

City of Glendale Council Workshop Agenda

March 19, 2013 – 1:30 p.m.

Welcome!

We are glad you have chosen to attend this City Council meeting. We welcome your interest and encourage you to attend again.

Form of Government

The City of Glendale has a Council-Manager form of government. Policy is set by the elected Council and administered by the Council-appointed City Manager. The City Council consists of a Mayor and six Councilmembers. The Mayor is elected every four years by voters city-wide. Councilmembers hold four-year terms with three seats decided every two years. Each of the six Councilmembers represent one of six electoral districts and are elected by the voters of their respective districts (see map on back).

Council Meeting and Workshop Schedule

Council meetings to take official action are held two times each month. These meetings are held on the second and fourth Tuesday of each month at 7:00 p.m. Council workshops are generally held two times each month. Workshops provide Council with an opportunity to hear a presentation by staff on topics that may come before Council for official action. These meetings are held on the first and third Tuesday of each month at 1:30 p.m. The City Council does not take official action during workshop sessions. All meetings are held in the Council Chambers, Glendale Municipal Office Complex, 5850 W. Glendale Avenue.

Executive Session Schedule

Council may convene in "Executive Session" to receive legal advice and discuss land acquisitions, personnel issues, and appointments to boards and commissions. Executive Sessions will be held in Room B3 of the Council Chambers. As provided by state statute, this session is closed to the public.

Regular City Council meetings are telecast live. Repeat broadcasts are telecast the second and fourth week of the month – Wednesday at 2:30 p.m., Thursday at 8:00 a.m., Friday at 8:00 a.m., Saturday at 2:00 p.m., Sunday at 9:00 a.m. and Monday at 1:30 p.m. on Glendale Channel 11.

If you have any questions about the agenda, please call the City Manager's Office at (623)930-2870. If you have a concern you would like to discuss with your District Councilmember, please call the City Council Office at (623)930-2249



For special accommodations or interpreter assistance, please contact the City Manager's Office at (623)930-2870 at least one business day prior to this meeting. TDD (623)930-2197.

Para acomodacion especial o traductor de español, por favor llame a la oficina del admsitrador del ayuntamiento de Glendale, al (623) 930-2870 un día hábil antes de la fecha de la junta.

Councilmembers

Cactus District – Ian Hugh
Cholla District – Manuel D. Martinez
Ocotillo District – Norma S. Alvarez
Sahuaro District – Gary D. Sherwood
Yucca District – Samuel U. Chavira



MAYOR JERRY P. WEIERS

Vice Mayor Yvonne J. Knaack – Barrel District

Appointed City Staff

Horatio Skeete – Acting City Manager
Craig Tindall – City Attorney
Pamela Hanna – City Clerk
Elizabeth Finn – City Judge

Meeting Agendas

Agendas may be obtained after 4:00 p.m. on the Friday before a Council meeting, at the City Clerk's Office in the Municipal Complex. The agenda and supporting documents are posted to the city's Internet web site, www.glendaleaz.com

Public Rules of Conduct

The presiding officer shall keep control of the meeting and require the speakers and audience to refrain from abusive or profane remarks, disruptive outbursts, applause, protests, or other conduct which disrupts or interferes with the orderly conduct of the business of the meeting. Personal attacks on Councilmembers, city staff, or members of the public are not allowed. It is inappropriate to utilize the public hearing or other agenda item for purposes of making political speeches, including threats of political action. Engaging in such conduct, and failing to cease such conduct upon request of the presiding officer will be grounds for ending a speaker's time at the podium or for removal of any disruptive person from the meeting room, at the direction of the presiding officer.

How to Participate

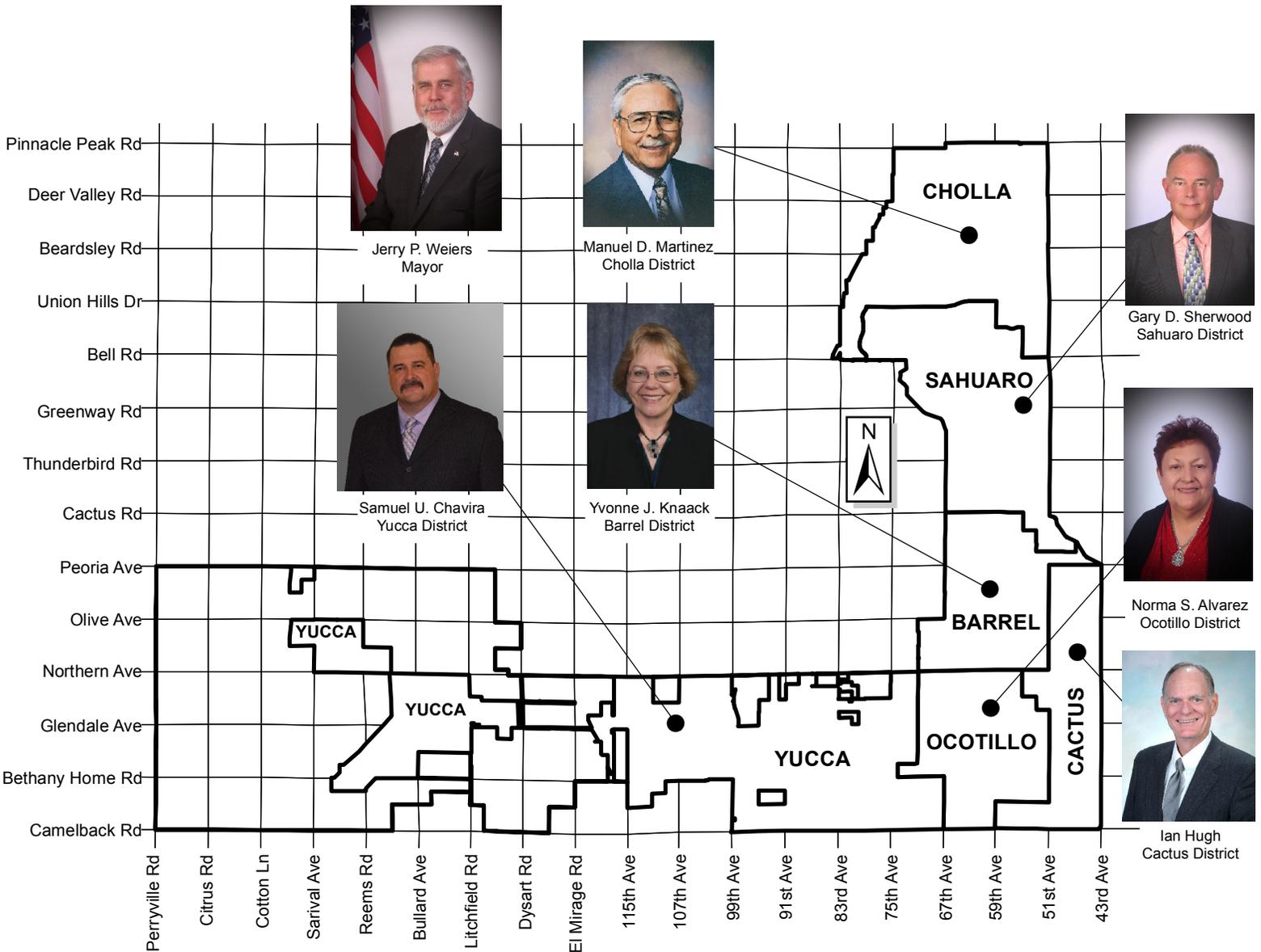
Council Meeting - The Glendale City Council values citizen comments and input. If you wish to speak on a matter concerning Glendale city government that is not on the printed agenda, please fill out a blue Citizen Comments Card. Public hearings are also held on certain agenda items. If you wish to speak on a particular item listed on the agenda, please fill out a gold Public Hearing Speakers Card. Your name will be called when the Public Hearing on the item has been opened or Citizen Comments portion of the agenda is reached. **When speaking at the Podium**, please state your name and the city in which you reside. If you reside in the City of Glendale, please state the Council District you live in and present your comments in five minutes or less.

Workshop Meeting - There is no Citizen Comments portion on the workshop agenda.

Regular Workshop meetings are telecast live. Repeat broadcasts are telecast the first and third week of the month – Wednesday at 3:00 p.m., Thursday at 1:00 p.m., Friday at 8:30 a.m., Saturday at 2:00 p.m., Sunday at 9:00 a.m. and Monday at 2:00 p.m. on Glendale Channel 11.



Council District Boundaries





GLENDALE CITY COUNCIL WORKSHOP SESSION
Council Chambers
5850 West Glendale Avenue
March 19, 2013
1:30 p.m.

One or more members of the City Council may be unable to attend the Workshop or Executive Session Meeting in person and may participate telephonically, pursuant to A.R.S. § 38-431(4).

WORKSHOP SESSION

1. FISCAL YEAR 2013-14 FEDERAL HUD GRANT FUNDING RECOMMENDATIONS
PRESENTED BY: Gilbert Lopez, Revitalization Administrator and Art Swander, Vice Chair, Community Development Advisory Committee
2. REVISED RULES AND REGULATIONS AND MINIMUM OPERATING STANDARDS FOR GLENDALE MUNICIPAL AIRPORT
PRESENTED BY: Cathy Colbath, Interim Executive Director, Transportation Services
3. COUNCIL ITEM OF SPECIAL INTEREST: CITY AUDITOR REPORTING STRUCTURE
PRESENTED BY: Candace MacLeod, City Auditor
4. PARTNERSHIP WITH NEW WESTGATE, LLC FOR TEMPORARY LEASE AT WESTGATE
PRESENTED BY: Erik Strunk, Executive Director, Parks, Recreation and Library
5. FISCAL YEAR 2012-13 MID-YEAR FINANCIAL REPORT UPDATE AND FISCAL YEAR 2013-14 REVENUE PROJECTION
PRESENTED BY: Sherry Schurhammer, Executive Director, Financial Services

CITY MANAGER'S REPORT

This report allows the City Manager to update the City Council. The City Council may only acknowledge the contents to this report and is prohibited by state law from discussing or acting on any of the items presented by the City Manager since they are not itemized on the Council Workshop Agenda.

COUNCIL ITEMS OF SPECIAL INTEREST

Councilmembers may indicate topic(s) they would like to have discussed by the Council at a future Workshop and the reason for their interest. The Council does not discuss the new topics at the Workshop where they are introduced.

EXECUTIVE SESSION

1. LEGAL MATTERS

- A. The City Council will meet with Jose De Jesus Rivera, of Haralson, Miller, Pitt, Feldman & McAnally, P.L.C. for legal advice, discussion and consultation regarding the external audit. (A.R.S. § 38-431.03(A)(2)(3))
- B. The City Council will meet with the City's attorneys for legal advice, discussion and consultation regarding the city's position in pending or contemplated litigation, including settlement discussions conducted in order to avoid or resolve litigation. (A.R.S. § 38-431.03(A)(3)(4))
- C. The City council will meet with the City's attorneys for legal advice, discussion and consultation regarding the city's position in contract(s) negotiations concerning Cardinal's football training camp. (A.R.S. § 38-431.03(A)(3)(4))

2. LEGAL MATTERS – PROPERTY & CONTRACTS

- A. Discussion and consultation with the City's attorneys and representatives of the City to consider its position and provide instruction and direction to the City's attorneys and representatives regarding Glendale's position in connection with agreements associated with arena management and the Hockey Team, which are the subject of negotiations. (A.R.S. § 38-431.03(A)(3)(4)(7))

3. PERSONNEL MATTERS/LEGAL ADVICE/CONTRACTS/POTENTIAL LITIGATION

- A. The City Council will meet to discuss and/or consider the possible employment, assignment, appointment, dismissal or resignation and/or compensation and benefits of the Acting City Manager and City Attorney; discuss and consider records exempt by law from public inspection; discuss and/or consider its position and instruct its attorneys regarding the public body's position regarding negotiations in pending or contemplated litigation or settlements to avoid litigation; and discuss and/or consult with attorneys and representatives of the public body for legal advice and to consider its position regarding the same. A.R.S. § 38-431.03(A)(1), (2), (3), and (4).
- B. The City Council will meet to discuss and/or consider the possible employment, assignment, appointment, promotion, and/or compensation and benefits, of an Acting City Manager and Acting City Attorney; discuss and consider records

exempt by law from public inspection; discuss and/or consider its position and instruct staff regarding the public body's position regarding the same. A.R.S. § 38-431.03(A)(1), (2), (3), and (4).

Upon a public majority vote of a quorum of the City Council, the Council may hold an executive session, which will not be open to the public, regarding any item listed on the agenda but only for the following purposes:

- (i) discussion or consideration of personnel matters (A.R.S. § 38-431.03(A)(1));
- (ii) discussion or consideration of records exempt by law from public inspection (A.R.S. § 38-431.03(A)(2));
- (iii) discussion or consultation for legal advice with the city's attorneys (A.R.S. § 38-431.03(A)(3));
- (iv) discussion or consultation with the city's attorneys regarding the city's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid or resolve litigation (A.R.S. § 38-431.03(A)(4));
- (v) discussion or consultation with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations with employee organizations (A.R.S. § 38-431.03(A)(5)); or
- (vi) discussing or consulting with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property (A.R.S. § 38-431.03(A)(7)).

