed all obligations of the contractor under this contract, so as to establish direct privity of estate and contract between Government and such purchasers or transferees, with the same force, effect and relative priority in time and right as if the contract had initially been entered into between such purchasers or transferees and the Government; provided, further, that the RECO and such purchasers or transferees shall, with reasonable promptness following any such sale or deed delivery in lieu of foreclosure, execute all such revisions to this contract, or other writings, as shall be necessary to document the foregoing relationship.

D. None of the foregoing provisions may be deemed or construed to imply a waiver of the Government's rights as a sovereign.

34. Change of Ownership/Novation (10/2022) 6.3.34-1

A. If during the term of the Lease, title to the Property is transferred or the Lessor changes its legal name, the Lessor shall notify the Government within five days of the transfer of title/change of name.

B. The Government and the Lessor must execute a Supplemental Agreement acknowledging the transfer of title or name change.

C. If title to the Property is transferred, the Government, the original Lessor (Transferor), and the new owner or assignee (Transferee) shall execute a Novation Agreement providing for the transfer of Transferor's rights and obligations under the Lease to the Transferee. When executed on behalf of the Government, a Novation Agreement will be made part of the Lease via Supplemental Agreement.

D. The RECO may request additional information (e.g., copy of the deed, bill of sale, certificate of merger, contract, court decree, articles of incorporation, operation agreement, partnership certificate of good standing, etc.) from the Transferor or Transferee to verify the parties' representations regarding the transfer.

E. If the RECO determines that recognizing the Transferee as the Lessor will not be in the

Government's interest, the Transferor shall remain fully liable to the Government for the Transferee's performance of obligations under the Lease, notwithstanding the transfer. Under no condition shall the Government be obligated to release the Transferor of obligations prior to (a) the rent commencement date; and (b) any amounts due and owing to the Government under the Lease that have been paid in full or completely set off against the rental payments due under the Lease.

F. As a condition for being recognized as the Lessor and entitlement to receiving rent, the Transferee must register in the System for Award Management (SAM) for purposes of "All Awards", and complete all required representations and certifications within SAM and the "Representation Regarding Certain Telecommunications and Video Surveillance Services or Equipment" in this contract.

G. If title to the Property is transferred, rent shall continue to be paid to the original Lessor, subject to the Government's rights as provided for in this Lease. The Government's obligation to pay rent to the Transferee shall commence on the effective date of the Lease Amendment incorporating the Novation Agreement. The Lease Amendment will not be issued until the Government has received all information reasonably required by the RECO, the Government has determined that recognizing the Transferee as the Lessor is in the Government's interest (which determination will be prompt and not unreasonably withheld), and the Transferee has met all conditions specified in sub-paragraph F.

35. **Sublease (09/2021) 6.3.35** The Government reserves the right to sublease the space covered under this Lease to another agency or private party. In subleasing this space to another party, the Government is not relieved from its responsibilities under the terms of this Lease unless otherwise agreed upon with the Lessor.
36. **Integrated Agreement (09/2021) 6.3.36** This Contract, upon execution, contains the entire agreement of the parties, and no prior written or oral agreement, express or implied shall be admissible to contradict the provisions of this Contract.
37. **Unauthorized Negotiating (09/2021) 6.3.37** In no event shall the Contractor enter into negotiations concerning the premises with anyone other than the RECO or his/her designee.
38. **Inspection of Leased Premises (09/2021) 6.3.38** To ensure a safe and healthy work environment for government employees, agents, and assigns, and to ensure the Contractor's performance under this contract, the Government at all times and places during the term of the contract has the right to:
- A. inspect the leased premises and all other areas of the building to which access is necessary,
 - B. test all performance requirements under the contract, and
 - C. perform any necessary sampling and evaluation to ensure contract compliance.
- If inspection reveals a contractual non-conformance, then the Government may require the Contractor to perform in accordance with the contract requirements at no increase in contract amount or the Government, in its sole discretion, may perform the work itself in accordance with the "Failure in Performance" clause of this Contract.
- The presence or absence of a government inspection does not relieve the Contractor from any contract requirement, nor is the inspector authorized to change any term or condition of the contract without the RECO's written authorization.
39. **Contract Disputes (09/2021) 6.3.39**
- A. All contract disputes arising under or related to this contract shall be resolved through the Federal Aviation Administration (FAA) dispute resolution system at the Office of Dispute Resolution for

Acquisition (ODRA) and shall be governed by the procedures set forth in 14 C.F.R. Parts 14 and 17, which are hereby incorporated by reference. Judicial review, where available, will be in accordance with 49 U.S.C. 46110 and shall apply only to final agency decisions. A contractor may seek review of a final FAA decision only after its administrative remedies have been exhausted.

B. The filing of a contract dispute with the ODRA may be accomplished by mail, overnight delivery, hand delivery, or by facsimile, or if permitted by Order of the ODRA, by electronic filing. A contract dispute is considered to be filed on the date it is received by the ODRA during normal business hours. The ODRA's normal business hours are from 8:30 am to 5:00 pm Eastern Time.

C. Contract disputes are to be in writing and shall contain:

- i. The contractor's name, address, telephone and fax numbers and the name, address, telephone and fax numbers of the contractor's legal representative(s) (if any) for the contract dispute;
- ii. The contract number and the name of the Contracting Officer;
- iii. A detailed chronological statement of the facts and of the legal grounds for the contractor's positions regarding each element or count of the contract dispute (i.e., broken down by individual claim item), citing to relevant contract provisions and documents and attaching copies of those provisions and documents;
- iv. All information establishing that the contract dispute was timely filed;
- v. A request for a specific remedy, and if a monetary remedy is requested, a sum certain must be specified and pertinent cost information and documentation (e.g., invoices and terminated checks) attached, broken down by individual claim item and summarized; and
- vi. The signature of a duly authorized representative of the initiating party

D. Contract disputes shall be filed at the following address:

- i. For filing by hand delivery, courier or other form of in-person delivery:

Office of Dispute Resolution for Acquisition
Federal Aviation Administration
600 Independence Avenue SW., Room 2W100
Washington, DC 20591; or

For filing by U.S. Mail:

Office of Dispute Resolution for Acquisition
Federal Aviation Administration
800 Independence Avenue SW
Washington, DC 20591
Attention: AGC-70, Wilbur Wright Bldg. Room 2W100; or

Telephone: (202) 267-3290

Facsimile: (202) 267-3720

Alternate Facsimile: (202) 267-1293; or

- ii. Other address as specified in 14 CFR Part 17.

E. A contract dispute against the FAA shall be filed with the ODRA within two (2) years of the accrual of the contract claim involved. A contract dispute by the FAA against a contractor (excluding contract disputes alleging warranty issues, fraud or latent defects) likewise shall be filed within two (2) years after the accrual of the contract claim. If an underlying contract entered into prior to the effective date of this part provides for time limitations for filing of contract disputes with the ODRA which differ from the aforesaid two (2) year period, the limitation periods in the contract shall control over the limitation period of this section. In no event will either party be permitted to

file with the ODRA a contract dispute seeking an equitable adjustment or other damages after the contractor has accepted final contract payment, with the exception of FAA claims related to warranty issues, gross mistakes amounting to fraud or latent defects. FAA claims against the contractor based on warranty issues must be filed within the time specified under applicable contract warranty provisions. Any FAA claims against the contractor based on gross mistakes amounting to fraud or latent defects shall be filed with the ODRA within two (2) years of the date on which the FAA knew or should have known of the presence of the fraud or latent defect.

F. A party shall serve a copy of the contract dispute upon the other party, by means reasonably calculated to be received on the same day as the filing is to be received by the ODRA.

G. After filing the contract dispute, the contractor should seek informal resolution with the Contracting Officer.

H. The FAA requires continued performance with respect to contract disputes arising under this contract, in accordance with the provisions of the contract, pending a final FAA decision.

I. The FAA will pay interest on the amount found due and unpaid from (1) the date the Contracting Officer receives the contract dispute, or (2) the date payment otherwise would be due, if that date is later, until the date of payment. Simple interest on contract disputes shall be paid at the rate fixed by the Secretary of the Treasury that is applicable on the date the Contracting Officer receives the contract dispute and then at the rate applicable for each 6-month period as fixed by the Treasury Secretary until payment is made. Interest will not accrue for more than one year.

J. Additional information and guidance about the ODRA dispute resolution process for contract disputes can be found on the ODRA website at <http://www.faa.gov>.

40. Organizational Conflict of Interest (01/2023) 6.3.47

A. The offeror or Contractor warrants that, to the best of the Contractor's knowledge and belief, there are no relevant facts or circumstances which could give rise to an organizational conflict of interest (OCI), as defined in the FAA Acquisition Management System, "Organizational Conflicts of Interest (T3.1.7)", or that the Contractor has disclosed all such relevant information.

B. The offeror or Contractor agrees that if an actual or potential OCI is discovered after award, the Contractor must make a full disclosure in writing to the Contracting Officer. The disclosure must include a mitigation plan describing actions the Contractor has taken or proposes to take to avoid, mitigate, or neutralize the actual or potential conflict. Changes in the Contractor's relationships due to mergers, consolidations or any unanticipated circumstances may create an unacceptable organizational conflict of interest which may necessitate disclosure.

C. The FAA reserves the right to review and audit OCI mitigation plans as needed after award, and to reject mitigation plans if the OCI, in the opinion of the Contracting Officer, cannot be avoided, or mitigated.

D. The Contracting Officer may terminate this contract for convenience in whole or in part, if it deems such termination necessary to avoid an OCI. If the Contractor was aware of a potential OCI prior to award or discovered an actual or potential conflict after award and did not disclose or misrepresented relevant information to the Contracting Officer, the Government may terminate this contract for default, debar the Contractor from government contracting, or pursue such other remedies as may be permitted by law or this contract.

E. The Contractor further agrees to insert provisions which must conform substantially to the language of this clause including this paragraph (d) in any subcontract or consultant agreement hereunder.

41. System for Award Management - Real Property (04/2022) 6.4.1-1

(a) Definitions. As used in this clause:

"Registered in the SAM database" means that the Contractor has entered all mandatory information, including the Unique Entity Identifier (UEI) or the Electronic Funds Transfer indicator, into the SAM database.

"System for Award Management (SAM) Database" means the primary Government repository for Contractor information required for the conduct of business with the Government.

"Unique Entity Identifier (UEI)" (also known as the Unique Entity ID) means a number or other identifier used to identify a specific commercial, nonprofit, or Government entity. See www.sam.gov for the designated entity for establishing Unique Entity Identifiers.

"Electronic Funds Transfer indicator" means a 4-character suffix to the Unique Entity Identifier. This 4-character suffix may be assigned at the discretion of the business concern to establish additional SAM records for identifying alternative Electronic Funds Transfer (EFT) accounts for the same parent concern.

"Contractor" is synonymous with "Offeror" "Lessor" or "Grantor" for real property leases, easements, or other contracts.

(b)(1) By submission of an offer, the Contractor acknowledges the requirement that a prospective awardee will be registered in the SAM database prior to award, during performance, and through final payment of any contract.

(2) The Contractor must enter, in the space below, the contractor's UEI that identifies the Contractor's name and address exactly as stated in the offer. The UEI will be used by the RECO to verify that the Contractor is registered in the SAM database.