Confidentiality

Arizona statute precludes any person receiving executive session information from disclosing that information except as allowed by law. A.R.S. § 38-431.03(F). Each violation of this statute is subject to a civil penalty not to exceed \$500, plus court costs and attorneys' fees. This penalty is assessed against the person who violates this statute or who knowingly aids, agrees to aid or attempts to aid another person in violating this article. The city is precluded from expending any public monies to employ or retain legal counsel to provide legal services or representation to the public body or any of its officers in any legal action commenced for violation of the statute unless the City Council takes a legal action at a properly noticed open meeting to approve of such expenditure prior to incurring any such obligation or indebtedness. A.R.S. § 38-431.07(A)(B).

Items Respectfully Submitted,



Jamsheed Mehta
Interim Assistant City Manager



CITY COUNCIL REPORT

Meeting Date: **3/19/2013**
Meeting Type: **Workshop**
Title: **FISCAL YEAR 2013-14 FEDERAL HUD GRANT FUNDING
RECOMMENDATIONS**
Staff Contact: **Sam McAllen, Interim Executive Director, Neighborhood & Human Services
Gilbert Lopez, Revitalization Administrator**

Purpose and Policy Guidance

This is a request for City Council to review the funding recommendations of the Community Development Advisory Committee (CDAC), for the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), and Emergency Solutions Grants (ESG) program funds from the U.S. Department of Housing and Urban Development (HUD). In addition to staff, CDAC Vice Chair Art Swander will present the recommendations to the Mayor and Council for consideration.

Background Summary

CDAC conducted an extensive review and public process from November 2012 through January 2013, during which they formulated their funding recommendations for Fiscal Year (FY) 2013-14 CDBG, HOME, and ESG program funds. This process began with an in-depth staff review of all applications followed by CDAC members reviewing each of the 45 submitted applications. Application information included budget, goals, performance measures, program history, and responses to a variety of service related questions, developed by CDAC, specific to Glendale. Committee members received the applications in November and began reviewing the applications and formulating questions for each applicant. In January, CDAC conducted a total of three (3) public hearings, heard formal presentations by each of the 45 applicants and asked clarifying questions to fully understand how each applicant planned to provide assistance to Glendale residents. CDAC then conducted two (2) public meetings where members discussed and debated the merits of each proposal, prior to developing the funding recommendations being presented to Council.

This year, the City of Glendale is anticipating receiving \$2,083,478 in CDBG funds; \$487,282 in HOME funds; and \$174,160 in ESG funds. Collectively, these funds will be used for activities that benefit low-to-moderate income persons, aide in the elimination of slum and blight, and/or address an urgent community need.

Previous Related Council Action



CITY COUNCIL REPORT

On October 30, 2012, Council reviewed and approved the process by which CDAC determines the city's community needs and the priorities to be used in formulating its recommendations. The extensive public process and Council priorities are supported by Glendale's Five-Year Consolidated Plan for Fiscal Years 2010 through 2014.

Community Benefit/Public Involvement

Since FY 1977-78, Glendale has been allocated approximately \$68 million in CDBG, HOME, and ESG funds to assist thousands of homeowners and individuals.

These funds have helped the residents of Glendale with public service programs, such as homeless prevention, and senior, youth, and disabled services, that provide a compassionate hand to those in need. Physical improvement projects are the "bricks and mortar" part of the program, and this category provides funding for a variety of projects that help revitalize the downtown infrastructure and remove blighted, underperforming structures. Other types of funding assist with housing rehabilitation programs, that provide much needed repairs for heating and cooling systems, electrical, plumbing, and other critical components.

Budget and Financial Impacts

The CDBG, HOME, and ESG programs are federally funded. The CDBG program does not have a match requirement; the HOME program does require a 25% match from non-federal funds; and the ESG program requires a 100% match.

For HOME projects administered by the city, an annual match allocation of \$25,000 is provided in the General Fund budget as a supplement towards the required 25% match requirement. Outside agencies who apply for HOME funds are required to provide a portion of their own matching funds.

The ESG funding will be administered in-house and also allocated to outside agencies. Agencies who receive these funds are required to provide a 100% match.

Cost	Fund-Department-Account
\$2,083,478	1320 - Community Development Block Grant Program
\$487,282	1300 - HOME Investment Partnerships Program
\$174,160	1830 - Emergency Solutions Grants Program



CITY COUNCIL REPORT

Capital Expense? Yes No

Budgeted? Yes No

Requesting Budget or Appropriation Transfer? Yes No

If yes, where will the transfer be taken from?

Attachments

Staff Report

Other

Other



STAFF REPORT

To: **Horatio Skeete, Acting City Manager**
Sam McAllen, Interim Executive Director, Neighborhood and Human
From: **Services**
Gilbert Lopez, Revitalization Administrator
Item Title: **FISCAL YEAR 2013-14 FEDERAL HUD GRANT FUNDING**
RECOMMENDATIONS
Requested Council Meeting Date: **3/19/2013**
Meeting Type: **Workshop**

PURPOSE

This is a request for City Council to review the funding recommendations of the Community Development Advisory Committee (CDAC), for Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), and Emergency Solutions Grants (ESG) program funds from the U.S. Department of Housing and Urban Development (HUD). In addition to staff, CDAC Vice Chair, Art Swander, will present the recommendations to the Mayor and Council for consideration.

BACKGROUND

The City of Glendale receives annual allocations of federal funds from HUD to address critical community needs. These include the CDBG, HOME and ESG programs. For Fiscal Year (FY) 2013-14, the City of Glendale is anticipating receiving \$2,083,478 in CDBG funds, \$487,282 in HOME funds and \$174,160 in ESG funds. These funds total over \$2.58 million and must be used for community development activities that provide quality housing and expand economic opportunities, primarily for low-to-moderate income citizens or low-to-moderate income areas within our community. To assist the city in allocating these funds, Council established the CDAC to consider all grant applications and formulate funding recommendations.

In order to receive these funds, entitlement communities are required to undertake a public process to solicit public input and formulate the city's Five-Year Consolidated Plan and Annual Action Plan. This is a community-based strategic plan identifying housing and community development priorities, goals, and strategies for Glendale residents. In general terms, it outlines what can be funded and guides the allocation process throughout the life of the plan. The plan is designed to work with and complement other approved plans, such as the city's General Plan, the Centerline Initiative and the Strategic Housing Plan.

In analyzing community needs, staff reviewed calls for service provided by Community Information and Referral Services, and other available economic data, to support the city's assumptions. Because of the existing and ongoing economic challenges, the needs of the people



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served have increased. The most demand seems to be in the area of basic needs. For example, items such as food and shelter are in high demand. The number of individuals served by the St. Mary's Emergency Food Box Program climbed from 13,295 individuals served in FY 2010-11 to 27,086 individuals served in FY 2011-12; an increase of over 100%. Calls to the Community Information and Referral Services CONTACTS shelter hotline increased from 2,727 to 3,255 during the same timeframe.

On October 30, 2012, Mayor and Council provided staff and the CDAC chair with direction on funding priorities based on the economic challenges facing our citizens. Based on the current calls for assistance and existing economic situation throughout Arizona, the new priorities helped CDAC direct services to help our citizens address some of the most pressing challenges they currently face. These priorities are as follows:

- Assistance with core needs such as food, utilities, and shelter;
- Keeping people in their homes;
- Meeting an immediate need such as the YWCA Meals on Wheels Program for homebound seniors; and
- Providing programs that prevent homelessness, such as rental assistance, and emergency home repairs.

Past priorities that are relevant and support the above priorities include:

- Housing rehabilitation programs;
- Additional programs that prevent homelessness;
- Clearance and demolition of blighting conditions; and
- Programs or projects that help revitalization efforts throughout Glendale, with an emphasis in the Centerline/redevelopment area.

ANALYSIS

Federal funds are provided to allow entitlement cities the ability to meet community needs in a wide variety of areas. Program regulations help direct the use of funds, which target families and individuals who are low-to-moderate income. The program has some built-in parameters that allow a percentage of the funds to be used to address specific needs. The most competitive area is under the category of public services, where the funding is limited to 15% of the CDBG grant. This category includes after school programs, food boxes, legal services, domestic violence assistance, etc.

There are two options available regarding CDAC's funding recommendations. The first option is to accept CDAC's funding recommendations that reflect Council direction and priorities within the funding parameters of the programs. The second option is to not accept CDAC's



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recommendations. Council could then either change the recommendations or send them back to CDAC for reconsideration. The second option would require the city to request a time extension from HUD because May 15, 2013 is the national Annual Action Plan filing deadline. A time extension would be required to enact the second option because funding recommendations must be posted for a mandatory 30 day public comment period, which includes the posting of notices, advertising in the local paper, and initiating a 30 day public comment period. Once the comment period ends, Council would have to take action adopting the plan and forwarding it to HUD for their review and approval. Once approved by HUD, a grant agreement is created and executed by all parties.

FISCAL IMPACTS

The federal HUD funds are received by Glendale as an entitlement and are budgeted annually through the city's budget process. The amount the city receives is based on the amount of congressional funding allocated and a formula that HUD applies using a variety of factors that include population, housing conditions, and others, such as foreclosure rates. The city does provide some General Fund match in the form of direct funding and some salary funding. The city allocates \$25,000 annually to help match and leverage federal HOME funds, which is the only source of funding for new construction. Non-profit agencies provide their own match when utilizing HOME funds.

Last year, Glendale expended over \$2.5 million in federal grant funding to help more than 40,000 people access public service programs, such as the provision of food/meals, homeless prevention and shelter, as well as programs for seniors, youth, domestic violence victims, and other services to those in need. Physical improvement projects are the "bricks and mortar" part of the program and this category provides funding for a variety of projects that help revitalize the downtown by replacing infrastructure and removing blighted structures. Over 200 Glendale households were assisted through HUD funded programs that provide emergency repairs and housing rehabilitation, which provide much needed repairs to roofs, heating and cooling systems, electrical and plumbing components, and other critical needs.

**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
FY 2013-14 FUNDING ALLOCATIONS FOR
PUBLIC SERVICE ACTIVITIES**

AGENCY / ACTIVITY NAME	PROGRAM DESCRIPTION	CDBG FUNDING
Homeless		
Central Arizona Shelter Services – Men’s Overflow Shelter	Provide immediate overnight (7pm – 7am) access to safe and secure shelter for men. Funds will be used to pay for a portion of utilities for the shelter.	\$10,000
Central Arizona Shelter Services (CASS) – Family Shelter	Provide shelter and support services for homeless men, women, and children. The CDBG funds will be used for a portion of the utilities for the Vista Colina Family Shelter.	\$15,000
COG - Community Action Program (CAP) – Eviction Prevention (Rent Assistance)	Provide rent assistance to low-income Glendale residents who have a 5-day eviction notice and have experienced a recent crisis.	\$75,000
Society of St. Vincent de Paul, OLPH Glendale - Keeping Families United	Provide rent and/or utility assistance for low-income Glendale residents who are facing the threat of becoming homeless.	\$59,022
Domestic Violence		
Chrysalis – Victim Services	Provide funding to subsidize program expenses necessary to provide direct victim services including the new Phoenix emergency shelter, transitional housing, and non-residential services.	\$15,000
Seniors		
Duet, Partners in Aging – Elderly Assistance (In-Home Services and Transportation)	Recruit and train volunteers to be matched with homebound individuals who will receive transportation to medical appointments, grocery shopping, socialization through home visits and phone calls, help with paperwork, computer training, and minor home repairs.	\$13,500
St. Mary's Food Bank Alliance – Glendale Home Food Delivery	Provide monthly home delivered food boxes to low-income Glendale seniors. This program utilizes USDA non-perishable food products to feed the elderly who face various challenges for accessing the monthly food boxes.	\$30,000
YWCA of Maricopa County - Congregate Meals Program	Provide hot meals, recreation, and social interaction for low- and moderate-income seniors and disabled persons. Meals are provided at four city locations.	\$40,000
Disabled		
YWCA Maricopa County – Home Delivered Meals Program (Meals on Wheels)	Provide home delivered meals to senior and/or disabled adult Glendale residents who are homebound. Funds will be used to purchase raw food and supplies to prepare, serve, and deliver the meals.	\$40,000
General Assistance Services		
Community Legal Services – Fair Housing	This contractual service with Community Legal Services will meet a CDBG mandate to affirmatively further fair housing.	\$15,000

**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
FY 2013-14 FUNDING ALLOCATIONS FOR
REHABILITATION-RELATED ACTIVITIES**

AGENCY / ACTIVITY NAME	PROGRAM DESCRIPTION	CDBG FUNDING
COG – Community Revitalization Division City of Glendale - Community Revitalization Division Programs to be provided include:	Housing-Rehabilitation Activities -	\$348,000
Residential Rehabilitation Program and Delivery Cost	Provide residential rehabilitation for low- and moderate-income homeowners of single-family owner-occupied homes. This program targets homeowners earning at or below 80% of median income.	
Roof Repair/Replacement Program	Provide roof repair or replacement to low- and moderate-income homeowners. This grant program targets households at or below 60% of median income.	
Exterior Rehabilitation Program	Provide for exterior improvement of single-family homes for low- to moderate-income homeowners. The program targets households earning at or below 60% of median income.	
Lead-Based Paint Hazard Program	Provide for the reduction of lead-based paint hazards in single-family homes rehabilitated under the Roof Repair/Replacement, Residential Rehabilitation, and Exterior Rehabilitation programs.	
Temporary Relocation Program	Community Revitalization Division will provide temporary relocation for clients receiving services under the single family Residential Rehabilitation Program offered by the Community Revitalization Division. This assistance does not fall under the Uniform Relocation Act (URA).	\$32,000
Habitat for Humanity Central Arizona – Glendale’s Emergency Home Repair (EHR) Program	Provide emergency home repair services for low-to-moderate income Glendale homeowners for HVAC, plumbing and electrical issues.	\$350,000
Arizona Bridge to Independent Living (ABIL) – Glendale Home Accessibility Program (GHAP)	Provide assistance to Glendale residents with physical disabilities to complete accessibility modifications to their homes.	\$37,761
COG - Community Housing Division – Xeriscape Project	Convert 39,000 sq. ft. of existing turf at Cholla Vista and Lamar apartments into low-water use xeriscape and decomposed granite to reduce water usage re-directing savings into other housing maintenance needs. Also, removal of 50 dead trees.	\$114,000
COG - Voluntary Demolition Low/Mod Slum/Blight	Community Revitalization Division will provide for the demolition and clearance of substandard structures. This service will allow for future development that will benefit low- to moderate-income families.	\$20,000
COG - Voluntary Demolition Slum/Blight, Voluntary Spot Slum/Blight	Community Revitalization Division will provide for demolition of vacant, substandard structures in the designated Downtown Redevelopment Area bounded by 43 rd to 67 th avenues, Orangewood to Maryland avenues, or citywide on a spot basis.	\$50,000

**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
FY 2013-14 FUNDING ALLOCATIONS FOR
PUBLIC FACILITY AND INFRASTRUCTURE IMPROVEMENT ACTIVITIES**

AGENCY / ACTIVITY NAME	PROGRAM DESCRIPTION	CDBG FUNDING
Central Arizona Shelter Services (CASS) - Vista Colina Family Shelter Improvements	Replace donated sofas with durable, bed-bug-proof furniture at Family Shelter (Vista Colina) in thirty (30) 1-or-2 bedroom apartments.	\$14,000
Central Arizona Shelter Services (CASS) - Single Adult Shelter Improvements	Use the funding to purchase commercial capacity washers and dryers to replace the units currently being used in the single adult emergency shelter.	\$25,000
Valley Life – Upgrade/Renovate three (3) Residential Group Homes	Renovate 3 group homes to include upgrading a kitchen and 2 bathrooms, widening bedroom doorways, removed carpet and VCT tile and installing ceramic tile, installing doors, security doors, wall and corner protection, painting.	\$128,000
COG - Code Compliance Department – Elimination of Code Violations	Identify and eliminate code violations at vacant properties that are creating unsafe slum and blighting conditions in residential neighborhoods.	\$29,405
COG - Code Compliance Department – Neighborhood Safety and Preservation	Funding will pay for the salary of a contract inspector to proactively and systematically conduct external inspections in residential areas to identify and eliminate code violations that are creating slum and/or blighted conditions. They will issue notices of violations to property owners and provide compliance time frame.	\$45,595
COG -Economic Development Department – Visual Improvement Program (VIP)	Use funding to encourage exterior redevelopment for commercial properties of existing sites and spur new investment opportunities within Glendale’s Redevelopment Area through the Visual Improvement Program (VIP). There is a 50% match requirement by the owner.	\$49,000
COG - Field Operations- Street Reconstruction Paving	Improve the physical appearance of Glendale streets by reconstructive paving of severely deteriorated streets bounded by Bethany Home frontage road, from 61 st Avenue to 6600 West, and 67 th Avenue frontage road, from Keim Drive to Rose Lane. This project will eliminate blight and address a community need by providing the public with safe, smooth streets.	\$250,000
COG - Parks and Recreation & Library Services – Sonorita Park	Restore landscape and sports courts, replace or enhance amenities.	\$61,500

EMERGENCY SOLUTIONS GRANTS (ESG) FY 2013-14 FUNDING ALLOCATIONS		
Emergency Solutions & Transitional Housing Related Activities		
AGENCY / ACTIVITY NAME	PROGRAM DESCRIPTION	ESG FUNDING
A New Leaf - Faith House Emergency Shelter	Provide assistance for agency operational expenses for the provision of an emergency shelter for battered women over the age of 18 and their minor-aged children. Participants may stay in this shelter for up to 120 days.	\$17,500
Central Arizona Shelter Services (CASS) - Adult Emergency Shelter	Funding will be applied to a portion of the general operating expenses associated with the provision of the 24/7 emergency shelter.	\$21,657
Homeward Bound – Utilities Assistance for the Thunderbirds Family Village	Funding will be applied to a portion of the utility and operational expenses supporting homeless families.	\$26,941
UMOM New Day Centers – Emergency Shelter for Families	Provide critical shelter and comprehensive wrap-around services to homeless children and families.	\$20,000
Homeless Prevention, Rapid Re-Housing and HMIS Activities		
COG - Community Action Program (CAP) – Homeless Prevention Services	Provide social services to low-income families in Glendale who are in need of rental assistance, to prevent homelessness.	\$37,500
COG - Community Action Program (CAP) – Rapid Re- Housing	Provide assistance for first month's rent to Glendale families who are homeless and who have experienced a recent crisis.	\$37,500

HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) FY 2013-14 FUNDING ALLOCATIONS		
Housing Related Activities		
AGENCY / ACTIVITY NAME	PROGRAM DESCRIPTION	HOME FUNDING
Habitat for Humanity Central Arizona – Land Acquisition and Site Improvements	Funds will be used for land acquisition, site preparation, and infrastructure improvements associated with the construction of affordable single-family housing.	\$250,000
COG – Residential Rehabilitation	To fund residential rehabilitation and replacement housing.	\$206,827

FY 2013-14 GRANT FUNDING RECOMMENDATIONS

City of Glendale - Community Revitalization Division			
<u>CDBG PUBLIC SERVICES REQUESTS - FY 2013-14</u>			
		Funds Available:	\$ 312,522
		Adjusted Funds Available:	\$ 312,522
		Funds Requested:	\$ 710,097
		Difference:	\$ (397,575)
TAB	Agency/Organization	Amount Requested	CDAC Recommend
	<u>Homeless:</u>		
1-1	Central Arizona Shelter Services (CASS) - Men's Overflow Shelter	\$ 30,000	\$ 10,000
1-2	Central Arizona Shelter Services (CASS) - Family Shelter	\$ 28,000	\$ 15,000
1-3	COG- Community Action Program (CAP)- Eviction Prevention (Rent Assistance)	\$ 75,000	\$ 75,000
1-4	Homeward Bound - Empowering Families	\$ 23,616	-
1-5	The Society of St. Vincent de Paul - Keeping Families Together	\$ 59,750	\$ 59,022
	Subtotal Homeless	\$ 216,366	\$ 159,022
	<u>Domestic Violence:</u>		
1-6	A New Leaf - Faith House Emergency Shelter	\$ 27,500	-
1-7	Chrysalis Shelter for Victims of Domestic Violence - Victims Services	\$ 15,000	\$ 15,000
1-8	Community Information & Referral - CONTACTS Shelter Hotline	\$ 10,000	-
	Subtotal Domestic Violence	\$ 52,500	\$ 15,000
	<u>Seniors:</u>		
1-9	Duet: Partners in Health & Aging - Independence for Seniors through In-Home Services & Transportation	\$ 13,500	\$ 13,500
1-10	St. Mary's Food Bank Alliance - Glendale Home Food Delivery	\$ 30,000	\$ 30,000
1-11	YWCA of Maricopa County - YWCA Congregate Meals	\$ 70,000	\$ 40,000
	Subtotal Seniors	\$ 113,500	\$ 83,500
	<u>Youth:</u>		
1-12	A New Leaf, Inc - Juvenile Alternatives in Glendale (JAG) Youth Center	\$ 12,500	-
1-13	Back to School Clothing Drive Association - New Clothes, New Beginnings Annual Distribution	\$ 20,000	-
1-14	Big Brothers Big Sisters of Central Arizona - Glendale Mentoring Program	\$ 12,500	-
1-15	Boys and Girls Clubs of Metropolitan Phoenix - Swift Kids Branch After-School Program	\$ 21,000	-
1-16	Florence Crittenton Services of Arizona - Independent and Transitional Independent Living Program	\$ 20,000	-
1-17	Junior Achievement of Arizona - JA BizTown for Glendale Students	\$ 17,100	-
	Subtotal Youth	\$ 103,100	-
	<u>Disabled:</u>		
1-18	One Step Beyond, Inc. - Employment Program for the Working Poor with Developmental Disabilities	\$ 5,500	-
1-19	YWCA Maricopa County - Home Delivered Meal Program (Meals on Wheels)	\$ 70,000	\$ 40,000
	Subtotal Disabled	\$ 75,500	\$ 40,000

FY 2013-14 GRANT FUNDING RECOMMENDATIONS

City of Glendale - Community Revitalization Division			
<u>CDBG PUBLIC SERVICES REQUESTS - FY 2013-14</u>			
		Funds Available:	\$ 312,522
		Adjusted Funds Available:	\$ 312,522
		Funds Requested:	\$ 710,097
		Difference:	\$ (397,575)
TAB	Agency/Organization	Amount Requested	CDAC Recommend
	<u>General Assistance:</u>		
1-20	Community Bridges, Inc. - Community-Based Outreach Services in Glendale	\$ 31,631	-
1-21	Community Information & Referral - 2-1-1 Arizona	\$ 20,000	-
1-22	Community Legal Services - Fair Housing Services	\$ 15,000	\$ 15,000
1-23	Community Legal Services - Removing Barriers to Justice for Low-income Glendale Residents	\$ 30,000	-
1-24	St. Mary's Food Bank Alliance - Glendale Emergency Food Box Program	\$ 35,000	-
1-25	Southwest Center for HIV/AIDS - Women & HIV (HIV 101/Safer Sex/DV)	\$ 17,500	-
	<i>Subtotal General Assistance</i>	\$ 149,131	\$ 15,000
	Total Public Services Requests:	\$ 710,097	\$ 312,522

FY 2013-14 GRANT FUNDING RECOMMENDATIONS

City of Glendale - Community Revitalization Division			
<u>CDBG Physical Improvement REQUESTS - FY 2013-2014</u>			
		Funds Available:	\$ 1,104,261
		Funds Requested:	\$ 1,591,937
		Difference:	\$ (487,676)
TAB	Agency/Organization	Amount Requested	CDAC Recommend
<u>Housing Related Programs:</u>			
2-1	Arizona Bridge to Independent Living (ABIL) - Glendale Home Accessibility Program (GHAP)	\$ 46,437	\$ 37,761
2-2	Habitat for Humanity Central Arizona - Emergency Home Repair Program	\$ 350,000	\$ 350,000
2-3	COG - Community Housing Division - Xeriscape Project	\$ 114,000	\$ 114,000
<i>Subtotal Housing Related</i>		\$ 510,437	\$ 501,761
<u>Public Facility Improvements:</u>			
2-4	Central Arizona Shelter Services (CASS) - Family Shelter & Physical Improvements	\$ 14,000	\$ 14,000
2-5	Central Arizona Shelter Services (CASS) - Single Adult Shelter Physical Improvements	\$ 53,000	\$ 25,000
2-6	Valley Life - Upgrade/Renovate Three (3) Residential Group Homes	\$ 128,000	\$ 128,000
2-7	COG - Code Compliance - Elimination of Code Violations Creating Unsafe Slum & Blighting Conditions	\$ 29,405	\$ 29,405
2-8	COG - Code Compliance - Neighborhood Safety and Preservation	\$ 45,595	\$ 45,595
2-9	COG - Economic Development - Visual Improvement Program	\$ 300,000	\$ 49,000
2-10	COG - Field Operations - Street Reconstruction Paving	\$ 450,000	\$ 250,000
2-11	COG - Parks and Recreation and Library Services - Sonorita Park Renovation	\$ 61,500	\$ 61,500
<i>Subtotal Improvements</i>		\$ 1,081,500	\$ 602,500
Total Physical Improvement Requests:		\$ 1,591,937	\$ 1,104,261

FY 2013-14 GRANT FUNDING RECOMMENDATIONS

City of Glendale - Community Revitalization Division			
Emergency Solutions Grants (ESG) REQUESTS - FY 2013-14			
		Funds Available:	\$ 161,098
		Funds Requested:	\$ 224,941
		Difference:	\$ (63,843)
TAB	Agency/Organization	Amount Requested	CDAC Recommend
	<i>Homeless Prevention Activities :</i>		
3-3	COG - Community Action Program (CAP) - Homeless Prevention	\$ 37,500	\$ 37,500
3-4	COG - Community Action Program (CAP) - Rapid Re-Housing	\$ 37,500	\$ 37,500
	<i>Subtotal Homeless Prevention</i>	\$ 75,000	\$ 75,000
	<i>Shelter Operational Costs for Homeless Service Activities:</i>		
3-1	A New Leaf - Faith House Emergency Shelter Operations	\$ 35,000	\$ 17,500
3-2	Central Arizona Shelter Services (CASS) - Emergency Shelter Services for Homeless Single Adults	\$ 40,000	\$ 21,657
3-5	Homeward Bound - Utilities Assistance for the Thunderbirds Family Village - Glendale	\$ 26,941	\$ 26,941
3-6	Tumbleweed Center for Youth Development - Open Hands Crisis Shelter and Safe Place	\$ 10,000	-
3-7	Tumbleweed Center for Youth Development - Phoenix Youth Resources Center	\$ 18,000	-
3-8	UMOM New Day Centers, Inc. - Emergency Shelter for Families - Glendale	\$ 20,000	\$ 20,000
	<i>Subtotal Shelter Operation</i>	\$ 149,941	\$ 86,098
	Total ESG Requests:	\$ 224,941	\$ 161,098
	(NOTE: ESG Funding requires a 100% Match)		
		Estimated Amount:	\$ 174,160
		less Admin:	\$ 13,062
		ESG Funds Available:	\$ 161,098