UEI: **U52XQG5AF6N9**

(c) If the Contractor does not have a UEI, it should contact www.sam.gov directly to obtain one. The Contractor should be prepared to provide the following information:

- (1) Company* legal business name.
- (2) Tradestyle, doing business, or other name by which your entity is commonly recognized.
- (3) Company Physical Street Address, City, State, and Zip Code.
- (4) Company Mailing Address, City, State and Zip Code (if separate from physical).
- (5) Company Telephone Number.
- (6) Date the company was started.
- (7) Number of employees at your location.
- (8) Chief executive officer/key manager.
- (9) Line of business (industry).
- (10) Company Headquarters name and address (reporting relationship within your entity).

* Individual (non-corporate) lessors/grantors of real property that are not normally in the business of leasing real property should consider leasing to the Government as a separate business (usually a sole proprietorship) then provide the pertinent ownership information as a sole proprietor when providing this information to www.sam.gov.

(d) If the offeror does not become registered in the SAM database in the time prescribed by the RECO, the RECO may proceed to award to the next otherwise successful registered offeror.

(e) Processing time should be taken into consideration when registering. Offerors who are not registered should consider applying for registration immediately upon receipt of the solicitation.

(f) The Contractor is responsible for the accuracy and completeness of the data within the SAM database, and for any liability resulting from the Government's reliance on inaccurate or incomplete data. To remain registered in the SAM database after initial registration, the Contractor is required to review and update, on an annual basis from the date of initial registration or subsequent updates, its information in the SAM database to ensure it is current, accurate and complete. Updating information in the SAM does not alter the terms and conditions of this contract and is not a substitute for a properly executed contractual document.

(g)(1)(i) If a Contractor has legally changed its business name, "doing business as" name, or division name (whichever is shown on the contract), or has transferred the assets used in performing the contract, but has not completed the necessary requirements regarding novation and change-of-name agreements in AMS Procurement Guidance, the Contractor must provide the responsible RECO a minimum of one business day's written notification of its intention to:

(A) Change the name in the SAM database;

(B) Comply with the requirements of AMS regarding novation and change-of-name agreements; and

(C) Agree in writing to the timeline and procedures specified by the RECO. The Contractor must provide the RECO notification and sufficient documentation to support the legally changed name and then execute the appropriate supplemental agreement provided by the RECO to document the name change.

(ii) If the Contractor fails to comply with the requirements of paragraph (g)(1)(i) of this clause, or fails to perform the agreement at paragraph (g)(1)(i)(C) of this clause, and, in the absence of a properly executed novation or change-of-name agreement/supplemental agreement, the SAM information that shows the Contractor to be other than the Contractor indicated in the contract will be considered to be incorrect information within the meaning of the "Suspension of Payment" paragraph of the Payment by Electronic Funds Transfer- System for Award Management clause of this contract.

(2) The Contractor must not change the name or address for EFT payments or manual payments, as appropriate, in the SAM record to reflect an assignee for the purpose of assignment of claims. Assignees must be separately registered in the SAM database. Information provided to the Contractor's SAM record that indicates payments, including those made by EFT, to an ultimate recipient other than that Contractor will be considered to be incorrect information within the meaning of the "Suspension of payment" paragraph of the Payment by Electronic Funds Transfer- System for Award Management clause of this contract.

(h) Contractors may obtain information on registration and annual confirmation requirements via the internet at <http://www.sam.gov> or by calling 866-606-8220.

42. Payment by Electronic Funds Transfer- System for Award Management (09/2021) 6.4.2-1

A. Method of payment.

i. Unless waived by the RECO, all payments by the Government under this contract will be made by electronic funds transfer (EFT), except as provided in paragraph (A)(ii) of this clause. As used in this clause, the term "EFT" refers to the funds transfer and may also include the payment information transfer.

ii. In the event the Government is unable to release one or more payments by EFT, the Contractor agrees to either:

- a. Accept payment by check or some other mutually agreeable method of payment; or
- b. Request the Government to extend the payment due date until such time as the Government can make payment by EFT (but see paragraph (D) of this clause).

B. Contractor's EFT information. The Government will make payment to the Contractor using the EFT information contained in the System for Award Management (SAM) database. In the event that the EFT information changes, the Contractor must be responsible for providing the updated information to the SAM database.

C. Mechanisms for EFT payment. The Government may make payment by EFT through either the Automated Clearing House (ACH) network, subject to the rules of the National Automated Clearing House Association, or the Fedwire Transfer System. The rules governing Federal payments through the ACH are contained in 31 CFR Part 210.

D. Suspension of payment. If the Contractor's EFT information in the SAM database is incorrect, then the Government need not make payment to the Contractor under this contract until correct EFT information is entered into the SAM database; and any invoice or contract financing request will be deemed not to be a proper invoice for the purpose of prompt payment under this contract. The prompt payment terms of the contract regarding notice of an improper invoice and delays in accrual of interest penalties apply.

E. Liability for uncompleted or erroneous transfers.

i. If an uncompleted or erroneous transfer occurs because the Government used the Contractor's EFT information incorrectly, the Government remains responsible for

- a. Making a correct payment;
- b. Paying any prompt payment penalty due; and
- c. Recovering any erroneously directed funds.

ii. If an uncompleted or erroneous transfer occurs because the Contractor's EFT information was incorrect, or was revised within 30 days of Government release of the EFT payment transaction instruction to the Federal Reserve System, and

a. If the funds are no longer under the control of the payment office, the Government is deemed to have made payment and the Contractor is responsible for recovery of any erroneously directed funds; or

b. If the funds remain under the control of the payment office, the Government will not make payment, and the provisions of paragraph (D) of this clause will apply.

F. EFT and prompt payment. A payment will be deemed to have been made in a timely manner in accordance with the prompt payment terms of this contract if, in the EFT payment transaction instruction released to the Federal Reserve System, the date specified for settlement of the payment is on or before the prompt payment due date, provided the specified payment date is a valid date under the rules of the Federal Reserve System.

G. EFT and assignment of claims. If the Contractor assigns the proceeds of this contract as provided for in the assignment of claims terms of this contract, the Contractor must require as a condition of any such assignment, that the assignee must register separately in the SAM database and will be paid by EFT in accordance with the terms of this clause. Notwithstanding any other requirement of this contract, payment to an ultimate recipient other than the Contractor, or a financial institution properly recognized under an assignment of claims, is not permitted. In all respects, the requirements of this clause will apply to the assignee as if it were the Contractor. EFT information that shows the ultimate recipient of the transfer to be other than the Contractor, in the absence of a proper

assignment of claims acceptable to the Government, is incorrect EFT information within the meaning of paragraph (d) of this clause.

H. Liability for change of EFT information by financial agent. The Government is not liable for errors resulting from changes to EFT information made by the Contractor's financial agent.

I. Payment information. The payment or disbursing office will forward to the Contractor available payment information that is suitable for transmission as of the date of release of the EFT instruction to the Federal Reserve System. The Government may request the Contractor to designate a desired format and method(s) for delivery of payment information from a list of formats and methods the payment office is capable of executing. However, the Government does not guarantee that any particular format or method of delivery is available at any particular payment office and retains the latitude to use the format and delivery method most convenient to the Government. If the Government makes payment by check in accordance with paragraph (A) of this clause, the Government will mail the payment information to the remittance address contained in the SAM database.

43. **Work Performance (09/2021) 6.5.2** All work in performance of this Lease shall be done by skilled workers or mechanics and shall be acceptable to the RECO. The RECO retains the right to reject the Lessor's workers 1) if such are either unlicensed, unskilled, or otherwise incompetent, or 2) if such have demonstrated unacceptable performance in connection with work carried out in conjunction with this Lease. In the event of such rejection, the Lessor shall offer substitute/replacement workers, subject to the approval of the RECO.
44. **Construction Coordination (09/2021) 6.5.14** A pre-construction meeting must be held at the facility at least one week prior to the commencement of any construction, renovation, remodeling, or repair within the leased premises or common use areas connected to or integrated with the leased premises. The Contractor is responsible for planning, scheduling and coordinating the pre-construction meeting with the RECO and the Government's local supervisor or manager responsible for the facility. Any FAA issues or concerns with respect to the construction, renovation, remodeling or repair require full resolution before the project starts.
45. **Wiring for Telephones (09/2021) 6.5.17** The Government reserves the right to provide its own telephone service in the space to be leased. It may have inside wiring and telephone equipment installed by the local telephone company or a private contractor. Alternately, the Government may consider using inside wiring installed by the Lessor, if available. However, the final decision will be made by the Government.
46. **Installation of Antennas, Cables & Other Appurtenances (09/2021) 6.5.18** The Government shall have the right to install, operate and maintain antennas, wires and supporting structures, including any linking wires, connecting cables and conduits atop and within buildings and structures, or at other locations, as deemed necessary by the Government. The Government will coordinate with the Lessor when installing antennas, cables, and other appurtenances.
47. **Doors (09/2021) 6.6.1** Exterior doors must be weather tight, equipped with cylinder locks and door checks, automatic door closures and open outward. The Lessor must furnish the Government at least two master keys and two keys for each lock. Interior doors must be solid cored and at least 32 by 80 inches with a minimum opening of 32 inches and be of sturdy construction. Fire doors must conform to NFPA Standard No. 80. As designated by the Government, doors must be equipped with non-removable hinge pins, and locks with 7-pin removable cores. The Government shall provide cores.

Locks, locking arrangements and latches must be in accordance with local building and fire codes, as well as OSHA 29 CFR 1910.

48. **Lighting (09/2021) 6.6.2** Modern, diffused, energy efficient fixtures must be provided that maintain a uniform lighting level of 50 foot candles at working surfaces. Emergency lighting must provide at least 0.5 foot candles of illumination throughout the exit path, including exit access routes, exit stairways, or other routes such as passageways to the outside of the building. Additionally, normal and emergency egress lighting must comply with the requirements of local building and fire codes, as well as the Life Safety Code NFPA 101.
49. **Adhesives and Sealants (09/2021) 6.6.3** The Lessor shall use adhesives and sealants that contain no formaldehyde, asbestos, polychlorinated biphenyls (PCBs), or heavy metals.
50. **Ceilings (09/2021) 6.6.4** Ceilings must have acoustical treatment with a flame spread of 25 or less and smoke development rating of 50 or less.
51. **Floor Load (09/2021) 6.6.5** All adjoining floor areas shall be:
- A. Of a common level not varying more than 1/4 inch over a 10-foot, 0-inch horizontal run in accordance with the American Concrete Institute standards,
 - B. Non-slip, and
 - C. Accepted by the RECO.
- Under floor surfaces shall be smooth and level. Office areas shall have a minimum live load capacity of 50 pounds per square foot plus 20 pounds per square foot for moveable partitions. Storage areas shall have a minimum live load capacity of 100 pounds per square foot including moveable partitions. A report showing the floor load capacity, at no cost to the Government, by a registered professional engineer may be required by the RECO. Calculations and structural drawings may also be required.
52. **Painting (09/2021) 6.6.6** All surfaces must be newly painted with low-VOC, non-lead based paints in colors acceptable to the Government. All surfaces must be repainted after working hours at Lessor's expense at least once every 8 years. Such repainting includes the moving and returning of the furniture, including dismantling, moving and re-assembling the Government's systems furniture, if directed by the Government, at the Lessor's expense. Any existing lead based paint must be properly maintained and managed per existing federal, state, and local regulatory requirements. If there is chipping, flaking, or peeling paint in the leased premises during the period of Government occupancy, it must be sampled for lead at the Lessor's expense. If the paint contains lead, it must be abated at the Lessor's expense. This could be performed either by removal or sealing with an encapsulating material.
53. **Display Advertising (09/2021) 6.6.7** If the leased premises are solely for Government use, no advertising matter shall be constructed on or over the premises, unless authorized by the RECO.
54. **Erection of Signs (07/2022) 6.6.8** The Government has the right to erect on or attach to the Lessor's premises such signs as may be required to clearly identify the Government's facility or to post Government policies, rules, and regulations. Signs so erected will remain the property of the Government and will be removed from the premises upon termination of the lease.

55. Window and Floor Covering (09/2021) 6.6.9 All exterior windows shall be equipped with window covering. Floors will be carpeted with a commercial grade of carpet acceptable (carpet tiles or carpet broadloom) to the Government. Existing floor and window coverings may be accepted at the discretion of the RECO; however, prior to occupancy all carpeting and window coverings shall be cleaned.

At no additional cost to the Government, the Lessor shall replace carpeting at least every 8 years during Government occupancy or any time during the lease when:

- A. Backing or underlayment is exposed,
- B. There are noticeable variations in surface color or texture, and/or
- C. The condition of the carpet is such that it presents a clear and present danger to pedestrians.

Replacement includes moving and return of furniture including dismantling, moving and re-assembling the Government's systems furniture if directed by the Government.

56. Seismic Safety for Equipment (09/2021) 6.6.12 All Lessor-installed equipment, either Government provided or Lessor provided, shall be installed in strict accordance with the latest available edition of the International Building Code (IBC) at the time of execution of this contract and the DOT Specification FAA-G-2100H to ensure proper anchoring to protect personnel during a seismic event.

57. Services, Utilities, and Maintenance of Premises (10/2022) 6.7.1 The Lessor will maintain the demised premises, including but not limited to, the building grounds, all equipment, fixtures and appurtenances furnished by the Lessor under this Lease, in a good, clean and tenantable condition. The Lessor will maintain landscape plants, lawns, walkways, and parking areas. The Lessor will also remove snow, ice, and any other obstructions from the entrances, walkways, and parking areas around the premises, prior to and during normal business hours set forth below.

The Lessor will provide the labor, materials, equipment and supervision necessary to ensure good repair and tenantable condition.

The Lessor must provide services, utilities, and maintenance daily, extending from 0600 to 1800 except Saturday, Sunday and federal holidays.

Utility and maintenance services supplied to space that houses technical equipment will be supplied twenty-four (24) hours per day, seven (7) days per week.

The Government has the right to use appurtenant areas and facilities. The Government has unlimited access to the leased premises 24 hours per day, seven days per week, including, as applicable, the access to, and use of, electrical services, toilets, lights, elevators, and Government office machines at no additional cost. Such access allows the Government to service Government-owned technical equipment, or to perform other mission-critical related duties, as it determines necessary in its sole and absolute discretion.

In addition to such other services as are set forth elsewhere in this Contract, the Lessor will provide the following:

- A. Electricity,
- B. Water (hot and cold) and sewer
- C. Potable water (see "Drinking Water" clause)
- D. Restroom cleaning and supplies, daily
- E. Window washing twice yearly

- F. Initial and replacement lamps, tubes and ballasts
- G. Exterior and interior door locks and hardware – designed to accept 7-pin removable cores supplied by the Government

58. Janitorial Services (09/2021) 6.7.2 The Lessor shall provide janitorial services for the leased space, public areas, entrances, and all other common areas and shall provide replacement of supplies.

A. Selection of Cleaning Products and Equipment – The Lessor must use environmentally preferable janitorial cleaning products, such as those that meet or are equivalent to Green Seal Standard GS-37 and/or the EPA Safer Choice label.

B. The Lessor shall provide to facility management the FAA Safety Data Sheets (SDS) for all chemicals used for cleaning purposes prior to their use at the facility.

i. Selection of Paper Products – The Lessor shall select paper and paper products (i.e., bathroom tissue and paper towels) with recycled content conforming to the Environmental Protection Agency's (EPA) Comprehensive Procurement Guideline (CPG).

ii. Schedule of Cleaning – Cleaning shall be performed after the hours defined in this Lease, unless cleaning during official duty hours is specified as a special requirement. The Lessor shall provide the schedule no later than 7 calendar days after occupancy of the space for the required cleaning services and their frequencies. A schedule is set forth below:

a. Daily:

1. Sweep floors using chemically treated absorbent or dusting tools.
2. Vacuum all carpeted areas, as needed.
3. Empty waste baskets and containers; dispose of waste paper, trash, and other extraneous materials.
4. Clean restrooms:
 - a. Clean restroom fixtures and chrome fittings.
 - b. Clean and refill all dispensers (including deodorant material)
 - c. Wet mop restroom floors.
 - d. Sanitize sinks, toilets, toilet seats, and urinals.
 - e. Spot wash walls, partitions, and doors.
5. Furnish and maintain constant supply of deodorant material and paper products.
6. Wash all drinking fountains.
7. Refill hand sanitizer dispensers in common areas, where applicable.

b. Weekly:

1. Dust counters, file cabinets, and telephones, and surfaces of all office furniture, fixtures, and window sills (except desk tops).
2. Damp mop all non-carpeted floors.
3. Vacuum all carpeted areas.

c. Monthly:

1. Wash waste baskets.
2. Wax and buff all non-carpeted floors.
3. Clean or wash walls as needed to present a neat appearance.
4. Dust all ledges and flat surfaces within reach.
5. Dust and clean all light fixtures.
6. Dust and clean all window blinds.
7. Wash restroom walls, partitions, and doors.

d. Annually

1. Strip old wax from all floor space and re-wax.
2. Shampoo all carpeted floors.

Within 60 days after occupancy by the Government, the Lessor shall provide the RECO with a detailed written schedule of all periodic services and maintenance to be performed other than daily, weekly, or monthly.

59. HVAC (09/2021) 6.7.3 All heating, ventilation and air-conditioning systems that service the leased space must maintain a temperature range of 68-72 degrees Fahrenheit year-round or as dictated in the most recent version of ASHRAE Standard 62, "Ventilation for Acceptable Indoor Air Quality" and ASHRAE Standard 55, "Thermal Environmental Conditions for Human Occupancy". These temperatures must be maintained during hours of operation (as dictated by the lease) throughout the leased premises and service areas regardless of outside temperatures. An automatic control system will be provided to ensure compliance with heating and air conditioning provisions included in this contract.

In order to ensure that there is no degradation of air quality or air flow in the leased premises during the term of the lease, Lessor agrees to perform preventative maintenance on all HVAC units in accordance with the corresponding manufacturers operations and maintenance manuals (e.g. check for defects, lubricate, make adjustments, change the filters, cleaned and make other necessary service requirements). Lessor also agrees to service the VAV boxes annually (on or before each lease anniversary date) and provide the service date to the RECO and FAA facility manager. Such service will include checking the temperature ranges, checking all speeds on each fan, cleaning the fans and other components, replacing defective parts and completing other necessary repairs and maintenance.

60. Landscaping (09/2021) 6.7.4

A. Where conditions permit, the site shall be landscaped for low maintenance and water conservation with plants that are either native or well-adapted to local growing conditions.

B. Landscape management practices shall prevent or minimize pollution and storm water runoff by:

- i. Employing practices which avoid or minimize the need for fertilizers and pesticides;
- ii. Prohibiting the use of the 2,4-Dichlorophenoxyacetic Acid (2,4-D) herbicide and organophosphates; and
- iii. Composting/recycling all yard waste.

C. The Lessor shall use landscaping products with recycled content required by Environmental Protection Agency's (EPA's) Comprehensive Procurement Guidelines (CPG) for landscaping products. Refer to EPA's CPG web site, <https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>.

61. Pest Control (09/2021) 6.7.5 Pesticide application to exterminate and control pests within the leased premises must be performed per periodic schedule for preventative maintenance and according to need with 24-hour notification to the FAA facility management. Prior to any addition/change in type of pesticides or other chemical pest control, Lessor must provide 48-hour written notice with applicable Safety Data Sheet(s) (SDS) to be provided to the FAA facility management. Herbicides/pesticides are not to be applied near the outside air intakes of the building when the

HVAC system is in operation, nor within the leased premises during normal working hours or when the HVAC system is in operation.

62. Fire and Life Safety Requirements (09/2021) 6.8.3 The facility, its systems and appurtenances must be in compliance with the following fire and life safety (FLS) requirements:

- A. Construction features of the building must comply with state and local building codes in effect at the time of construction or most recent alteration.
- B. Maintenance and operations of the building must comply with the current edition of state and local fire safety and fire prevention codes.
- C. Construction features, maintenance and operations of the building must meet or exceed the minimum level of fire and life safety specified by OSHA 29 CFR 1910.

Where compliance with the literal requirements of these standards has not been achieved, the Lessor must document, in writing to the Government, the specific deviation(s) from these standards and the equivalencies or alternative methods used by the Lessor as alternative methods of compliance. Each approach used as an alternative method of compliance must be documented in accordance with the Equivalency and Technical Documentation requirements of NFPA 101, signed by a Fire Protection Engineer, licensed in the subject property's state, and a copy must be provided to the RECO.

As provided in this section, all codes, standards, orders and directives refer to the current edition in place at the signing of this contract. If construction or alterations to the premises are undertaken at any time during the term of this contract, fire protection and life safety systems must be brought into compliance where required by applicable codes and standards according to the then-current edition of local codes and standards and all requirements of OSHA 29 CFR 1910. The party initiating the construction or alterations is responsible for funding the upgrade of fire and life safety systems, construction or alteration to the facility must never decrease the level of fire and life safety provided.

Regardless of local code requirements, when the premises (including garage areas under contract by the Government) is on the 6th floor or above, or below grade, automatic sprinklers are required. All Airport Traffic Control Towers must meet the requirements of OSHA's Alternate Standard for Fire Safety in Airport Traffic Control Towers and the NFPA 101. Furthermore, buildings serving National Airspace System (NAS) air traffic control operations and constructed after June 2012, must be fully protected with an automatic, electrically supervised sprinkler system designed and installed in accordance with the requirements of NFPA 13.

When space is located in multi-tenant buildings, the Lessor is responsible for the following:

- i. Development of a building Emergency Action Plan (EAP) and Fire Prevention Plan.
- ii. Publishing and making copies of the EAP and Fire Prevention Plan, and making them available to all FAA occupants.
- iii. Conducting fire or other emergency evacuation drills, at least annually.
- iv. Conducting review and modification of the EAP and Fire Prevention Plan at least annually.
- v. Inviting FAA representation to develop, review and modify the EAP and Fire Prevention Plan.

63. Fall Protection (09/2021) 6.8.4 The Contractor must ensure proper fall protection safety systems are in place for all work areas where Government personnel are required to perform work at four feet or more above the next lowest level on fixed ladders and within access points to elevated work areas in accordance with FAA Order 3900.19, FAA Occupational Safety and Health Policy, 29 CFR 1910,

Occupational Safety and Health Standards (General Industry), 29 CFR 1926 Subpart M, Safety and Health Regulations for Construction, and applicable regulatory required American National Standard Institute (ANSI) Standards. All such elevated work surfaces (platforms, catwalks, roofs, etc.) must have OSHA compliant guardrails, railings, toe boards and/or parapets where applicable to meet OSHA and ANSI requirements as referenced herein.