FY 2013-14 GRANT FUNDING RECOMMENDATIONS

City of Glendale - Community Revitalization Division			
HOME Investment Partnerships (HOME) REQUESTS - FY 2013-2014			
	Funds Available:	\$ 250,000	
	Funds Requested:	\$ 250,000	
	Difference:	-	
TAB	Agency/Organization	Amount Requested	CDAC Recommend
	<u>HOME Funded Affordable Housing:</u>		
4-1	Habitat for Humanity - Land Acquisition/Site Improvements/Rehab	\$ 250,000	\$ 250,000
	Total HOME Requests:	\$ 250,000	\$ 250,000
	Estimated Amount:	\$ 487,282	
	less Admin:	\$ 30,455	
	less City's Housing Rehab Activities:	\$ 206,827	
	HOME Funds Available:	\$ 250,000	

GLENDALE NON-PROFIT PARTNERS 5-YEAR FUNDING AND RECOMMENDATIONS

	B	C	D	E	F	G	H	I	J	K
	AGENCY	ACTIVITY NAME	AWARDED FY2008-2009	AWARDED FY2009-2010	AWARDED FY2010-2011	AWARDED FY2011- 2012	AWARDED FY2012-2013	REQUESTED FY 2013-2014	FY2013-14 CDAC Recommendations	Prior Years Funded
2										
3	Community Development Block Grant (CDBG)									
4	Public Service Activities									
5	HOMELESS									
6	Central Arizona Shelter Services (CASS)	Men's Overflow Shelter	9,692		15,000	16,680	20,719	30,000	10,000	7
7	Central Arizona Shelter Services (CASS)	Family Shelter						28,000	15,000	0
8	City of Glendale - Community Action Program (CAP)	Eviction Prevention (Rent Assistance)		37,114				75,000	75,000	1
9	Community Bridges	Substance Use Disorder Treatment								0
10	Homeward Bound	Utilities & Maintenance	11,630					23,616		4
11	Interfaith Cooperative Ministries	Food & Basic Provisions				7,089				2
12	Quality of Life Community Services	Homeless Prevention								11
13	St Vincent de Paul, OLPH	Keeping Families Together	24,230	15,247	45,000	46,913	50,422	59,750	59,022	7
14	Circle the City	Respite Care Center					10,360 *Declined Award			0
15	EMPLOYMENT									
16										
17	DOMESTIC VIOLENCE									
18	A New Leaf-Faith House Emergency Shelter	Domestic Violence Shelter	14,538	20,329	20,800	16,680	20,719	27,500		18
19	Chrysalis (DV Shelter)	Victim Services			10,250	12,510	10,360	15,000	15,000	19
20	Community Information & Referral	CONTACS 24-Hour Shelter R	9,692	10,164	10,000	8,340	10,365	10,000		11
21	West Valley Child Crisis Center	Foster/Adoption Program	19,384	20,329						7
22	SENIORS									
23	Duet - Partners in Aging (formerly Beatitudes Center DOAR)	Elderly Assistance (In-home Services & Transportation)	9,692	10,164	12,000	10,842	13,468			16
24	Jewish Family & Children's Service (JFS)	Older Adult Services/In-Home Older & Adult Services								1
25	Friendship Foundation, Inc.	Fin. Assistance for Low Inc								3
26	Maricopa Co Human Svcs Department	Special Transportation	29,075	30,493						13
27	St Mary's/Westside Food Bank Alliance	Home Food Delivery	24,230	25,411	29,959	25,021	31,079	30,000	30,000	8
28	YWCA of Maricopa County	Congregate Meals	40,463	42,436	45,000	45,747	46,618	70,000	40,000	14
29	YOUTH									
30	A New Leaf	Juvenile Alternative Glendale (JAG) Youth Center	9,692	10,164	10,000	16,680		12,500		8
31	Back to School Clothing Drive	New Clothes in New Beginnings Annual			10,000	8,340	10,356	20,000		4
32	Banner Health Foundation	School-Based Health Clinics								10
33	Big Brothers Big Sisters of Central AZ	Mentoring Prog (Community/S	11,533	12,096				12,500		13
34	Boys & Girls Clubs of Metropolitan Phx	Swift Kids Branch After-School	9,692	10,164	15,000	16,680	20,719	21,000		17
35	Central Arizona Shelter Services (CASS)	Child Care Facility	9,692							1
36	City of Glendale Parks & Recreation	G.R.A.S.P. Fitness: Get a Grip								1
37	Florence Crittenton Services of AZ	Transitional/Independent Living Program				20,851		17,100		2
38	Glendale Family Development Center	Childcare	9,692							4
39	Glendale Union High School District	Glendale High School Health C	9,692	10,164	12,675					6
40	Junior Achievement of Arizona	JA BizTown for Glendale Students						20,000		
41	Valley of the Sun YMCA	Seniors & 2nd Graders		9,769						13

GLENDALE NON-PROFIT PARTNERS 5-YEAR FUNDING AND RECOMMENDATIONS

	B	C	D	E	F	G	H	I	J	K
	AGENCY	ACTIVITY NAME	AWARDED FY2008-2009	AWARDED FY2009-2010	AWARDED FY2010-2011	AWARDED FY2011- 2012	AWARDED FY2012-2013	REQUESTED FY 2013-2014	FY2013-14 CDAC Recommendations	Prior Years Funded
42	DISABLED									
43	Advocates for the Disabled	Assistance to Disabled								
44	Catholic Community Services dba Valley Ctr of the Deaf	Services for the Deaf Blind	9,692	15,633	10,000					10
45	Civitan Foundation, Inc	Food Distribution & Health	9,692							1
46	DUET - Partners in Health & Aging	Independence for Seniors through In-Home Services &						13,500	13,500	
47	Foundation for Blind Children	Infant Program - Parent Educa	9,692		10,000					2
48	Foundation for Senior Living	Restorative Therapy Program (Disabled Adults & Seniors)	14,538	10,164						10
49	One Step Beyond, Inc.	Employment Pgm for Working Poor with Developmental Disabilities						5,500		
50	YWCA of Maricopa County	Home Delivered Meals Program						70,000	40,000	
51	GENERAL ASSISTANCE									
52	Community Bridges	Community-Based Outreach Services in Glendale						31,631		0
53	Community Information & Referral	2-1-1 Arizona	9,692		22,000	20,102	15,539	20,000		11
54	Community Legal Services	Fair Housing Services						15,000	15,000	0
55	Community Legal Services	Removing Barriers to Access to Justice for Low-Income	9,692	15,247	22,470		15,539	30,000		19
56	Maricopa County Community College	Micro Enterprise Small Business								
57	Neighborhood Housing Services of Phoenix	Housing Counseling								
58	St. Mary's Food Bank Alliance	Emergency Food Box Program	24,229	30,493	30,000	29,191	36,259	35,000		9
59	Southwest Center for HIV/AIDS	Women & HIV						17,500		0
60	TOTALS - Public Services		\$ 339,846	\$ 335,581	\$ 330,154	\$ 301,666	\$ 302,162	\$ 710,097	\$ 312,522	
61										
63	HOUSING RELATED PHYSICAL IMPROVEMENT ACTIVITIES									
64	A New Leaf, Inc.	Faith House Shelter Exterior/Interior Painting				83,402				2
65	Arizona Bridge to Independent Living	Glendale Home Accessibility Program (Home Modifications - Disabled)	82,274	90,846	90,521	41,701	44,340	46,437	37,761	17
66	Community Services of Arizona- Application Withdrew-	CDAC recommended to COG (RFP) see COG Revitalization Division	387,700	498,872	400,000					16
67	Habitat for Humanity	Glendale Emergency Home Repair				200,000 (RFP)	140,000	350,000	350,000	2
68	Valley of the Sun School & Habilitation Center	Upgrades of Residential Group	125,518	40,882	90,000					5
69	City of Glendale Community Housing Division	Xeriscape Project	169,619	204,409	200,000	166,804	182,000	114,000	114,000	7

GLENDALE NON-PROFIT PARTNERS 5-YEAR FUNDING AND RECOMMENDATIONS

	B	C	D	E	F	G	H	I	J	K
	AGENCY	ACTIVITY NAME	AWARDED FY2008-2009	AWARDED FY2009-2010	AWARDED FY2010-2011	AWARDED FY2011- 2012	AWARDED FY2012-2013	REQUESTED FY 2013-2014	FY2013-14 CDAC Recommendations	Prior Years Funded
2	PUBLIC FACILITY OR PUBLIC INFRASTRUCTURE IMPROVEMENTS									
71	A New Leaf	West Valley Counseling Center			200,000					1
72	Boys & Girls Clubs of Metropolitan Phoenix	Swift Kids Branch Field Renov	141,595							6
73	Central Arizona Shelter Services (CASS)	Emergency Shelter 14,000 / Single Adult Shelter 53,000	9,693	10,220		11,676	24,874	67,000	39,000	9
74	City of Glendale Revitalization Division	Residential Rehab, Roof, LBP, Relocation	411,281	605,069	345,090	627,575				
75	City of Glendale Code Compliance	Identification & Elimination of Code Violations		76,653	75,000	75,062	75,000	29,405	29,405	5
76	City of Glendale Code Compliance	Neighborhood Safety &						45,595	45,595	0
77	City of Glendale Economic Development	Visual Improvement Program				58,601	150,000	300,000	49,000	2
78	City of Glendale Field Operations	Street Reconstruction Paving			314,272		200,000	450,000	250,000	2
79	City of Glendale Field Operations	Paving Group B (W. Tuckey Ln. and N. 64th Ave.)								1
80	City of Glendale Field Operations	Paving Group C (W. Mclellan Rd. and N. 62nd Ave.)								
81	City of Glendale Field Operations	Paving Group D (W. Mclellan Rd. and N. 57th Ave.)								
82	City of Glendale Field Operations	Paving Group E (W. Mclellan Rd. and N. 59th Ave.)								
83	City of Glendale Field Operations	Paving Group F (N. 58th Dr.,								
84	City of Glendale Field Operations	Paving Group G (N. 53rd Ave.)								
85	City of Glendale Field Operations	Paving Group H (N. 52nd Dr.)								
86	City of Glendale Field Operations	Paving Group I (N. 54th Ave.)								
87	City of Glendale Field Operations	Paving Group J (N. 54th Dr.)								
88	City of Glendale Field Operations	Paving Group K (N. 55th Ave.)								
89	City of Glendale Field Operations	Paving Group 2 (West of Orchard Glen)								
90	City of Glendale Field Operations	Paving Group 3 (In Orchard Glen)								
91	City of Glendale Neighborhood Partnerships	Physical Improvements/East C	99,832	153,306			136,342			9
92	City of Glendale Parks and Recreation	Glendale Community Center Revitalization Project				48,790				1
93	City of Glendale	Sonorita Park Renovation						61,500	61,500	0
94	Glendale Family Development	Roof Repairs		14,835						8
95	St. Mary's Food Bank Alliance	Cooler & Facility Upgrades			52,500					1
96	Valley Life	Renovate (3) Residential						128,000	128,000	1
97	TOTALS - Physical Improvement Projects		\$ 1,327,680	\$ 1,695,092	\$ 1,767,383	\$ 1,113,611	\$ 952,556	\$ 1,591,937	\$ 1,104,261	



CITY COUNCIL REPORT

Meeting Date: **3/19/2013**
Meeting Type: **Workshop**
Title: **REVISED RULES AND REGULATIONS AND MINIMUM OPERATING STANDARDS FOR GLENDALE MUNICIPAL AIRPORT**
Staff Contact: **Cathy Colbath, Interim Executive Director, Transportation Services**

Purpose and Policy Guidance

This report contains information on the 2013 revised Rules and Regulations (Rules) and Minimum Operating Standards (Standards) for the Glendale Municipal Airport. Revisions to these documents were recommended by the Federal Aviation Administration (FAA).

This item will require formal Council adoption at a future voting meeting. This presentation provides an opportunity for staff to provide information and answer questions in a workshop setting.

Background Summary

Rules and Standards are essential for airports to operate safely and efficiently, and are a means to minimize the potential for violations of federal obligations. The Glendale Municipal Airport's Rules and Standards have been revised several times and codified by Council in 1996.

The airport receives FAA grants, and FAA directives require compliance with grant assurances to remain eligible for continued and future grant funding. The airport submitted a Corrective Action Plan (CAP) to the FAA, which outlined a detailed plan and timeline for compliance. In its letter of approval to proceed with the CAP, the FAA strongly recommended that the airport revise its Rules and Regulations.

Previous Related Council Action

At the September 18, 2012 Council Workshop, staff presented a status report on the FAA Corrective Action Plan.

On November 26, 1996, Council codified the revised Airport Rules and Regulations and Minimum Operating Standards.

On March 7, 1989, Council amended the City of Glendale Municipal Airport Rules and Regulations.



CITY COUNCIL REPORT

Community Benefit/Public Involvement

The airport policy stakeholder committee met weekly for over six months and produced draft documents that were reviewed by city staff, legal representatives, the FAA, the Aviation Advisory Commission and airport users. A comprehensive outreach effort was conducted to ensure that all stakeholders were afforded an opportunity to provide input. The draft Rules and Standards documents were emailed to all airport tenants, businesses and hangar association principals. They were also emailed to other individuals who specifically requested them. In addition, the draft Rules and Standards were posted on the Glendale Municipal Airport website, encouraging comments to be sent to the Airport Administration office.

Comments were received by several hangar owners, the FAA and the city's legal counsel. The draft Rules and Standards were also discussed at two Aviation Advisory Commission meetings. The stakeholder committee and Aviation Advisory Commission considered all feedback received and, when appropriate, incorporated these comments into the revised Rules and Standards.

Budget and Financial Impacts

There are no budget or financial impacts.

Attachments

Staff Report

Other



STAFF REPORT

To: **Horatio Skeete, Acting City Manager**
From: **Cathy Colbath, Interim Executive Director, Transportation Services**
Item Title: **REVISED RULES AND REGULATIONS AND MINIMUM OPERATING STANDARDS FOR GLENDALE MUNICIPAL AIRPORT**
Requested Council Meeting Date: **3/19/2013**
Meeting Type: **Workshop**

PURPOSE

This report contains information on the 2013 revised Rules and Regulations (Rules) and Minimum Operating Standards (Standards) for the Glendale Municipal Airport. Revisions to these documents were recommended by the Federal Aviation Administration (FAA). The purpose of this report is to request that the City Manager place this item on a workshop agenda to provide staff an opportunity to present information and answer questions in a workshop setting. The Rules and Standards will require formal Council adoption at a future voting meeting.

BACKGROUND

The City of Glendale receives federal grant funding from the FAA to improve and develop the Glendale Municipal Airport. In meeting the grant assurance agreements for receiving these funds, the FAA requires that airports maintain a safe, orderly and efficient operation and apply these conditions to all airport users. Airport Rules and Standards are the means by which airports provide the necessary policies and enforcement for airport operations. While the FAA does not approve airport Rules and Standards, FAA regional and district offices may advise airport management on the appropriateness of proposed Rules and Standards to ensure the airport is in compliance with its federal obligations.

The airport receives FAA grants, and FAA directives require compliance with grant assurances to remain eligible for continued and future grant funding. The airport submitted a Corrective Action Plan (CAP) to the FAA, which outlined a detailed plan and timeline for compliance. In its letter of approval to proceed with the CAP, the FAA strongly recommended that the airport revise its Rules and Regulations.

ANALYSIS

The Glendale Municipal Airport Rules and Standards have been revised several times since the opening of the airport in 1986, and both were adopted by City Ordinance in 1996. The current versions of the Airport Rules and Standards were approved by Council in 2004, and amended by Council in 2011.



STAFF REPORT

An airport policy stakeholder committee was formed in April 2012, in order to revise the Airport Rules and Standards and a new airport leasing policy. This committee consists of the Airport Administrator, the fixed base operator (FBO) manager, a hangar owner and former Glendale Airport Pilots Association (GAPA) president, and the Aviation Advisory Commission chairman.

The committee met weekly for over six months and produced draft documents that were reviewed by city staff, legal representatives, the FAA, the Aviation Advisory Commission and airport users. A comprehensive outreach effort was conducted to ensure that all stakeholders were afforded an opportunity to provide input. The draft Rules and Standards documents were emailed to all airport tenants, businesses and hangar association principals. They were also emailed to other individuals who specifically requested them. In addition, the draft Rules and Standards were posted on the Glendale Municipal Airport website, encouraging comments to be sent to the Airport Administration office.

Comments were received by several hangar owners, the FAA and the city's legal counsel. The draft Rules and Standards were also discussed at two Aviation Advisory Commission meetings. The stakeholder committee and Aviation Advisory Commission considered all feedback received and, when appropriate, incorporated these comments into the revised Rules and Standards.

The proposed 2013 Rules and Standards include changes to standards that reflect current business operations, clarification regarding hangar storage, elimination of several nonessential or duplicate items, improvements to language consistency between the Rules and Regulations and Minimum Operating Standards, and grammar and spelling cleanup.

The revised Rules and Standards will be utilized in conjunction with an airport leasing policy, a supporting document which will be especially useful to businesses that may be interested in operating at the airport. Staff's objective is to first revise the Rules and Standards and then proceed with the new leasing policy that will include an airport rates and fees update.

FISCAL IMPACTS

There are no fiscal impacts associated with revising the Rules and Regulations and Minimum Operating Standards for the Glendale Municipal Airport.



Rules and Regulations

For the

Glendale Municipal Airport

Draft 2012
Version 12-14-12
(Stakeholder Meeting/Comments from Fire
Department)

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GLENDALE MUNICIPAL AIRPORT RULES AND REGULATIONS

Article 1. Definitions

Whenever used in these Rules and Regulations, the following capitalized words and phrases, as well as the corresponding noncapitalized words and phrases, shall have the meanings ascribed to them in this Article, except where the context clearly indicates a different meaning. All definitions contained within the Federal Aviation Regulations (14 C.F.R.) Part 1 shall be considered as included herein; to the extent such definitions are not inconsistent with the definitions contained in this Article.

Aircraft Accident or Incident: A collision or other contact between a part of an aircraft and another aircraft, vehicle, Person, stationary object or other thing that results in bodily injury, death or property damage; or an entry into or emerging from an aircraft or vehicle by a Person that results in bodily injury or death of any Person or property damage.

Aeronautical Item: An item that is used to support the operation, maintenance, or storage of the aircraft permitted to be stored in the Hangar, including parts, tools, equipment, and other support items.

Air Traffic: Aircraft operations anywhere in the Class D Airspace around the Airport and on the Airport Movement Area.

Air Traffic Control: A service operated by a duly designated authority to direct air traffic movements and promote the safe, orderly, and expeditious flow of air traffic.

Aircraft Fuel: All flammable liquids composed of a mixture of selected hydrocarbons expressly manufactured and blended for the purpose of effectively and efficiently operating: (a) an internal combustion engine; or (b) a jet or turbine engine.

Aircraft Maintenance: All maintenance performed on an Aircraft, including Major Aircraft Alterations and Repairs, and Aircraft Preventive Maintenance.

Aircraft Maintenance Bay: A facility at the Airport that provides space for aircraft maintenance and washing, north and adjacent to the Control Tower.

Aircraft Operation: An aircraft arrival at or departure from the Airport.

Aircraft Owner: Any Person holding legal title to an aircraft, as evidenced by an appropriate certificate of title if applicable, or person authorized by the legal title holder to use or possess the aircraft.

Aircraft Parking Area: A Hangar and apron location on the Airport designated by the Airport Manager for the parking and storage of aircraft.

Aircraft Preventive Maintenance: Aircraft Maintenance that is not a Major Aircraft Alteration or Repair, and does not involve complex assembly operations, and is of the types as

listed in FAR Part 43 Appendix A, paragraph (C), except that item (22) thereof, replacing prefabricated fuel lines, shall, for the purpose of the Rules and Regulations, be considered a major aircraft repair.

Airport: All of the City-owned or leased real and or personal property comprising the Glendale Municipal Airport as it now exists or as may hereafter be expanded and developed, including all of the facilities as shown on the most current FAA-approved Airport Layout Plan.

Airport Grant Agreement: An agreement between the FAA and an airport sponsor through which the airport sponsor received grant money from the FAA in exchange for committing to fulfill certain obligation related to the airport operated by the sponsor.

Airport Manager: The Person designated by the City to act as Airport Manager, regardless of such Person's official title with the City.

Airport Movement Area: The Runways, Taxiways and other areas of the Airport that require approval from Air Traffic Control prior to entering, but not including the loading ramps, loading gates, designated aircraft service and maintenance areas, and Aircraft Parking Areas. The designation of areas of the Airport as Airport Movement Areas shall apply at all times, including hours when the Control Tower is closed.

Airside: The portion of an airport that contains the facilities necessary for the operation of aircraft.

Based Aircraft: An aircraft (1) which the owner physically locates at the Airport with the intent and purpose to remain for an undetermined period; (2) which, whenever absent from the Airport, including for a limited or seasonal duration, its owner intends to return to the Airport for permanent storage; and (3) whose presence on the Airport is not transitory in nature.

Based Commercial Aeronautical Activity Provider: A Commercial Aeronautical Activity Provider that has been given Permission by the Airport Manager to conduct its business using an Airport Hangar or other Airport facility as the primary location for its business.

City: The City of Glendale, an Arizona municipal corporation.

Class D Airspace: Generally, the airspace from the surface to 2,500 feet above the airport elevation (charted in MSL) surrounding those airports that have an operational control tower. The configuration of each class D airspace area is individually tailored and when instrument procedures are published, the airspace will normally be designed to contain the procedures.

Commercial Activity: The conduct of any aspect of a business, concession or service in order to provide goods or services to any Person for compensation, including any such activity conducted by a charitable or non-profit organization.

Commercial Aeronautical Activity: Any Commercial Activity that involves, makes possible, or is required for the operation of aircraft or an airport or that contributes to or is required for the safety of such operations. The following activities are “Commercial Aeronautical Activities” within this definition:

- (a) Aircraft Sales and Services.
- (b) Airframe and Powerplant Repair Services.
- (c) Aircraft Rental Services.
- (d) Flight Training Services.
- (e) Aircraft Charter and Air Taxi Services.
- (f) Radio, Instrument or Propeller Repair Services.
- (g) Aerial Applications (Crop-Dusting, Fire Suppression).
- (h) Aviation Fuels and Petroleum Product Sales.
- (i) Sale of Aviation Parts.
- (j) Lease, sublease, or rental permit of any Aircraft Hangar, Shade, Tiedown, or other Parking Space.
- (k) Airfreight or Cargo Operations.
- (l) Banner Towing and Aerial Advertising.
- (m) Aerial Photography or Survey.
- (n) Powerline or Pipeline Patrol.
- (o) Aircraft Washing and Cleaning Services.
- (p) Air Carrier or On-Demand Air Taxi Operation.
- (q) Any other commercial activity that is directly related to the operation, maintenance, repair, or storage of aircraft or the operation of the Airport.

Commercial Aeronautical Activity Provider: Any person that provides a Commercial Aeronautical Activity on the Airport.

Commercial Operating Permit: A Permit that has been approved and issued by the Airport Manager, prior to conducting any commercial business at the Airport.

Control Tower: The Air Traffic control tower located at the Airport, which is authorized by the FAA to control and direct the movement of aircraft within the Class D Airspace around the Airport and upon the surface of the Airport.

Disabled Aircraft: An aircraft that remains on the Airport Movement Area following an Aircraft Accident or Incident or other event that renders it unairworthy.

FAA: The Federal Aviation Administration.

FAA Certificate of Aircraft Registration: FAA form (AC Form 8050-3) that shows aircraft type and current ownership.

FAR: The Federal Aviation Regulations.

Federal Airport Grant Assurance Obligations: Provisions within a Federal Airport Grant Agreement with which the recipient of Federal airport development assistance has agreed to comply in exchange for the assistance provided.

Fixed Base Operator (FBO): A person that conducts the type of Commercial Aeronautical Activity described in Article 7 of the Minimum Operating Standards.

Flying Club: A non-profit entity or organization organized solely for the purpose of providing its members with one or more aircraft for their personal use and enjoyment.

Fuel Handling: The transportation, delivery, and draining of fuel or fuel waste products, and the fueling/defueling of aircraft.

Fuel Co-op: A fuel cooperative organization, which includes any arrangement between a group of persons that provides for the obtaining and distribution of fuel to those persons or to others, other than as a Fixed Base Operator.

Fuel Storage Area: Any portion of the Airport designated temporarily or permanently by the City as an area in which fuel may be stored or loaded.

General Aviation: All types of civil aviation operations other than those conducted as a Commercial Aeronautical Activity.

Ground Support Equipment (GSE): The support equipment at an Airport used to service or support the operation of aircraft on the ground.

Hangar: Aircraft hangars used for aircraft storage or aircraft maintenance.

Hazardous Materials: Any chemical, substance, material, waste or similar matter defined, classified, listed or designated as harmful, hazardous, extremely hazardous, dangerous, toxic or radioactive, or as a contaminate or pollutant, or other similar term, by, and/or that is subject to regulation under, any federal, state or local environmental or hazardous materials statute, regulation or ordinance presently in effect or that may be promulgated in the future, and as they may be amended from time to time.

Landside: The portion of an airport that provides the facilities necessary for the processing of passengers, cargo, freight, and ground transportation vehicles.

Lease: A contract granting the right to occupy or use property during a certain period in exchange for a specified rent.

Major Aircraft Alterations and Repairs: Major aircraft alterations and/or repairs of the types listed in FAR Part 43 Appendix A, paragraphs (a) and (b).

Minimum Operating Standards: Those standards adopted by the City as the minimum requirements to be met as a condition for the privilege of conducting Commercial Activities at the Airport, as such standards may be amended from time to time, and containing detailed provisions outlining the minimum building size and other standards acceptable by the Airport for a business operating on the Airport.