64. Environmental and Occupational Safety and Health (EOSH) Requirements (09/2021) 6.8.5 The Contractor must provide space, services, equipment, and conditions that comply with the following EOSH standards:

- A. 29 CFR 1910, Occupational Safety and Health Administration (OSHA) Standards (General Industry)
- B. 29 CFR 1926, Safety and Health Standards (Construction)
- C. National Fire Protection Association (NFPA) 101, Life Safety Code
- D. FAA Order 3900.19, FAA Occupational and Health Policy
- E. FAA Standard HF-STD-001, Human Factors Design Standard
- F. National Fire Protection Association (NFPA) 70, National Electrical Code, and NFPA 70E, Electrical Safety in the Workplace
- G. Local and state EOSH regulations
- H. Local and state fire codes and building codes.

Federal, state and local EOSH (OSHA and EPA) standards and building codes must be complied with when accomplishing any cleaning, construction, renovation, remodeling, maintenance activities or testing done in or on the leased premises and areas connected to or integrated with the premises. Additionally, whenever FAA standards require work processes or precautions to be provided, the Contractor will coordinate with the FAA before and during the work so that the proper requirements are met.

Any equipment designed, installed, or used that presents a potential safety hazard shall be marked with appropriate warning labels or placards, in accordance with 29 CFR 1910.145, Specifications for Accident Prevention Signs and Tags, FAA HF-STD-001, Human Factors Design Standard, Chapter 12.16, Safety Labels and Placards, American National Standards Institute (ANSI) Standard Z535.4, Product Safety Signs and Labels, and FAA-G-2100H, Electronic Equipment, General Requirements, Section 3.3.5.4.

65. Recycling (09/2021) 6.8.6 Where state or local law, code, or ordinance requires recycling programs (including those for mercury containing lamps) for the space, the Contractor shall comply with state and/or local law, code, or ordinance. In all other cases, the Contractor must establish a recycling program for paper, corrugated cardboard, glass, plastics, and metals to the extent practicable and where local markets for those recovered materials exist. The Contractor agrees, upon request, to provide the Government with additional information concerning recycling programs maintained in the building and in the space after lease execution.

66. Indoor Air Quality (09/2021) 6.8.7 The Contractor must control contaminants at the source and/or operate the space in such a manner that the indicator levels are not exceeded for carbon monoxide (CO), carbon dioxide (CO₂), and formaldehyde (CH₂O). The indicator levels for office area are as follows: CO less than 5 parts per million (PPM); CO₂ - 700 PPM above outdoor air; CH₂O - 0.027 PPM. All indoor air contaminant levels in the space must be kept below appropriate OSHA regulations or OSHA required consensus standards. Air quality systems cleaning is required to

prevent the growth of mold, mildew and bacteria. Any visual evidence of these will require immediate sampling and remediation. Moisture/standing water must be controlled to prevent the growth of these.

During working hours, ventilation must be provided in accordance with the latest edition of ANSI/American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) Standard 62, Ventilation for Acceptable Indoor Air Quality and ASHRAE Standard 55, Thermal Environmental Conditions for Human Occupancy.

The Contractor must investigate indoor air quality (IAQ) complaints immediately and must implement controls including alteration of building operating procedures (e.g., adjusting air intakes, adjusting air distribution, cleaning and maintaining heating, ventilation and air conditioning (HVAC) systems, etc.). The Government is responsible for addressing IAQ problems resulting from its own activities.

The Contractor must provide SDS to FAA facility management for all chemicals and cleaning solutions at least 72 hours prior to their use in the FAA spaces or other areas of the buildings that might affect air quality in the FAA space(s). Materials should contain low or no Volatile Organic Compounds (VOC) and additional ventilation may be required when using chemicals and cleaning solutions.

- 67. Mold Growth Identification and Control (09/2021) 6.8.8** The contractor must prevent mold growth and excessive levels of moisture and humidity. Adequate air quality, moisture control and facility cleaning are required to prevent the growth of mold, mildew, and bacteria. Any visual evidence of mold requires immediate sampling and remediation by the contractor.

Following a water-intrusion event, the contractor must identify the water source and immediately implement water extraction and drying efforts. Once the water source is identified, the contractor must take action to prevent additional water damage and ensure that permanent fixes are in place prior to build-back and restoring building materials. Within 24-48 hours of water damage from clean water sources (e.g., water supply lines, rainwater, and snowmelt from rooftops), all building materials must be dried to a moisture level that will prevent mold growth.

All porous materials contaminated with sewage or other Category 2 (e.g., washing machine overflows, toilet overflows, and non-feces waters) or Category 3 (sewage backups and overflows from beyond toilet traps, feces, floodwaters, and groundwater intrusion) water sources must be discarded. All non-porous material must be cleaned and disinfected.

Mold remediation and cleaning must be conducted using recognized industry methods and practices (e.g. Institute of Inspection, Cleaning and Restoration Certification (IICRC) S500 Standard and Reference Guide for Professional Water Damage Restoration, IICRC-S520 Standard and Reference Guide for Professional Mold Remediation, 2008, and National Air Duct Cleaners Association (NADCA): Assessment, Cleaning and Restoration of HVAC Systems, ACR 2006). State requirements concerning mold remediation, contractors training and licensing must be followed.

The contractor must coordinate with the FAA facility management and RECO regarding all mold remediation operations. The FAA must be afforded the opportunity to provide input in the mold remediation process. Biocides must be used cautiously and in accordance with EPA requirements. A

Certified Industrial Hygienist (CIH) must pre-approve the use of EPA-approved biocides in air conveyance systems.

68. **Drinking Water (09/2021) 6.8.9** The contractor must provide drinking water in the space that meets the standards prescribed in the Safe Drinking Water Act, 42 U.S.C. 300. Acceptable potable water must meet EPA's primary drinking water standards with contaminants being less than established Maximum Contaminant Levels (MCLs) and action levels. In cases where state and/or local authorities have their own standards, potable water must meet those or federal standards, whichever is more stringent.

The contractor must test the sources of drinking water in the space (faucets, drinking water fountains, ice machines, etc.) on a periodic basis, but no less than every three (3) years, to ensure water quality (e.g., lead, copper, total coliforms). If the contractor performs plumbing and/or renovation work in the space that impacts the drinking water (i.e., replacement of water lines), the contractor must test the drinking water in the system affected by the plumbing and/or renovation work. If at any time, the FAA or contractor's drinking water test results are not acceptable under the EPA's primary drinking water, and/or state and local authorities' standards as described above, the Lessor must immediately correct the deficiencies. The contractor must notify the Government prior to performing all tests and provide a copy of any test report to the RECO and facility management or their designee.

69. **Halon (09/2021) 6.8.10** Halon may not be used in any FAA space.
70. **Radon Air Levels (09/2021) 6.8.11** Contractor must provide the FAA with a Radon Evaluation Report for the facility when requested. Radon air levels in FAA premises must not exceed the level of 4.0 picocuries per liter (pCi/L). If radon levels are found to be at or above 4.0 pCi/L, the contractor must immediately notify the RECO and FAA facility management of its finding and its plan of corrective action, including testing, to ensure radon air levels are maintained below 4.0 pCi/L at all times. Radon testing shall be done by a radon professional certified according to state and local requirements using US EPA approved testing methods.
71. **Asbestos (09/2021) 6.8.12** The contractor must ensure that FAA personnel are protected from asbestos hazards, in accordance with:
- A. 29 CFR 1910.1001, Asbestos (General Industry)
 - B. 29 CFR 1926.1101, Asbestos (Construction)
 - C. 40 CFR 763, Subpart E, Asbestos Containing Materials in Schools, Asbestos Hazard Emergency Response Act (AHERA)
 - D. 40 CFR 61, Subpart M, National Emissions Standards for Hazardous Air Pollutants (NESHAP)
 - E. State and local asbestos regulations

The contractor warrants that, notwithstanding inspection and acceptance by the Government or any provision concerning the conclusiveness thereof, all space under this contract, including, but not limited to; space above suspended ceilings in the leased space, air plenums elsewhere in the building that service the leased space, engineering spaces in the same ventilation zone as the leased space, public spaces in the same ventilation zone as the leased space, and public spaces and common use spaces (e.g., lobbies, hallways) will, at the time of acceptance and during the term of this Lease, including all extensions thereof, comply with asbestos regulatory requirements.

All facilities are required to have a current asbestos building survey or an asbestos free certification (in accordance with federal, state or local regulations, and including sampling of all materials that have the potential to contain asbestos) conducted by a qualified inspector, including a visual examination and sampling of building materials. All asbestos identification survey reports must be sent to the RECO and FAA facility management.

The RECO must notify the contractor in writing of any failure to comply with asbestos requirements, within five (5) days after the discovery thereof. If Asbestos Containing Materials (ACMs) are found to be in the leased space, either prior to acceptance or during the course of the lease agreement, the Government reserves the right to require the contractor, at no cost to the Government, to take corrective action as required by OSHA, EPA, state and local requirements. In accordance with these regulations, the contractor must post asbestos warning labels and signs in accordance with OSHA regulations.

In addition, all construction by the contractor is required to comply with OSHA, EPA, state and local requirements for asbestos. Prior to the start of any construction, renovation or maintenance activities that impact the building, the contractor must determine whether ACM will or could be released as part of the work. If ACM will or could be released, the contractor must notify the FAA and take corrective actions to prevent FAA employees from exposure to asbestos fibers. Corrective actions must be coordinated with the FAA at least 30 days prior to the start of any construction, renovation or maintenance activities that impact the building.

After ACM remediation is performed, the contractor must adhere to regulatory required post-asbestos abatement air monitoring requirements. As a part of this process, the contractor must provide the RECO and the FAA facility manager with an asbestos re-inspection report indicating the location and condition of all remaining ACM in the FAA leased areas and common areas of the facility. If the contractor supplies the janitorial or maintenance contracts, those employees must also be informed of the presence and location of asbestos at the facility.

“Corrective Action“, as used in this clause, means the removal, encapsulation or enclosure of ACM. All corrective actions must be conducted by licensed asbestos abatement contractors in accordance with OSHA, EPA, state, local and FAA requirements.

72. **Warranty of Space (09/2021) 6.8.13** The contractor warrants that all space leased to the Government under this contract complies with federal, state, and local regulations. The space is not limited to that set forth in this contract, but also includes space above suspended ceilings in the leased space, air plenums elsewhere in the building that service the leased space, engineering spaces in the same ventilation zone as the leased space, public spaces in the same ventilation zone as the leased space, and public spaces and common use spaces (e.g., lobbies, hallways).
73. **Electrical Safety (09/2021) 6.8.14** The contractor must ensure electrical safety requirements are met, including grounding, bonding, shielding, control of electrostatic discharge (ESD), and lightning protection requirements, in accordance with:
- A. 29 CFR 1910, Subpart S, Electrical
 - B. FAA Standard HF-STD-001, Human Factors Design Standard, Chapter 12.4, Electrical Hazards
 - C. DOT Specification FAA-G-2100H, Electronic Equipment, General Requirements
 - D. National Fire Protection Association (NFPA) 70, National Electrical Code
 - E. NFPA 70E, Electrical Safety in the Workplace

F. American National Standards Institute/Institute of Electrical and Electronics Engineers (ANSI/IEEE) Standard 1100-2005, Recommended Practice for Powering and Grounding Electrical Equipment

G. DOT Standard FAA-STD-019F, Lightning and Surge Protection, Grounding, Bonding and Shielding Requirements for Facilities and Equipment

The contractor must ensure that electrical equipment and infrastructure meets minimum clear working space requirements in accordance with 29 CFR 1910.303 and NFPA 70 Article 110.26, and is maintained and documented in accordance with NFPA 70E. Any change in the electrical equipment requires review of the current arc flash warning labels to determine if the arc flash warning labels posted meet the current safety requirements.