Non-Tenant Operator: A Person with no established office, station or location on Airport property and not having a Lease agreement with the Airport.

NTSB: The National Transportation Safety Board.

NOTAM: Notice to Airmen.

Operational Area: Any portion of the Airport to which the public is prohibited access by fences or appropriate signs, and that is not leased or demised to anyone for exclusive use, including Runways, Taxiways, Taxilanes, all ramps and apron areas, Aircraft Parking Areas, Fuel Storage Areas, maintenance areas, and any other area of the Airport used or intended to be used for landing, take-off, or surface maneuvering of aircraft, or for embarking or debarking of aircraft passengers.

Park, Parked, or Parking: The standing of an Aircraft or Vehicle, whether occupied or not.

Permission: An approval or authorization granted by the City or the Airport Manager.

Permit: A written document issued by the Airport Manager, authorizing the recipient to conduct one or more Commercial Activities at the Airport that the recipient would not otherwise be authorized (e.g., by a commercial lease) to conduct.

Person: Any human being, governmental or political subdivision or public agency, public or private corporation, any partnership, firm, association, club, or other organization; any receiver, trustee, assignee, agent, or other legal representative of any of the foregoing; or any other legal entity.

Police Officer: Any commissioned peace officer.

Road or Roadway: Any roadway within the boundaries of the Airport and designated for use by Vehicles, whether improved or unimproved and whether dedicated or not.

Rules and Regulations: The version of this document in effect at any given time.

Runway: The defined rectangular area of the Airport prepared and designated for aircraft landing and takeoff.

Shade: An area used for the storage of aircraft or other items permitted by the Airport Manager or for activities permitted by the Airport Manager that is covered by a roof but no sides.

Specialized Aviation Service Operator (SASO): A person that conducts one or more of the types of Commercial Aeronautical Activities described in Article 8 of the Minimum Operating Standards.

Taxilane: The portion of the Aircraft Parking Areas used for access between Taxiways and aircraft Parking positions.

Taxiway: A defined path established for the taxiing of aircraft from one part of the Airport to another.

Traffic Pattern: The traffic flow that is prescribed for aircraft using the Airport.

Tenant: Any Person authorized to occupy or use any portion of the Airport on the basis of either a written lease or permit directly with or from the City, or a sublease with an entity that has a lease directly with the City. "Tenant" includes any entity that has an ownership interest in a Hangar located on Airport property since that ownership interest is subject to both: (1) the lease under which the underlying land was leased from the City, and (2) the sublease under which that land was subleased from the entity (such as a Hangar association) that leased the land directly from the City.

Tiedown: An area used for the storage of aircraft or other items permitted by the Airport Manager or for activities permitted by the Airport Manager that is not covered by a roof.

Vehicle: A device other than an Aircraft in, upon, or by which any Person or property is or may be propelled, moved or drawn upon a Roadway.

Vehicle Parking Area: Any portion of the Airport designated and made available temporary or permanently by the City for the Parking of Vehicles.

Vehicular Accident: A collision or other contact between a part of one Vehicle and another Vehicle, or a Person, stationary object or other thing that results in bodily injury, death or property damage; or an entry into or emerging from any Vehicle by a Person that results in bodily injury or death of any Person or property damage.

Article 2. General Use of Airport

Section 2-1. Purpose and Application of Rules and Regulations

- a. The Rules and Regulations are intended for the safe, orderly and efficient operation of the Airport and apply to all Tenants, Commercial Aeronautical Activity Providers, and other Persons using the Airport for any reason.
- b. A violation of any specific provision of the Rules and Regulations or Minimum Operating Standards shall be deemed to be a civil code infraction pursuant to Glendale City Code, Chapter 13, Article II.
- c. Violations of FAR's shall fall under the jurisdiction of the FAA.
- d. No delay or failure on the part of the City in enforcing any aspect of the Rules and Regulations or the Minimum Operating Standards shall impair the City's enforcement action, nor shall any delay be construed as a waiver of such enforcement action. No single or partial exercise of an enforcement action shall preclude any further exercise of enforcement right, or privilege of the City. No waiver of any aspect of the Rules and Regulations or the Minimum Operating Standards shall be valid unless made in writing and signed by the Airport Manager, and then only to the extent expressly specified in such writing.

Section 2-2. Conflicting Laws, Ordinances, Regulations, and Contracts

- a. In any case where a provision of the Rules and Regulations is in conflict with any other provision of the Rules and Regulations, or in conflict with a provision of any zoning, building, fire, safety, health or other ordinance, code, rule, or regulation of the City, the provision that establishes the higher standard for the promotion and protection of the health and safety of the people shall apply.
- b. No existing or future City contract, lease agreement or other contractual arrangement, or any payment or performance thereunder, shall excuse any failure of full and complete compliance with the Rules and Regulations. Compliance with the Rules and Regulations shall not excuse any failure of full and complete compliance with any obligations to the City under any existing or future City contract, lease, agreement or other contractual arrangement.

Section 2-3. Use of Airport Facilities

- a. No Person shall use the Airport or its facilities except in conformity with the Rules and Regulations, applicable requirements of the City of Glendale Code, and all other applicable state and federal laws, rules and regulations.

- b. No Person shall engage in any Commercial Aeronautical Activity at the Airport except in conformity with all FARs; the applicable provisions of Title 28, Chapter 25, Arizona Revised Statutes; the applicable provisions of the Glendale City Code; and the Rules and Regulations.
- c. No Person shall use any portion of the Airport for any Commercial Activities unless such Commercial Activities are conducted by the Person as a Tenant pursuant to a license issued by the Tax and License Department of the City of Glendale and either a written Commercial Lease authorizing such Commercial Activity or Permit issued by the Airport Manager authorizing such Commercial Activity. The Airport Manager may issue Permits for Commercial Activities at the Airport to Persons whose Commercial Activities do not require a formal lease, provided that such Permits are effective for no more than 30 days or are terminable by the City without cause upon no less than 30 days' notice, or are immediately terminable by the City for cause. The Airport Manager will determine the terms and fees for such Permits unless such fees have otherwise been established by resolution of the City Council.
- d. No Person may use the Airport or its facilities, or engage in any conduct on or related to the Airport, in any way that would cause the City to be in non-compliance with any of the City's Federal Airport Grant Assurance Obligations.

Section 2-4. Closing the Airport and Control During Emergencies

During an emergency at the Airport, the Airport Manager shall have absolute control of the Airport. In the event that the Airport Manager believes conditions at the Airport are unsafe for Aircraft Operations, the Airport Manager shall have the authority to close the entire Airport or any part of the Airport, and issue a NOTAM (Notice to Airmen) describing the closure.

Section 2-5. Responsible Party

Any Person accessing the Airport shall be responsible for their actions and the actions of any Person to whom they provide access, whether directly or indirectly.

Section 2-6. Minimum Operating Standards

Prior to commencing any Commercial Activity at the Airport a person must present to the Airport Manager satisfactory information and proof that he or she meets the Glendale Airport Minimum Operating Standards established by the City for engaging in such Commercial Activity.

Section 2-7. Aircraft Parking

- a. Tiedowns painted white are reserved Tiedowns and shall not be used without the user having obtained an approved Tiedown agreement with the City or a Tenant authorized to provide Tiedowns to other Persons.

- b. Tiedowns painted yellow are transient Tiedowns for the purpose of short-term or overnight Parking.
- c. No Person shall Park or allow to remain stationary any aircraft at the Airport except within a designated Aircraft Parking Area. No Person shall Park an aircraft in a reserved Aircraft Parking Area without first having obtained permission from the City or a Tenant authorized to provide an Aircraft Parking Area to other Persons. No Person shall leave an aircraft Parked in a Shade or Tiedown without first having secured the aircraft so that the aircraft is adequately secured to the pavement.
- d. Shade Tenants may have a tool box or ladder adjacent to their aircraft so long as they have the approval of the Tenant authorized to provide the Shade to other Persons. Open Tiedown Tenants may have a tool box or ladder adjacent to their aircraft so long as they have the approval of the Tenant authorized to provide the Tiedown to other Persons, and the Tiedown space is adjacent to a light pole or the tool box or ladder is secured under the aircraft.
- e. Aircraft must not be Parked so as to block or obstruct Taxilanes.
- f. If any aircraft is Parked in violation of this section, or, in the determination of the Airport Manager, presents an operational or safety hazard in any area of the Airport, the Airport Manager may cause said aircraft, at the owner's/operator's expense, and without liability for damage that may result in the course of such moving, to be moved and delivered into the care of a representative of an FBO or SASO authorized to do business on the Airport.

Section 2-8. Aircraft Owner's Performance of Maintenance and Use of Commercial Aeronautical Activities

- a. An Aircraft Owner is permitted to fuel, wash, apply limited touch up small-scale paint or finish, and provide Aircraft Preventive Maintenance only to the owner's own aircraft, and only if the aircraft is based at the Airport, provided that the owner complies with the Rules and Regulations and all applicable laws, FARs and City code provisions. Limited touch-up small-scale painting or refinishing is permitted only in areas designated for such activities, such as the Aircraft Maintenance Bays. Large-scale painting is prohibited unless otherwise approved.
- b. An owner of a Based Aircraft may hire or allow a Person, other than a Based Commercial Aeronautical Activity Provider, to provide any of the services described in Section 2-8 or in Section 2-9 only if such services are provided (i) under the presence and direct supervision of the Aircraft Owner, (ii) at the based location of the aircraft at the Airport, and (iii) in conformance with the Rules and Regulations and all applicable laws, FARs

and City code provisions.

- c. Where the services are provided as a Commercial Aeronautical Activity for the benefit of the Aircraft Owner, the provider must be either (i) a direct employee (or authorized independent contractor) of the Aircraft Owner, or (ii) for certificated aircraft, an FAA certified technical specialist or a mechanic. All such providers must hold a Permit to conduct Commercial Activities.

Section 2-9. Major Aircraft Alterations and Repairs

Major Aircraft Alterations and Repairs may be conducted on the Airport only:

- a. By a Based Commercial Aeronautical Activity Provider authorized by the Airport to perform Major Aircraft Alterations or Repairs; or
- b. By the owner of the aircraft being altered or repaired, and in accordance with Sections 2-8 through 2-11 of the Rules and Regulations.

Section 2-10. Aircraft Hangars

- a. Aircraft Hangars may be used only for the following purposes:
 - 1. Storing and Parking of a Based Aircraft assigned to the Hangar and listed on the Airport Manager's list of Based Aircraft, and storing of Aeronautical Items that are approved by the City's Fire Department and Airport Manager. Aircraft Parked in Aircraft Hangars shall be Parked in a manner so as to be completely contained in the aircraft Parking space and not obstruct adjacent Aircraft Parking Areas or Taxilanes, except for the purpose of immediate and temporary staging and fueling of such aircraft.
 - 2. Performing Aircraft Maintenance on a Based Aircraft assigned to the Hangar and listed on the Airport Manager's list of Based Aircraft, so long as that Maintenance is conducted in accordance with these Rules and Regulations and the FARs.
 - 3. Temporary Parking of Vehicles operated by gate card permittees and their authorized guests, only when the Hangar user is either present on the Airport, or using the aircraft normally stored in, the Hangar.
- b. Use of Aircraft Hangar shall be subject to the following restrictions:
 - 1. No welding, doping, painting, fueling, or defueling fuel system maintenance may be performed in an Aircraft Hangar. Any such welding, doping, painting, fueling, or defueling fuel system maintenance may be performed at least 25 feet from any structure

or in an Aircraft Maintenance Bay, following coordination with the Airport Manager.

2. No equipment or materials may be stored in Hangars unless used for the operation and maintenance either of the Based Aircraft or of the Hangar.
3. There shall be room for the aircraft in the Aircraft Hangar for the Based Aircraft at all times, even when the aircraft is temporarily not located in the Hangar.
4. Oily rags, oil waste, rags and other rubbish and trash may only be stored in Hangars in containers with self-closing, tight-fitting lids as approved by the Airport Manager or City Fire Department.
5. Fueling, Defueling and Fuel System maintenance shall comply with the following:
 - a. Fueling or defueling within in aircraft storage hangar or within 25 feet thereof is prohibited.
 - b. Fuel system maintenance within as aircraft storage hangar is prohibited.
 - c. Open fuel cells are allowed within the hangars if they are new and have never held fuel, or existing tanks have been purged of flammable vapors so there are no hazardous vapors off-gassing in the space.
 - d. Evacuating water from a Gascolator or sampling of fuel for testing is not considered fuel system maintenance if:
 1. Quantity of fuel is less than 6 ounces, and
 2. Waste fuel is disposed of in a flammable liquid storage container approved for such use.

c.) The following items are permitted to be stored in Hangars:

1. All aircraft assigned to the Hangar on the Airport Manager's list of Based Aircraft, including any such aircraft that are being restored or assembled.
2. Aeronautical Items associated with an aircraft in the Hangar, including the parts, tools, equipment and support items necessary to maintain and operate an aircraft.
3. Prefabricated metal shelving, workbenches, and cabinets (the use

of fire-resistant materials is preferred).