- 74. Facility Security (09/2021) 6.9.1** Security requirements for Government occupied space must meet minimum-security accreditation standards for the type of facility covered by this Lease. The FAA Facility Security Management Program defines facility security accreditation standard levels. The security requirements identified below are tailored specifically for the type of facility covered by this Lease. The Lessor shall provide or make accommodation to provide for all the security requirements listed herein for the leased premises covered by this Lease agreement: NONE

The local Servicing Security Element (SSE) will determine any additional security upgrades that are required to meet accreditation and shall conduct a final security assessment of the building. If that assessment indicates that additional upgrades are required to the Premises, those upgrades shall be contracted and paid for under separate contract at the Government's expense and subject to the availability of funds. The Lessor shall provide maintenance services to the security upgrades installed by the Lessor within the leased premises and covered under this Lease.

75. Foreign Nationals as Contractor Employees (04/2022) 6.9.2

a) Definition. "Foreign National" is any citizen or national of a country other than the United States who has not immigrated to the United States and is not a Legal Permanent Resident (LPR) of the United States.

b) Each contractor or subcontractor employee under this contract, having access to FAA facilities, sensitive information, or resources must be a citizen of the United States, or a foreign national who has been lawfully admitted for permanent residence as evidenced by a Permanent Resident Card I-551, or who presents other evidence from the U.S. Citizenship and Immigration Service that employment must not affect his/her immigration status.

c) Foreign Nationals proposed under this contract must meet the following conditions in accordance with FAA Order 1600.1F, chapter 8, paragraph 10:

(1) Must have resided within the United States for a minimum of the last three (3) years unless a waiver of this requirement is requested and approved in accordance with the requirements stated in FAA Order 1600.1F, chapter 8, paragraph 10;

(2) A risk or sensitivity level designation can be made for the position; and

(3) The appropriate security-related background investigation can be adequately conducted, as determined by the Office of Security and Hazardous Materials (ASH) Office of Personnel Security (AXP).

d) Foreign Nationals proposed under this contract must meet the following additional conditions:

(1) Provide a current unexpired passport and their place of birth in order to begin the background investigation process in accordance with FAA Order 1600.1F, Personnel Security Program; and,

(2) Successfully pass an export control review as outlined in FAA Order 1240.13 FAA Export Control Compliance.

e) Interim suitability requirements may not be applied unless the position is low/moderate in risk, and/or temporary, and/or is not in a critical area position.

76. Real Estate Contractor Personnel Suitability Requirements (04/2022) 6.9.3

1. No contractor employee, subcontractor, or consultant will be allowed unescorted access to any FAA facility, access to FAA classified information, access to FAA *Sensitive Unclassified Information (SUI); or access to FAA systems or resources unless they have been authorized by the FAA Office of Personnel Security (AXP).

*SUI is defined as unclassified information, in any form including print, electronic, visual, or aural forms, which is protected from uncontrolled release to persons outside the FAA and indiscriminate dissemination within the FAA. It includes aviation security, homeland security, and protected critical infrastructure information. SUI may include information that may qualify for withholding from the public under the Freedom of Information Act (FOIA).

2. Consistent with FAA Order 1600.1F, AXP must approve designated risk levels for the positions under the contract, to be determined by the FAA Operating Office (the organization with the requirement) in coordination with the Contracting Officer (CO) or designee, using the OPM Position Designation Automated Tool (PD Tool).

3. For all contractor employees, subcontractors, or consultants requiring access to FAA facilities, classified information, sensitive unclassified information, systems, or resources, the prime contractor must submit to their responsible AXP office and CO or their designee, a point of contact (POC) who will be responsible for entering all contractor applicant data, to include subcontractor data, into the Vendor Applicant Process (VAP) system (AXP will provide the user with access to the VAP) for security processing. The contractor must not enter contractor employees in VAP unless they have a legitimate need for access to FAA facilities, classified information, sensitive unclassified information and/or systems according to the terms of the contract. Contractor employees who will not require the aforementioned types of access or who would be under escort of other badged personnel are not to be entered in VAP.

4. If an applicant has had a previous US Government conducted background investigation, which meets the investigative requirements for the position and meets established reciprocity guidelines, it will be accepted by the FAA. The FAA reserves the right to conduct further investigations, including requesting additional information from the applicant, if necessary.

5. If no previous investigation exists, or if the previous investigation does not meet investigative requirements for the position, AXP will:

- a. Send the applicant an e-mail (this step may be delegated to VAP POC) with instructions for completing investigative requirements;
- b. Instruct the applicant how to enter and complete a background investigation questionnaire through the electronic Questionnaires for Investigation Processing (eQIP) system;
- c. Provide where to upload, or send/fax applicable forms; and
- d. Provide instructions regarding fingerprinting (any fees associated with obtaining fingerprints are not the responsibility of the FAA).

The contractor employee must complete the investigative requirements and submit required material within 15-calendar days of receiving the e-mail from AXP. If items are submitted outside of the eQIP system, the contractor must submit the required information, referencing the contract number, to the AXP POC noted in the instruction email.

6. No contract employee, subcontractor, or consultant, identified as requiring a background investigation under the contract will work in any position unless AXP has authorized them to begin work. Authorization will be in the form of an Interim or Final Suitability email notification from AXP to the VAP POC and CO.

7. No contract employees, subcontractor, or consultant will be issued a FAA Personal Identity Verification (PIV) card, or other FAA issued ID card, unless they have been granted an Interim or Final suitability from AXP.

8. The Contractor VAP POC must inform the CO or their designee and submit a VAP removal record in VAP within twenty-four (24) hours after any contractor employee resigns, is terminated, transferred, or otherwise removed from the contract. If the FAA issued the contract employee a PIV card, or other ID card, the contractor must collect the card within twenty-four hours, and return it to AXP no later than five business-days after the employee's termination or transfer.

9. The CO or their designee will provide notice to the contractor within 24 hours after receipt of a determination that the contractor or its employee has not complied with security-related contract requirements, security-related FAA Orders, or if a contractor employee's conduct is objectionable or contrary to the public interest, or inconsistent with the best interest of national security. The notice will instruct the contractor to remove its employee's access to FAA premises or networks, or otherwise remedy the contractor's performance.

10. The contractor must immediately comply with the CO or their designee's direction to remedy its security performance at the contractor's expense, including removing the employee from FAA premises and networks. If the contractor employee is working under an interim suitability authorization, the contractor must take appropriate action, including the removal of the contractor employee from working on the FAA contract, at their own expense. Once action has been taken, the contractor must report the action via the VAP within the timeframe prescribed in this clause.

11. After coordination with AXP, the CO or the FAA Facility Manager or their designee may require contractor employees to submit any other security information deemed reasonably necessary to protect the interests of the FAA. This includes submitting to additional fingerprinting, responding to letters of inquiry, and background reinvestigations required under Federal Investigative Standards. In this event, the contractor must provide, or cause each of its employees to provide, such security information to AXP. Failure to cooperate with security processing will result in an unfavorable suitability determination.

12. The contractor must retrieve a current roster report through VAP on a quarterly basis to ensure the roster is accurate, and immediately correct any discrepancies with the responsible AXP office. The prime contractor is responsible for the accuracy of their subcontractors' rosters as well.

13. Contractor employees subject to the requirements of this clause must take the FAA Security Awareness Virtual Initiative (SAVI) training within 90 days of reporting to work and annually thereafter. This training is available on the FAA's Electronic Learning Management System (eLMS).

Contractors without access to eLMS please contact the FAA Facility Manager for a copy of the training.

14. The prime contractor must contact the CO or COR, and AXP within one business-day in the event an employee (who has been cleared for FAA access by AXP) is arrested (i.e., taken into custody by law enforcement for any offenses, other than minor traffic offenses) or is involved in theft of government property or the Contractor becomes aware of any information that may raise a question about the suitability of a contractor or subcontractor employee.

15. Failure to submit information required by this clause within the time required may be determined by the CO a material breach of the contract.

16. If subsequent to the effective date of this contract, the security classification or security requirements under this contract are changed by the Government and if the changes cause an increase or decrease in direct contract costs or otherwise affect any other term or condition of this contract, the contract will be subject to an equitable adjustment.

17. The contractor agrees to insert terms that conform substantially to the language of this clause, excluding any reference to the Changes clause of this contract, in all subcontracts under this contract that involve access and where the exceptions under FAA Order 1600.1F do not apply.

- 77. Access to FAA Systems and Government Issued Keys, Personal Identification Verification (PIV) Cards, and Vehicle Decals (09/2021) 6.9.4** It may become necessary for the Government to grant access to FAA systems or issue Government property, to include FAA-issued ID cards, or sensitive unclassified information (SUI), to contractor employees. Prior to or upon completion or termination of the work under the contract, the contractor must return all such Government property and SUI to FAA's Facility Manager or their designee.

Improper use, possession or alteration of Government property is subject to penalties under Title 18, USC 499, 506, 701, and 1030.

In the event such Government property is lost, stolen, or not returned, the contractor understands and agrees that the Government may, in addition to any other withholding provision of the contract, withhold the value of the asset for each item of Government property not returned. If the Government property, to include FAA-issued ID cards, or SUI is not returned within 30 calendar days from the date the withholding action was initiated, any amount so withheld is forfeited by the contractor. Regarding FAA Personally Identifiable Information (PII) contained within portable devices that are lost, stolen, or not returned, the contractor must additionally report such a loss, theft, or non-return within one (1) hour to the FAA Security Operations Center (phone (866)-580-1852 (Option 1) or email 9-AWA-SOC@faa.gov).

Access to aircraft ramp/hangar areas is authorized only to those persons displaying a flight line identification card and for vehicles, with a current ramp permit issued pursuant to Title 49, Part 1542, Code of Federal Regulations.

The Government retains the right to inspect inventory, or audit Government property or sensitive information issued to the contractor in connection with the contract and do so at the convenience of the Government. Any items not accounted for, to the satisfaction of the Government, will be assumed to be lost and the provisions of section (3) of this clause apply.

The issuance of Government property, to include SUI, to a Contractor must be approved by FAA's Facility Manager or designee who will require the Contractor's employee to sign a receipt for each item. Lost or stolen Government property or SUI must immediately be reported to the Contracting Officer (CO), Contracting Officer's Representative (COR), or FAA's facility manager or designee (as applicable) and the FAA SOC at the telephone number and email address listed under section (3) above.

Each Contract employee, during all times of on-site performance at an FAA facility, must prominently display his/her current and valid FAA PIV card, or other FAA issued ID card, on the front portion of his/her body between the neck and waist. Each FAA ID cardholder must not affix pins, stickers, or other item to the card.

Prior to any contractor employee obtaining a FAA ID Card or other government property, in accordance with FAA Order 1600.78 the contractor is required to:

Enter data for each employee into the VAP as described in the "Real Estate Contractor Personnel Suitability Requirements" clause.

b. The Office of Personnel Security (AXP) will determine whether final suitability can be granted due to:

Existence of a previous investigation that meets reciprocity requirements, or:

Initiate the contractor applicant into the electronic Questionnaires for Investigations Processing (eQIP) system so that the applicant can complete the investigative forms.

Interim suitability cannot be granted until the eQIP form is completed, and fingerprints and signature pages are submitted to AXP.