4. Vehicles per Section 5-8 used for tugs or transportation on the Airport.
5. A reasonable amount of functional furniture, such as a table and chairs, only for use in the Hangar.
6. Spare aircraft tires, batteries, and battery chargers stored in accordance with Fire Codes.
7. Refrigerators, air conditioners, fans and similar devices, as long as they are elevated 18" above the Hangar floor and use no extension cords.
8. Other items determined by the Airport Manager to be allowable, based on their function and the personal needs of the occupant.
9. Flammable and Combustible liquids stored inside hangars must comply with the following:
 - a. Flammable liquids (with flash points < 100 degrees Fahrenheit) are limited to 10 gallons maximum. This includes aviation fuel and most volatile solvents.
 - b. Combustible liquids (with flash points > 100 degrees Fahrenheit) are limited to 30 gallons maximum. This includes diesel fuel, hydraulic fluid, motor oil and most lubricating oil.
 - c. The maximum quantity of all material shall not exceed 30 gallons total. For example, if 10 gallons of flammable liquids are stored, then no more than 20 gallons of combustible liquids are allowed.
 - d. Fuels in the tanks of aircraft or aircraft related equipment (tugs, etc.) are exempt from these limitations.
 - e. All flammable or combustible liquids must be stored within safety containers designed for such use, or in the original manufacturers' containers.
10. The temporary storage of more than ten (10) gallons of fuel during repairs to fuel tanks/bladders is allowed up to 30 days and provided that the Airport Manager is notified and approves of such temporary storage.

- d. Hangars shall be subject to annual and periodic inspections by the Airport Manager and/or City Fire Department to ensure compliance with all laws, ordinances, and the Rules and Regulations. Each occupant shall take reasonable steps to make the Hangar available for such inspections.
- e. If there is no Based Aircraft in a Hangar, the Hangar shall have only Aeronautical Items that conform to these Rules and Regulations stored in the Hangar.
- f. Oxygen or any combustible or non-combustible compressed gas in a cylinder or portable tank shall be secured. Compressed gas cylinders or tanks shall have pressure relief devices installed and maintained. Cylinders or tanks not in use shall have a transportation safety cap installed.
- g. All aircraft and vehicle batteries may be charged only while the Aircraft Owner or occupant is present.

Section 2-11. Aircraft Shades and Tiedowns

- a. Aircraft Shades and Tiedowns may be used for the following purposes:
 - 1. Storing and Parking of a Based Aircraft assigned to the Shade or Tiedown and listed on the Airport Manager's list of Based Aircraft, and storing of Aeronautical Items that are approved by the City's Fire Department and Airport Manager. Aircraft parked in a Shade or Tiedown shall be parked so as to be completely contained within the aircraft Parking space and not obstruct adjacent Aircraft Parking Area or Taxilanes, except for the purpose of immediate and temporary staging and fueling of such aircraft.
 - 2. Performing Aircraft Maintenance on Based Aircraft assigned to the Shade or Tiedown and listed on the Airport Manager's list of Based Aircraft, so long as that maintenance is conducted in accordance with these Rules and Regulations and the FARs.
 - 3. Parking of Vehicles operated by gate card permittees and their authorized guests.
- b. Use of aircraft Shades and Tiedowns shall be subject to the following restrictions:
 - 1. No welding, doping, painting, fueling, or fuel system maintenance may be performed in any Shade or Tiedown. Any such welding, doping, painting, fueling, or fuel system maintenance may be performed in an Aircraft Maintenance Bay, following coordination with the Airport Manager.

2. No equipment or materials may be stored in Shades or Tiedowns unless used for the operation and maintenance of the Based Aircraft assigned to the Shade or Tiedown. Limitations of storage may be placed by the Airport Manager on a case-by-case basis.
 3. Oily rags, oil waste, rags and other rubbish and trash may only be stored in Shades or Tiedowns in containers with self-closing, tight-fitting lids that are approved by the Airport Manager or City Fire Department and must be secured to prevent spillage.
- c. Aircraft Shades and Tiedowns shall be subject to annual and periodic inspections by the Airport Manager and City Fire Department to ensure compliance with all laws, ordinances and the Rules and Regulations.
 - d. All aircraft and vehicle batteries may be charged in Shades or Tiedowns only while the Based Aircraft owner, operator, or occupant is present.
 - e. Shade occupants may have a tool box or ladder or container adjacent to their Based Aircraft with the permission from the Shade leasehold company/operator. Open Tiedown Tenants may have a tool box or ladder adjacent to their Based Aircraft if their Tiedown space is adjacent to a light pole or the tool box or ladder is secured under the aircraft.
 - f. Oxygen or any combustible or non-combustible compressed gas in a cylinder or portable tank may be stored in Shades or Tiedowns only if (1) the Airport Manager and Fire department grant permission, and (2) the cylinder or tank, is secured and has pressure relief devices installed and properly maintained. Compressed gas cylinders or tanks not in use shall have a transportation safety cap installed.

Section 2-12. Use of Wash Racks and Aircraft Maintenance Bays

The City-owned wash racks and Aircraft Maintenance Bays may be used up to two consecutive days for the purposes of aircraft washing and polishing, or Aircraft Maintenance, respectively. All washing of aircraft with solvents must be done at the wash facility. Waste must be caught with a drip pan and disposed of in accordance with all federal, state, county and local laws. The Airport provides a method of disposal of motor oil at the wash facility.

Section 2-13. Airport Perimeter Road

The Airport Perimeter Road may be used only by authorized Vehicles, which include all Airport Administration Vehicles, fixed base operator fuel trucks, and other Vehicles with prior written approval from the Airport Manager.

Section 2-14. Operational and Restricted Areas

- a. No Person may enter upon the Airport Movement Area, passenger ramp and apron, or cargo ramp and apron without the Permission of the Airport Manager, except Persons assigned duty therein, authorized representatives of the City, or aircrews and passengers entering for the purpose of enplaning or deplaning, or as otherwise provided for in the Rules and Regulations.
- b. No Person may enter the Airside area, except as necessary for the lawful operation or maintenance of an aircraft thereon, or to conduct a Commercial Activity, or to conduct any other activity authorized by the Airport Manager.
- c. No Person may enter any area posted as being closed to the public, except as authorized by the Airport Manager.
- d. No Person may enter into, remain in, place in, or remove any object from, any Hangar, Shade or other building or facility at the Airport without consent of the City or the Person with the legal right of possession of such space, building, or facility.

Section 2-15. Access Codes and Gate Cards

Persons who have been provided either a code or device for the purpose of obtaining access to the Airport may use only Airport issued codes/devices, and shall not divulge, duplicate, or otherwise distribute the same to any Person, unless otherwise approved in writing by the Airport Manager. Violation of this requirement may result in the loss of Airport access privileges.

Section 2-16. Airport Smoking Areas

Smoking is not permitted:

- a. Within fifty (50) feet of an aircraft, fuel truck and/or Fuel Storage Area;
- b. Where specifically prohibited by the City and/or State Law.

Section 2-17. Use of Shop Areas

All of a Tenant's shops, garages, equipment and facilities are solely for the conduct of that Tenant's authorized aeronautical or Commercial Activities. No Person other than employees or agents of that Tenant shall make use of such facilities without individual and specific permission of that Tenant.

Section 2-18. Maintenance of Premises

All Tenants at the Airport shall at all times maintain their premises in serviceable, safe and operable condition and repair, and in a condition of repair, cleanliness and general maintenance.

Section 2-19. Floor and Apron Care

All Tenants on the Airport shall keep the floors of Hangars, Shades and Tiedowns leased by them, or used in their operations, clean and clear of fuel, oil, grease and other similar materials.

Section 2-20. Waste Containers and Disposal

All Airport Tenants, users, or visitors shall dispose of all waste in waste containers appropriate for that purpose, and in appropriate locations, as designated by the Airport Manager, and no other containers or areas shall be used. Containers for recyclable materials shall be used in strict accordance with the rules posted by the Airport Manager for such use. No petroleum products, industrial waste matter or other Hazardous Materials shall be dumped or otherwise disposed of except in accordance with local, county, state and federal law. Hazardous Materials shall be the responsibility of the originator under all applicable law.

Section 2-21. Storage

No Person shall store or stock materials or equipment in such a manner as to be unsightly or constitute a hazard to personnel or property, as determined by the Airport Manager.

Section 2-22. Storage, Transfer and Cleanup Charges

The City may remove and impose storage, removal and transfer charges upon any property or material unlawfully placed or otherwise deposited at the Airport. The City may clean up any material unlawfully spilled, placed or otherwise deposited at the Airport, and may charge the responsible Person(s) for the cost of the cleanup, any required environmental remediation, and any expenses, fines, or damages incurred by the City as a result thereof.

Section 2-23. Model Aircraft, Kites, Fireworks, Etc.

No Person shall fly or release a model aircraft, rocket, kite, fireworks, balloon, rachute, or the like, within two (2) miles of the Airport if such activity would create a hazard to Aircraft Operator or as otherwise determined by the Air Traffic Manager or the Airport Manager.

Section 2-24. Commercial Photography

No Person may take still, motion or sound pictures, of or at the Airport, for commercial purposes, without first receiving written Permission from the Airport Manager and paying the fee determined by the Airport Manager for such activity.

Section 2-25. Advertisements

No Person may post, distribute or display signs, advertisements, circulars, or other printed or written matter at the Airport without first receiving Permission from the Airport Manager.

Section 2-26. Explosives and Radioactive Substances

- a. No Person, except an authorized law enforcement officer or member of the Armed Forces of the United States on official duty, may possess any explosives on the Airport.
- b. No Person, except an authorized law enforcement officer or member of the Armed Forces of the United States on official duty, may store, handle, use, dispense or transport at, in, or upon the Airport, any radioactive substance or material (except for materials with a minimum of radioactive substances, such as radioactive paint illuminating instrument dials), without prior written Permission from the Airport Manager.

Section 2-27. Disorderly Conduct and Intoxicating Liquors

No Person may:

- a. Commit any disorderly, obscene or unlawful act, or create a nuisance, on the Airport.
- b. Consume any alcoholic beverage upon any portion of the Airport open to the public, except in lawfully established restaurant facilities and in accordance with all applicable laws, or in some other place authorized by a Special Event Permit from the Airport Manager authorizing the consumption of such alcoholic beverage.
- c. Become intoxicated on any portion of the Airport.

No intoxicated Person may enter upon or loiter on or about the Airport.

Section 2-28. Property Damage, Injurious or Detrimental Activities

No Person may destroy, deface, injure or disturb in any way, Airport property or conduct at the Airport activities that are injurious, detrimental or damaging the Airport or to Airport property or to Commercial Activities at the Airport. Any Person causing, or responsible for causing, any such injury, detriment, or damage shall pay the Airport, upon the Airport's demand, the full cost of repairs. Any Person failing to comply with this section shall be in violation of the Rules and Regulations, and the Airport Manager may prohibit such Person from any or all of the Airport facilities until the Airport has been fully reimbursed for the damage done.

Section 2-29. Alteration of Airport Property

No Person may make any alterations to any signs, buildings, Aircraft Parking areas, leased areas or other Airport property, or erect any buildings or other structures at the Airport without first receiving written Permission of the Airport Manager. Any construction on the Airport must be approved in advance in writing by the Airport Manager. Persons undertaking such alterations or construction shall comply with all building codes and permit procedures of the City, and shall deliver to the Airport Manager as-built plans upon completion.

Section 2-30. Lost Articles

Any Person finding lost articles in public areas of the Airport shall immediately deposit them at the office of the Airport Manager or, if after hours, with an Airport staff member or security officer on duty at the Airport. Articles unclaimed after sixty days may be turned over to the finder or otherwise disposed of in a lawful manner.

Section 2-31. Abandoned Property

No Person may abandon any property on Airport property or in any building on the Airport.

Section 2-32. Flying Clubs

A Flying Club shall comply with the Rules and Regulations and the Minimum Operating Standards.

Section 2-33. Payment of Fees

All billings by the City are due and payable upon presentation unless otherwise noted thereon or otherwise provided by the terms of a written lease, license, Permit or agreement from or with the City.

Section 2-34. Dogs and Other Animals

No Person may enter the Airport with a dog or other animal unless the animal is restrained by a leash or properly confined as determined by the Airport Manager. No person in charge of a dog or other animal may permit the animal to wander unrestrained on any portion of the Airport. Animal owners are responsible for cleaning up after their pets on the Airport.

Section 2-35. Based Aircraft Information

All Based Aircraft must be registered with the Airport Manager. Tenants shall provide to the Airport Manager their name, address and phone number along with the Aircraft Owner's aircraft make, model and FAA Certificate of Aircraft Registration number or other proof of ownership. All Tenants are required to update changes of based aircraft within 30 days of change. Airport Manager may request confirmation of based aircraft on as a needed basis.

Article 3. Fueling, Flammable Fluids, and Safety

Section 3-1. Fuel Safety

All transportation, storage and other handling of aircraft and Vehicle fuel shall comply with the Glendale Fire Code, FAA Advisory Circular 150/5230-4A, as amended, all requirements of the Rules and Regulations, and all other applicable laws and standards.

Section 3-2. Restrictions on Commercial Fueling Activities

No Person or company may conduct any commercial fueling activities for aircraft at the Airport except for activities conducted by a Tenant operating as a Fixed Base Operator and in accordance with the express terms of such Tenant's lease with the City.