Authorization for the contractor employee to begin work will be an Interim or Final Suitability notification from AXP.

To obtain a FAA PIV card, in accordance with FAA Order 1600.78

The contractor employee will be provided instructions by AXP for obtaining an FAA PIV or other ID card upon being granted authorization to begin work.

The instructions will include how to submit an identification Card Application (DOT 1681) online at <https://idms.faa.gov/1681>, accessible only from within an FAA facility. The application must be approved by the CO or COR.

The contractor employee will be notified when the identification card application has been approved and is ready for processing by the FAA Identification Card issuer (e.g., Trusted Agent).

Off-Boarding. The contractor is responsible for ensuring final off-boarding is accomplished for all departing contractor employees. This includes termination, resignation, retirement, death, change of employment status (i.e., transferring from a contractor to a FAA employee), transfer to another FAA contract, and (with CO approval) extended leave of absence. The Contractor may appoint an off-boarding coordinator to oversee the off-boarding process.

For each departing employee having access to FAA facilities and/or Information Technology (IT) systems, the Contractor must submit a completely filled out and signed "FAA Contractor Employee

Off-Boarding Checklist" (located in FAA Procurement Forms) to the Facility Manager or their designee no later than thirty (30) calendar days after the employee's departure. The Contractor must ensure that the Checklist confirms that all applicable Government property (including FAA-issued ID cards) and sensitive information (including Classified National Security Information (CNSI) has been collected and access to all FAA assets has been terminated.

When the Contractor is not collocated or within local driving distance of the responsible AXP office, the Contractor must collect the PIV Card or other FAA issued ID card, and any other tokens and provide to the CO or COR within one (1) business day of receiving the card/tokens from the departing employee.

In event that the Contractor employee departs without completing the Checklist, the Contractor is responsible for completing and submitting the Checklist on the employee's behalf. If the departing Contractor employee served as the Property Custodian for the FAA contract, the Contractor must designate a new Property Custodian and ensure accountability of all property under the contract, or within fourteen calendar days with the CO's approval, provide to the CO the results of the associated inventory/property accountability.

The designated VAP POC must submit a VAP removal record for the departing employee within twenty-four (24) hours.

The Contractor must also comply with any local Employee Off-Boarding Checklists in use at FAA Facilities.

All contractors and subcontractor employees with access to FAA systems must have a FAA-issued PIV card and must use the PIV card to authenticate to the FAA system. Approved contractor equipment or software in accordance with clause 3.14-13 "Use of Contractor Equipment or Software - Permitted" that connects to FAA systems must be configured to accept and use FAA-issued PIV cards. The contractor must provide the appropriate equipment for the PIV card, while the FAA will furnish and configure the PIV software.

The contractor must insert this clause in all subcontracts under the contract.

78. Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment (04/2022) 6.9.5

(a) Definitions. As used in this clause--

Backhaul means intermediate links between the core network, or backbone network, and the small subnetworks at the edge of the network (e.g., connecting cell phones/towers to the core telephone network). Backhaul can be wireless (e.g., microwave) or wired (e.g., fiber optic, coaxial cable, Ethernet).

Covered foreign country means The People's Republic of China.

Covered telecommunications equipment or services means—

- (1) Telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities);
- (2) For the purpose of public safety, security of Government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou

Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities);

(3) Telecommunications or video surveillance services provided by such entities or using such equipment; or

(4) Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

Critical technology means—

(1) Defense articles or defense services included on the United States Munitions List set forth in the International Traffic in Arms Regulations under subchapter M of chapter I of title 22, Code of Federal Regulations;

(2) Items included on the Commerce Control List set forth in Supplement No. 1 to part 774 of the Export Administration Regulations under subchapter C of chapter VII of title 15, Code of Federal Regulations, and controlled—

(i) Pursuant to multilateral regimes, including for reasons relating to national security, chemical and biological weapons proliferation, nuclear nonproliferation, or missile technology; or

(ii) For reasons relating to regional stability or surreptitious listening.

(3) Specially designed and prepared nuclear equipment, parts and components, materials, software, and technology covered by part 810 of title 10, Code of Federal Regulations (relating to assistance to foreign atomic energy activities);

(4) Nuclear facilities, equipment, and material covered by part 110 of title 10, Code of Federal Regulations (relating to export and import of nuclear equipment and material);

(5) Select agents and toxins covered by part 331 of title 7, Code of Federal Regulations, part 121 of title 9 of such Code, or part 73 of title 42 of such Code; or

(6) Emerging and foundational technologies controlled pursuant to section 1758 of the Export Control Reform Act of 2018 (50 U.S.C. 4817).

Interconnection arrangements means arrangements governing the physical connection of two or more networks to allow the use of another's network to hand off traffic where it is ultimately delivered (e.g., connection of a customer of telephone provider A to a customer of telephone company B) or sharing data and other information resources.

Reasonable inquiry means an inquiry designed to uncover any information in the entity's possession about the identity of the producer or provider of covered telecommunications equipment or services used by the entity that excludes the need to include an internal or third-party audit.

Roaming means cellular communications services (e.g., voice, video, data) received from a visited network when unable to connect to the facilities of the home network either because signal coverage is too weak or because traffic is too high.

Substantial or essential component means any component necessary for the proper function or performance of a piece of equipment, system, or service.

(b) Prohibition.

(1) Section 889(a)(1)(A) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Pub. L. 115-232) prohibits the head of an executive agency on or after August 13, 2019, from procuring or obtaining, or extending or renewing a contract to procure or obtain, any

equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. The Contractor is prohibited from providing to the Government any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system, unless an exception at paragraph (c) of this clause applies or the covered telecommunication equipment or services are covered by a waiver described in AMS T3.6.4 A.17.e.

(2) Section 889(a)(1)(B) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Pub. L. 115-232) prohibits the head of an executive agency on or after August 13, 2020 from entering into a contract, or extending or renewing a contract, with an entity that uses any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system, unless an exception at paragraph (c) of this clause applies or the covered telecommunication equipment or services are covered by a waiver described in AMS T3.6.4A.17.e. This prohibition applies to an entity that uses covered telecommunications equipment or services, including use not in support of the Government.

(c) Exceptions. This clause does not prohibit contractors from providing—

(1) A service that connects to the facilities of a third-party, such as backhaul, roaming, or interconnection arrangements; or

(2) Telecommunications equipment that cannot route or redirect user data traffic or permit visibility into any user data or packets that such equipment transmits or otherwise handles.

(d) Reporting requirement.

(1) In the event the Contractor identifies covered telecommunications equipment or services used as a substantial or essential component of any system, or as critical technology as part of any system, during contract performance, or the Contractor is notified of such by a subcontractor at any tier or by any other source, the Contractor must report the information in paragraph (d)(2) of this clause to the Contracting Officer, unless elsewhere in this contract are established procedures for reporting the information. For indefinite delivery contracts, the Contractor must report to the Contracting Officer for the indefinite delivery contract and the Contracting Officer(s) for any affected order.

(2) The Contractor must report the following information pursuant to paragraph (d)(1) of this clause:

(i) Within one business day from the date of such identification or notification: The contract number; the order number(s), if applicable; supplier name; supplier unique entity identifier (if known); supplier Commercial and Government Entity (CAGE) code (if known); brand; model number (original equipment manufacturer number, manufacturer part number, or wholesaler number); item description; and any readily available information about mitigation actions undertaken or recommended.

(ii) Within 10 business days of submitting the information in paragraph (d)(2)(i) of this clause: Any further available information about mitigation actions undertaken or recommended. In addition, the Contractor must describe the efforts it undertook to prevent use or submission of covered telecommunications equipment or services, and any additional efforts that will be incorporated to prevent future use or submission of covered telecommunications equipment or services.

(e) Subcontracts. The Contractor must insert the substance of this clause, including this paragraph

(e), in all subcontracts and other contractual instruments, including subcontracts for the acquisition of commercial items.

79. Covered Telecommunications Equipment or Services- Representations (09/2021) 6.9.5-1

(a) Definitions. As used in this provision, “covered telecommunications equipment or services” has the meaning per the "Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment” clause in this contract.

(b) Procedures. The offeror must review the list of excluded parties in the System for Award Management (SAM) (<https://www.sam.gov>) for entities excluded from receiving federal awards for covered telecommunications equipment or services.

(c) Representations.

1. The offeror represents that it ____ does, ____ does not **provide** covered telecommunications equipment or services as part of its offered products or services to the Government in the performance of any contract, subcontract, or other contractual instrument.

2. After conducting a reasonable inquiry for purposes of this representation, the offeror represents that it ____ does, ____ does not **use** covered telecommunications equipment or services, or any equipment, system, or service that uses telecommunications equipment or services.

80. Representation Regarding Certain Telecommunications and Video Surveillance Services or Equipment (09/2021) 6.9.5-2 NOTE: The offeror must not complete the representation at paragraph

(d)(1) in this provision if the offeror has represented that it does not provide covered telecommunications equipment or services as part of its offered products or services to the Government in the performance of any contract, subcontract, or other contractual instrument in the provision "Covered Telecommunications Equipment or Services – Representation" (c)(1). Additionally, the offeror must not complete the representation at paragraph (d)(2) in this provision if the offeror has represented that it does not use covered telecommunications equipment or services, or any equipment, system, or service that uses telecommunications equipment or services in the provision "Covered Telecommunications Equipment or Services – Representation" (c)(2).

PROVISION/CLAUSE:

(a) Definitions. As used in this provision--

Backhaul, covered telecommunications equipment or services, critical technology, interconnection arrangements, reasonable inquiry, roaming, and substantial or essential component have the meanings provided in the clause AMS clause 6.9.5, Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment.

(b) Prohibitions.

(1) Section 889(a)(1)(A) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Pub. L. 115-232) prohibits the head of an executive agency on or after August 13, 2019, from procuring or obtaining, or extending or renewing a contract to procure or obtain, any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system.

Nothing in this prohibition will be construed to—

(i) Prohibit the head of the agency from procuring with an entity to provide a service that connects to the facilities of a third-party, such as backhaul, roaming, or interconnection arrangements; or

(ii) Cover telecommunications equipment that cannot route or redirect user data traffic or cannot permit visibility into any user data or packets that such equipment transmits or otherwise handles.

(2) Section 889(a)(1)(B) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Pub. L. 115-232) prohibits the head of an executive agency on or after August 13, 2020 from entering into a contract or renewing a contract with an entity that uses any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential part of any system or as critical technology as part of any system. This prohibition applies to any entity that uses covered telecommunications equipment or services, including uses not in support of the Government.

Nothing in this prohibition will be construed to-

- (i) Prohibit the head of the agency from procuring with an entity to provide a service that connects to the facilities of a third-party, such as backhaul, roaming, or interconnection arrangements; or
- (ii) Cover telecommunications equipment that cannot route or redirect user data traffic or cannot permit visibility into any user data or packets that such equipment transmits or otherwise handles.

(c) Procedures: The offeror must review the list of excluded parties in the System for Award Management (SAM) (<https://www.sam.gov>) for entities excluded from Federal awards for covered telecommunications equipment or services.

(d) Representations.

(1) The Offeror represents that it ____ will, ____ will not provide covered telecommunications equipment or services to the Government in the performance of any contract, subcontract or other contractual instrument resulting from this solicitation.

(2) After conducting a reasonable inquiry for purposes of this representation, the Offeror represents that that it ____ does, ____ does not USE covered telecommunications equipment or services, or use any equipment, system, or service that uses covered telecommunications equipment or services. The Offeror must provide the additional disclosure information required at paragraph (e) if the Offeror indicates “does”.

(e) Disclosures. Disclosure for the representation in paragraph (d)(1) of this provision-
If the Offeror has responded “will” in the representation in paragraph (d)(1) of this provision, the Offeror must provide the following information as part of the offer—

(1) For covered equipment

- (i) The entity that produced the covered telecommunications equipment (include entity name, unique entity identifier, CAGE code, and whether the entity was the original equipment manufacturer (OEM) or a distributor, if known;
- (ii) A description of all covered telecommunications equipment offered (include brand; model number, such as OEM number, manufacturer part number, or wholesaler number; and item description, as applicable); and
- (iii) Explanation of the proposed use of covered telecommunications equipment and any factors relevant to determining if such use would be permissible under the prohibition in paragraph (b)(1) of this provision;

(2) For covered services-

- (i) If the service is related to item maintenance, a description of all covered telecommunications services offered (include on the item being maintained: brand, model number, such as OEM number,

manufacturer part number, or wholesaler number; and item description, as applicable; or
(ii) If not associated with maintenance, the Product Service Code (PSC) of the service being provided; and explanation of the proposed uses of covered telecommunications services and any factors relevant to determining if such use would be permissible under the prohibition in paragraph (b)(1) of this provision.

Disclosure for representation in paragraph (d)(2) of this provision. If the Offeror has responded “does” to paragraph (d)(2) of this provision, the offeror must provide the following information as part of the offer—

(3) For covered equipment

(i) The entity that produced the covered telecommunications equipment (include entity name, unique entity identifier, CAGE code, and whether the entity was the OEM or a distributor, if known;
(ii) A description of all covered telecommunications equipment offered (include brand; model number, such as original equipment manufacturer (OEM) number, manufacturer part number, or wholesaler number; and item description, as applicable); and
(iii) Explanation of the proposed use of covered telecommunications equipment and services and any factors relevant to determining if such use would be permissible under the prohibition in paragraph (b)(2) of this provision.

(4) For covered services-

(i) If the service is related to item maintenance, a description of all covered telecommunications services offered (include on the item being maintained: brand, model number, such as OEM number, manufacturer part number, or wholesaler number; and item description, as applicable); or
(ii) If not associated with maintenance, the Product Service Code (PSC) of the service being provided; and explanation of the proposed uses of covered telecommunications services and any factors relevant to determining if such use would be permissible under the prohibition in paragraph (b)(2) of this provision.

81. Cooperation with Defensive Counterintelligence Program Requirements (DCIP) (09/2021)
6.9.6

a. The FAA’s Defensive Counterintelligence Program (DCIP) (AXI-310) detects, deters, and denies illicit human and technical intelligence collection activities as well as addressing other national security concerns. Such activities and concerns include, but are not limited to, activities conducted by, on behalf of, or otherwise supporting, foreign governments or elements thereof; entities or individuals that meet the definition of “foreign power” or “agent of a foreign power” in 50 U.S.C. § 1801; foreign organizations; foreign persons; international terrorist organizations or activities; or agents of any of the foregoing; or any other individuals or entities acting on behalf of, or otherwise in support of, any of the foregoing, against the FAA, its employees, facilities, equipment, systems, networks, operations, and information.

b. Consistent with FAA Order 1600.84 FAA Defensive Counterintelligence Program, the contractor is required to cooperate to the fullest extent possible in the following requirements:

- 1) Any authorized DCIP inquiry or Counterintelligence (CI) investigation connected with this contract requested by the FAA Office of Security and Hazardous Materials Safety (ASH) to include granting authorized ASH or outside investigative department or agency personnel access to contract information, records or contractor personnel;
- 2) All applicable FAA security requirements as required under the contract consistent with FAA policy and applicable Federal law;

- 3) When requested by the DCIP, and necessary to protect Controlled National Security Information (CNSI), Sensitive Unclassified Information (SUI), or otherwise protected information, contractor employees must sign a Defensive Counterintelligence Program Non-Disclosure Agreement (NDA) prior to being briefed on any information pertaining to a DCIP inquiry, CI investigation by another Department or Agency, or any other matter related to the DCIP. The NDA is located in Appendix C of the Order and in AMS Procurement Forms. Contractor employees are exempt from acknowledging any language in the NDA associated with unauthorized disclosure of received information that subjects FAA employees to personnel actions specified in the Human Resources Policy Manual (HRPM) Volume 4: Employee Relations ER-4.1 (4) and applicable collective bargaining agreements.
- 4) Contractors must first coordinate with the DCIP at ASH-CI-Notify@faa.gov before contacting any law enforcement or investigative agencies on any known or suspected counterintelligence or other national security concern described in Paragraph 1 of FAA Order 1600.84.
- 5) Contractors must notify the DCIP as soon as possible if any law enforcement or investigative agency contacts them directly on any matter covered by FAA Order 1600.84. If an employee receives a direct request from an outside law enforcement or investigative agency for evidence related to a counterintelligence or other national security concern as described in Paragraph 1 of FAA Order 1600.84, the employee will refer the law enforcement or investigative agency to AXI-310.
- 6) Contractors must immediately notify the DCIP at ASH-CI-Notify@faa.gov, and the CO or their designee if their employees observe any of the following-
- a) Suspected or known acts of foreign intelligence collection activity against the FAA or its employees, systems, networks, operations, facilities, equipment, or information;
 - b) Suspected or known espionage (See Appendix A of FAA Order 1600.84 for definition);
 - c) Suspected or known unauthorized disclosure of CNSI, SUI, or otherwise protected information in the possession of the FAA by a FAA employee to a foreign government or element thereof, a foreign organization, an entity or individual that meets the definition of “foreign power” or “agent of a foreign power” in 50 U.S.C. § 1801, a foreign person, an international terrorist organization or activity, an agent of any of the foregoing, or any other individual or entity acting on behalf of or otherwise supporting any of the foregoing; or
 - d) Suspected or known theft, unauthorized disclosure, or unauthorized amassing of CNSI, SUI, or otherwise protected information in the possession of the FAA known or suspected to be for the purpose of conveying it to a foreign government or element thereof, an entity or individual that meets the definition of “foreign power” or “agent of a foreign power” in 50 U.S.C. § 1801, a foreign organization, a foreign person, an international terrorist organization or activity, an agent of any of the foregoing, any other individual or entity acting on behalf of or otherwise supporting any of the foregoing, or an unknown recipient, or statements of intent by an FAA employee to engage in any such actions. SUI or otherwise protected unclassified information whose theft, unauthorized disclosure, or unauthorized amassing, for the purposes described in the preceding sentence, is of concern includes, but is not limited to:
 - i. Non-public information from an official FAA data network or information;
 - ii. Imagery;
 - iii. Technical specifications;
 - iv. Trade secrets;
 - v. Proprietary information;
 - vi. Sensitive Security Information (SSI); and

vii. Any other SUI

e) Activities similar to those described in paragraphs b(6)(a)-(d) by, on behalf of, or otherwise supporting, potential lone wolf actors, malicious insiders, or transnational organizations of a national security concern.

If notification of the CO or their designee is not feasible owing to the CO and/or their designee being one of the suspicious actor(s), the contractor must notify the DCIP directly at the above email address if they observe any of the above activities.

7) Elicitation attempts. Elicitation is the strategic use of conversation to extract information from people without giving them the feeling they are being interrogated. It is a technique used to discreetly gather information. It is a conversation with a specific purpose: collect information that is not readily available and do so without raising suspicion that specific facts are being sought. The conversation can be in person, over the phone, or in writing.

Contractors must immediately notify the DCIP at ASH-CI-Notify@faa.gov, and the CO and/or their designee if their employees experience any known or suspected direct (e.g., personal encounter or telephone) or indirect (e.g., electronic or written communication) elicitation or attempted elicitation of CNSI, SUI, or otherwise protected information in the possession of the FAA by any suspicious entity or person, regardless of ethnicity, nationality, or FAA employment status, as soon as possible, but no later than 12 hours after the time of the incident, initial detection, or receipt of report, as applicable, or the next business day if the incident, initial detection, or receipt of report, as applicable, occurs on a weekend or holiday. Contractors must report these incidents regardless of where, when, or how the contact took place, or whether the employee was on or off duty. Suspicious activities include, but are not limited to:

- a) Direct or indirect contact or communication with a known or suspected foreign or foreign-affiliated person, or an unknown or unfamiliar person, seeking access to or disclosure of any CNSI, SUI, or otherwise protected information in the possession of the FAA for which such person does not meet the applicable access requirements, or that is outside the scope of their official duties;
- b) Direct or indirect contact or communication with a known or suspected foreign or foreign-affiliated person, or an unknown or unfamiliar person, seeking specific information about an FAA employee's official duty responsibilities, work projects, access to information, security clearance, travel plans, coworkers' identities, or Information Technology (IT) system credentials for which such person does not meet the applicable access requirements, or that is outside the scope of their official duties;
- c) Direct or indirect contact, communication, or observance of a known or suspected foreign or foreign-affiliated person, or an unknown or unfamiliar person, seeking unauthorized access to FAA employees, equipment, operations, systems, information, facilities, or networks, including through a Personal Electronic Device (PED);
- d) Direct or indirect contact, communication, or observance of a known or suspected foreign or foreign-affiliated person, or an unknown or unfamiliar person, introducing, or seeking to introduce, unauthorized digital media or software into any FAA equipment, facilities, systems, or networks, including through a PED;
- e) Offers of compensation, gifts, or favors in exchange for FAA information or access to such information, regardless of medium; or access to FAA employees, equipment, operations, facilities, systems, or networks;
- f) Threats, attempts to coerce, or attempts to exploit any FAA employee by a known or suspected foreign or foreign-affiliated person, or by an unknown or unfamiliar person, in order to illicitly

acquire FAA information or access to FAA employees, equipment, operations, facilities, systems, information, or networks;

g) Solicitation by any person of FAA information for which they do not meet the applicable access requirements or that is outside the scope of their official duties;

h) A request by any person for access to FAA employees, facilities, equipment, operations, systems, information, or networks for which they do not meet the applicable access requirements or that is outside the scope of their official duties; and

i) Suspicious or unexplained contact by any person with an FAA employee, where the person has suspicious or unexplained knowledge of the employee.

Unless requested by ASH, contractors must not disclose an elicitation attempt of the nature described above, in any other manner than to report the attempt to the CO or their designee and request that they report it to the DCIP. If that is not feasible, or if the CO or their designee are the suspicious actor(s), contractors may make these reports directly to the DCIP at the above email address. Contractors must not take any actions on their own initiative, as doing so may interfere with a DCIP inquiry or CI investigation.

c. Failure to cooperate with any of the activities under section (b) above may be considered by the FAA to be a material breach of the contract.

d. The Contractor is responsible for ensuring that the provisions of this clause flow down to its subsidiaries, subcontractors, and consultants performing this contract.

82. Notices (09/2021) 6.10.1 All notices/correspondence must be in writing, reference the Contract number, and be addressed as follows:

TO THE CONTRACTOR:

Salina Airport Authority
Attn: Director of Administration and Finance
3237 Arnold Ave.
Salina, KS 67401

TO THE GOVERNMENT:

Federal Aviation Administration
Real Estate Contracting Division, AAQ-920
10101 Hillwood Parkway
Fort Worth, Texas 76177

83. Signature Block (09/2021) 6.10.3 This Contract shall become binding when it is fully executed by both parties. In witness whereof, the parties hereto have subscribed their names as of the date shown below.

SALINA AIRPORT AUTHORITY

By: _____
Print Name: Timothy F. Rogers, A.A.E.
Title: Executive Director
Date: _____

UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

By: _____
Print Name: _____
Title: Real Estate Contracting Officer
Date: _____

CERTIFICATE OF AUTHORIZATION

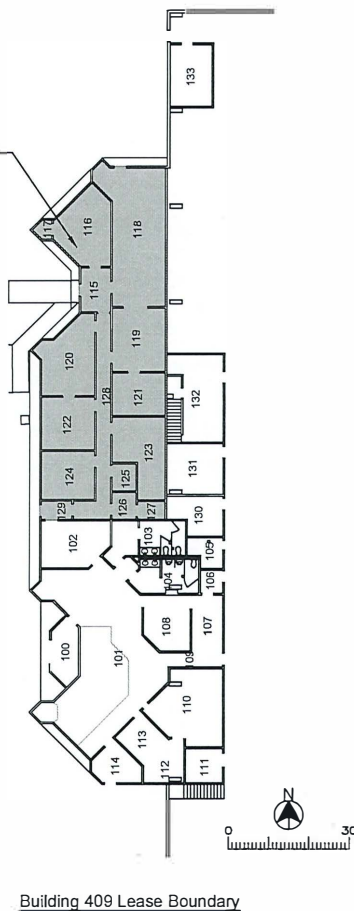
I, the undersigned, hereby certify that _____, who signed this instrument on of behalf of the Salina Airport Authority is in fact authorized to sign on behalf of the Salina Airport Authority by authority of its governing resolution, and is within the scope of its powers.

Print Name: _____ Print Title: _____
Signature: _____ Date: _____

ATTACHMENTS/EXHIBITS:

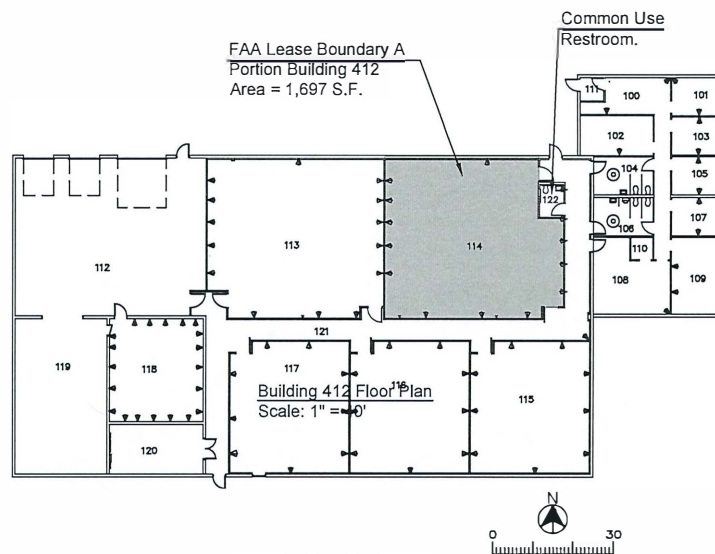
Number	Title	Date	Number of Pages
1	Floor Plan		

FAA Lease Boundary A
Portion of Building 409
Area = 2,459 S.F.



Building 409 Lease Boundary

FAA Lease Boundary A
Portion Building 412
Area = 1,697 S.F.



Building 412 Lease Boundary

Common Use
Restroom.

Building 412
Building 409



Building's 412 & 409 Location Map

Lease Areas
Bldg. 409 = 2,459 S.F.
Bldg 412 = 1,697 S.F.

Total Area = 4,156 S.F.

Drawing Number 2833-08-20



3237 ARNOLD, SALINA, KS 67401
(785-827-3914 FAX: 785-827-2221)

None : REVISIONS
KFB : DESIGNED BY
KFB : DRAWN BY

As Shown : SCALE
8/2/20, 0813 : DATE

SALINA AIRPORT AUTHORITY
SLN SSC Lease No. 697DCM-23-L-00161 - Exhibit A

1
OF
1

DATE: September 15, 2023
TO: Tim Rogers
FROM: Maynard Cunningham
SUBJECT: September 20, 2023, SAA Regular Board Meeting

Facilities and Construction Notes

New Projects

- **Aviation Innovation & Maintenance (AIM) Center of Excellence at SLN (Hangar 626, Room 111)** – SAA received a Kansas Department of Commerce -ALOFT Grant. A portion of the funds from the grant will be used for renovation of Room 111 at Hangar 626 for classroom use. SAA is preparing Requests for Interest and Qualifications from possible contractors for the renovation project.

Current Projects

- **PH305 (SLN Fuel Facility Construction) AIP-49** – SAA received the Concurrence in Award letter from the FAA September 11, 2023, to award the contract for construction of the new SLN Fuel Facility to American Environmental Aviation. A preconstruction conference will be scheduled within the next few weeks. Water line relocation plans were submitted to KDHE August 23, 2023. Kansas Gas Service is scheduled to relocate the gas line this week.

- **H626 (Hangar Rehabilitation) – Rehabilitation Construction –**



Hangar 626 – South Elevation

Hutton and subcontractors continue work on the Hangar 626 Rehabilitation. The exterior sheathing on the hangar is nearing completion so metal panel siding can be installed. Top rails for the hangar doors were completed on the south and are in process on the north. Gas pipe and electrical conduit in-wall inspections have begun throughout the hangar and some areas are ready to start drywall installation. SAA and IFP personnel held a conference call with Salina Fire Chief and Fire Marshal to review and discuss the Hangar 626 Clean Agent Risk Assessment on September 15, 2023.

- **H959 (1 Vision Aviation) – Air Discharge Analysis** – Dragun and partner Environmental Partners continue to review the latest painting project information provided by 1 Vision. Material calculations indicate that 1 Vision's annual usage is below the state regulation thresholds. Dragun has recommended approaching the state air permitting authority to discuss options for registering the minor source activities.
- **General Aviation Hangars (C-Hangars)** – The application for a City of Salina building permit for construction of the General Aviation C-hangars was submitted on August 14, 2023. SAA is in the process of providing additional documentation requested by the City. Construction completion is scheduled by April 17, 2024.

- **Runway 12/30 AIP-48** – SAA received an award offer from the FAA on May 15, 2023 for design of the rehabilitation of Runway 12/30, including asphalt mill and overlay, edge lighting, lighted guidance signs, and removal of portions of excess pavement. Jviation is the engineering consultant performing the design and has provided the Construction Safety Phasing Plan for SAA review.
- **H504 (Former LifeSave Hangar)** –SAA has issued a PO to Earles Engineering to provide drainage improvement design plans for improved drainage on the east and south side of H504. SAA and Earles personnel met on site to discuss options for drainage improvements.

Special Projects

- **Former SAFB (Schilling Air Force Base) Environmental Cleanup Project**
 - **Plume B Excavation** – Excavation of a site near Building 614, as part of the Former SAFB environmental cleanup project, requires relocation of utilities for SAA Building 614 (maintenance shop) prior to the site excavation. Dragun Corp. has developed the scope of work and will seek contractor bids for the utility relocation including water, sewer, gas, and overhead electric power lines.
 - **Pilot Study** - An access agreement has been established with Flotation Technologies to perform a pilot study to test ground water treatment technology at one of the existing monitoring well sites located on K-State Salina property. Equipment is on site for the pilot study.
- **CTX Devices at SLN** - TSA approval has been received for a computed tomography explosives (CTX) detection device for checked baggage at the airport terminal building to improve passenger and bag screening. CTX device installation has been delayed due to the unit needing to be recertified.

DATE: September 15, 2023

TO: Tim Rogers, Executive Director

FROM: Kasey L. Windhorst

SUBJECT: September Board Meeting Update

Employee Training

SAA Maintenance, Operations and Aircraft Rescue and Fire Fighting (ARFF) personnel have two significant training opportunities in the month of September. The annual Mobile Aircraft Firefighting Trainer (MAFT) will be on-site at Salina Regional Airport, September 25-26, 2023. The MAFT is a unique 50-foot-long realistic aircraft mock-up that simulates fires in and on the aircraft via propane burners. The training is designed to move the responders through a simulated emergency to include initial response, firefighting operations, victim handling, IMS communications, aircraft shut down, battery disconnect, primary search, secondary search, securing for NTSB, vehicle operations and teamwork. This training event allows SAA personnel, Salina Fire Department (SFD) and rural fire districts to comply with the annual live fire burn and complete the required Part 139 training.

In addition to the annual MAFT trainer, SAA staff must coordinate and perform a Full-Scale Emergency Exercise every 3-years per Part 139 requirements. This training includes participation from SAA staff, Law Enforcement, Emergency Medical Service (EMS), Air Carriers, Media, Airport tenants and hospitals. Coordination of the Full-Scale Emergency Exercise with all participants ensures readiness in the procedures and coordination needed to support a capable and effective emergency response in a minimum amount of time. The training exercise is scheduled for Tuesday, September 26, 2023.

Request for Proposal (RFP) – Employee Uniforms

During the month of August, SAA staff submitted requests for proposals for employee uniforms. The RFP resulted in three bids being received. The low bid was provided by Aramark and will result in annual savings of \$1,500 per year.

Upcoming Events**2023 US National Aerobatic Championships**

SAA staff is working with the International Aerobatic Club (IAC) to host the upcoming 2023 U.S. National Aerobatic Championships at Salina Regional Airport from September 21-30, 2023. The public is able to view all flight competitions from [Fossett Plaza, 2035 Beechcraft Rd.](#) The final event, which is a 4-minute free-style flights that will include smoke, is scheduled for Friday, September 29, 2023 at 1:00 p.m. The tentative 2023 US Nationals schedule is posted online at: <https://www.iac.org/us-nationals-2023-schedule>

Fly Kansas Air Tour

SLN was selected to host the upcoming Fly KS Air Tour. The Kansas Department of Transportation Division of Aviation is partnering with the Kansas Commission on Aerospace Education (KCAE) to host the Fly Kansas Air Tour from Thursday, October 5th to Saturday, October 7th. The Air tour primary focus is to introduce young people to high-paying careers that are readily available right here in Kansas, the “Air Capital of the World.” Over 50 pilots and corporate sponsors have already registered to fly the Air Tour this year, visiting ten communities across Kansas. The tour includes presentations related to STEM (Science, Technology, Engineering and Math) as well as the new jobs and economic growth that aviation industries bring to rural Kansas communities. Highlights for this year include opportunities for students to learn from pilots, attend community events and view aircraft participating in the tour. Stops include the following airports:

Thursday, October 5, 2023

Goodland - Colby - Scott City - Dodge City

Friday, October 6, 2023

Great Bend - Wellington - Hutchinson - Salina

Saturday, October 7, 2023

Emporia - Topeka Regional Airport

For more information, visit the Fly Kansas Air Tour page at <https://airkansas.ksdot.gov/>.

Announcements

Below are the upcoming regular scheduled board meetings and special board meetings through the end of the year. All board meetings will be held at Hangar H600, Room 100.

Wednesday, September 20, 2023, 8:00 a.m.

Wednesday, October 18, 2023, 8:00 a.m.

Wednesday, November 15, 2023, 8:00 a.m.

Wednesday, December 20, 2023, 8:00 a.m.

Regular Board Meeting

Regular Board Meeting

Regular Board Meeting

Regular Board Meeting