Section 3-3. Storage of Aircraft Fuel Trucks, Trailers and other Aircraft Refueling Devices

- a. Aircraft refueling Vehicles and other movable Aircraft Fuel containers and refueling devices shall be stored outside, and not less than fifty (50) feet from an occupied structure, or such other distance from any occupied structures as may be approved by the Airport Manager and the City Fire Department.
- b. Aircraft refueling Vehicles shall be Parked in a manner that provides a minimum of ten (10) feet of separation between each aircraft refueling Vehicle and any other Vehicle or aircraft refueling device.
- c. No aircraft refueling Vehicle, other movable Aircraft Fuel container, or other aircraft- refueling device, empty or otherwise, may be brought into, kept or stored within any building at the Airport unless the building is used exclusively for that purpose.
- d. This section does not apply to Vehicle fuel approved containers with a capacity of not more than five (5) gallons, provided no more than one (1) such containers may be located within a single Vehicle and no more than two (2) such containers may be located in any Hangar.

Section 3-4. Aircraft Refueling and Defueling Locations

All aircraft fueling shall be performed outdoors. Aircraft being fueled shall be positioned so that Aircraft Fuel system vents or fuel tank openings are not closer than twenty-five (25) feet from any building or structure.

Section 3-5. Maintenance of Fuel Servicing Vehicles

Maintenance and servicing of Aircraft Fuel servicing Vehicles shall be performed outdoors or in a building approved for that purpose by the City Fire Department.

Section 3-6. Open Flames

There shall be no open flames or lighted open-flame devices in the Airside area, within fifty (50) feet of any aircraft, fuel truck, and/or Fuel Storage Area, or in any other area open flames are specifically prohibited by the City. Lighted open-flame devices shall include, but shall not be limited to, the following:

- a. Exposed flame heaters, liquid, solid or gaseous devices, including portable and wheeled gasoline or kerosene heaters, and gas or charcoal cooking grills;
- b. Heat producing, welding, or cutting devices, and blowtorches; except as provided for in Section 2-10 b.
- c. Flare pots or other open-flame lights.

Section 3-7. Removal of Gas, Oil, Grease, Etc.

- a. In the event of spillage of gasoline, oil, grease or any material that may be unsightly or detrimental to the Airport, the same shall be removed immediately, either by the operator or owner of the equipment causing the same (the "Equipment Operator"), or by the Tenant, Commercial Aeronautical service Provider, or other Person responsible for the spillage (the "Responsible Person").
- b. In the event of such spillage, and the failure of the Equipment Operator or the Responsible Person to restore the area to its original, safe, and environmentally sound status, the City may clean up any material spilled, placed or otherwise deposited at the Airport, and may charge the Responsible Person(s) for the cost of the cleanup, any required environmental remediation, and any expenses, fines, or damages incurred by the City as a result thereof.
- c. Spillage events may constitute grounds for the Equipment Operator or Responsible Person being denied access to the Airport.

Section 3-8. Lubricating Oils

Lubricating oils that are necessary for minor aircraft maintenance and have a flash point at or above 100° F, may be stored in Hangars or suitable

storage devices as approved by the Airport Manager, provided they are stored in their original container and have the original manufacturer's labeling. No more than thirty (30) gallons of such lubricating oils may be stored by any Person, except that an Aircraft Maintenance Shop authorized by the Airport Manager to operate on the Airport may store more than thirty (30) gallons of lubricating oils, in accordance with IFC 2703.1.1.

Section 3-9. Use of Waste Oil Stations

Waste oil stations are provided solely for the disposal of waste aircraft engine oil, and for the exclusive use of General Aviation Tenants. No Person may place any solvents, cleaners, antifreeze, Vehicle engine oil, or any other material or substance in the waste oil station receptacle. Any Person violating this section shall be responsible reimbursing the Airport for all costs incurred by the Airport or by any other Person in connection with the proper disposal of such waste oil. Waste oil stations shall be used in accordance with the rules posted by the Airport Manager at the station.

Section 3-10. Fire Extinguishers

- a. All Airport Tenants shall supply and maintain such adequate and readily accessible fire extinguishers as may be required by the City Fire Department. Each fire extinguisher shall carry a suitable tag showing the date of the most recent inspection.
- b. Any discharge of any fire extinguisher equipment on Airport property, regardless of the circumstances, shall be reported to the Airport Manager, immediately after use, in accordance with state statutory requirements.
- c. At least two (2) fire extinguishers, each having a rating of 20-BC, shall be readily available for use in connection with any aircraft fueling operations.

Section 3-11. Movable Aircraft Fuel Storage Tanks or Containers

Unless otherwise approved by the Airport Manager and City Fire Department, movable Aircraft Fuel storage tanks or containers are prohibited at the Airport except for:

- a. Aircraft Fuel trucks and trailers constructed, operated and maintained in all respects as required by law.
- b. Permanent fuel tanks in an operable aircraft.
- c. Containers not exceeding one-gallon capacity used solely for sampling and testing of fuel, engines and Fuel Handling apparatus.

- d. No more than one (1) tank per Person, with a capacity of not more than fifty-five (55) gallons, used by that Person to fuel their own aircraft pursuant to a self-fueling Permit.
- e. Fuel tank Vehicles authorized by the City, and lawfully transporting fuel for immediate dispensing into a fuel storage tank. Such Vehicles shall access the Airport at a point approved by the Airport Manager and remain under escort by the representative of the Person on the Airport receiving the fuel.

Section 3-12. Self-Fueling and Fuel Co-ops

Except as may be prohibited by other provisions of the Rules and Regulations and any other applicable law, owners of a Based Aircraft who desire to self-fuel their aircraft, shall apply for and receive a self-fueling Permit from the Airport Manager. The preceding sentence does not apply to the use of a self-service fuel facility provided by a Fixed Base Operator. Fuel Co-ops are not permitted on the Airport.

Section 3-13. Fueling of Fuel Vehicles

Transferring fuel from vehicle to vehicle on Airport property is prohibited unless the fuel is transferred from an approved fuel loading device.

Section 3-14. Vehicle Fuel

No Person shall possess Vehicle fuel on the Airport except:

- a. Within the permanently installed fuel tank of a Vehicle for use by that Vehicle;
- b. Within movable containers designed for storage of Vehicle fuel, and:
 - 1. Such container shall have a maximum capacity of (5) gallons.
 - 2. No more than two (2) such containers shall be located in a single Vehicle.
 - 3. No more than two (2) such containers shall be located in any Hangar.
- c. Within underground or above-ground vehicle fuel storage tanks that have an capacity of not more than two thousand (2,000) gallons, and are lawfully installed and maintained in accordance with Section 3-1 of the Rules and Regulations.

Section 3-15. Fuel Farms

Only full service Fixed Base Operators who have a lease with express terms authorizing them to conduct commercial fueling activities on the Airport will be permitted to install a permanent fuel farm. Any such installation must be approved by the Airport Manager.

Article 4. Aircraft Rules

Section 4-1. Restricted Runway Operations

- d. Except in an emergency, all fixed wing aircraft landings and takeoffs shall be made on a Runway.
- e. Except in an emergency, no rotorcraft equipped with skid type landing gear shall perform run-on landings, or any other maneuvers that would cause the skids to slide upon the runway surface.
- f. No aircraft shall make a one hundred eighty-degree turn after landing on a Runway unless instructed to do so by the Control Tower.
- g. Landing aircraft shall clear the Runway as soon as practical, consistent with safety, and taxi ahead to the nearest turn-off.

Section 4-2. Aircraft Wingspan Restrictions

Aircraft shall not be placed in a Hangar, Shade or Tiedown, nor shall aircraft be operated in areas of the Airport, where the aircraft's wingspan exceeds the maximum wingspan designated for that area by the Airport Manager.

Section 4-3. Requested Noise Abatement Procedures

Unless the Control Tower otherwise directs aircraft operators, the following noise abatement practices are identified:

- a. Avoid noise-sensitive areas near the Airport as practical.
- b. Utilize quiet flying procedures recommended by the Aircraft Owners and Pilots Association (AOPA) and the National Business Aviation Association (NBAA).
- c. Local Traffic Pattern departures from Runway 01 turn right to 040 heading at end of Runway; fly short crosswind leg; turn downwind leg west of 99th Avenue.
- d. Visual Flight Rules (VFR) departures from Runway 01 turn right to 040 heading at the end of the Runway; maintain heading until aircraft is over curve in expressway, south of Olive Avenue.
- h. VFR departures Runway 19 maintain Runway heading until Indian School Rd before turning east or northeast. Make turns shortly after passing Indian School Road to avoid potential conflicts with traffic at Phoenix Goodyear Airport.
- i. Touch and go operations are discouraged between 10:00 p.m. and 6:00 a.m.

Section 4-4. Traffic Pattern / Pattern Altitudes

Due to the proximity of Luke AFB and Phoenix Goodyear Airport, all aircraft operating to or from the Airport shall operate in an area east of the Airport extended centerlines of Runway 1/19, unless otherwise authorized by Air Traffic Control. All traffic shall be left for Runway 19 and right for Runway 1. With Control Tower approval, straight-in approaches are authorized for either Runway, as is entry on base leg for either Runway. Because of their unique flight characteristics, helicopters may be authorized by the Control Tower to proceed directly to the Airport, without following the traffic flow. Recommended minimum Traffic Pattern altitudes above ground level (AGL) for Aircraft Operations at the Airport are as follows:

Helicopters/Ultralights	530' AGL	(1600' MSL)
Propeller Aircraft	1030' AGL	(2100' MSL)
Turbine Aircraft	1530' AGL	(2600' MSL)

Section 4-5. Disabled Aircraft

Unless otherwise permitted by the Airport Manager, Aircraft Owners and pilots shall be responsible for the prompt removal of their Disabled Aircraft and parts thereof from the Airport Movement Area, unless such Aircraft Owners or pilots are required or directed by the Airport Manager, or the FAA, or the NTSB to delay such action pending an investigation of an Aircraft Accident or Incident. In the event of the Aircraft Owner's or pilot's failure to promptly remove such a Disabled Aircraft, the Airport Manager may cause the aircraft to be removed, and bill the Aircraft Owner thereof for all charges incurred in the removal of same. The City shall not be responsible for any damage to Disabled Aircraft removed by the Aircraft Owner, the pilot, the City, or other authorized Persons.

Section 4-6. Negligent Operation of Aircraft

No aircraft shall be operated in a careless, negligent or reckless manner, or in disregard of the rights and safety of others, or in an improperly maintained, or otherwise hazardous, condition, or at a speed or in a manner that endangers, or is likely to endanger, Persons, or property.

Section 4-7. Required Aircraft Equipment

No aircraft shall land or take off at the Airport while the Control Tower is in operation, unless the aircraft is equipped with a functioning radio capable of direct two-way communications with the Control Tower, except in the case of a radio failure, an emergency, or based on prior coordination with, and the consent of, Air Traffic Control.

Section 4-8. Motorless Aircraft

No motorless aircraft shall land or take off at the Airport without having received prior written Permission of the Airport Manager.

Section 4-9. Running of Aircraft Engines, Exhaust, Propeller Blast or Rotor Wash

- a. Aircraft engines shall be run at idle except as may be necessary for safe taxiing operations, taking off, landing, preflight testing, and maintenance testing.
- b. All aircraft engine run-ups shall be conducted in areas designated by the Airport Manager for such run-ups. Except in an emergency, all aircraft engine run-ups for maintenance testing purposes shall be conducted between the hours of 7:00 a.m. and 10:00 p.m.
- c. At no time shall an aircraft's engine(s) be operated while the aircraft is in a Hangar or Shade.
- d. No aircraft engine shall be started or aircraft taxied where the exhaust, propeller blast, or rotor wash may cause injury to Persons or do damage to property or spread debris on Airport areas.
- e. No high power maintenance run-ups are allowed between Aircraft Hangars, between Shades, near Tiedowns, in Taxilanes, or on Taxiways (other than the portions of Taxiways that act as hold aprons), except at areas designated for high power maintenance run-ups by the Airport Manager.

Section 4-10. Taxiing of Aircraft

No Person shall taxi an aircraft without first taking all necessary precautions to prevent a collision with other aircraft, Persons, or objects. Aircraft shall not be taxied into or out of a Hangar, Shade, or other covered area. No Person shall taxi an aircraft except on areas designated for taxiing. If it is impossible to taxi aircraft in compliance with this section, then the engine must be shut off and the aircraft towed to the new location.

Section 4-11. Common Traffic Advisory Frequency

During hours when the Control Tower is not in operation, aircraft operators shall utilize the Common Traffic Advisory Frequency (CTAF), as published in the current Airport/Facility Directory, to broadcast their intentions, as detailed in the *Aeronautical Information Manual*.

Section 4-12. Aircraft Incident/Accident Reports

Any Persons involved in an Aircraft operation that results in a personal injury or damage to property occurring on the Airport, within the City, or in the Class D Airspace around the Airport shall provide all pertinent information to the Airport Manager as soon after the Aircraft Accident or Incident as possible. The information shall include the names, address and phone numbers of the Persons involved, and a description of the accident and the cause (if known). When a written copy of an accident report is required to be filed by federal or state law, regulation, or agency, a copy of such report shall also be submitted to the Airport Manager.

Section 4-13. Refusal of Clearance or Use

The Airport Manager may delay, restrict or prohibit any flight or other operations at the Airport, except for emergency landings, and may refuse takeoff clearance to any aircraft whenever the Airport Manager, in his or her sole discretion, determines such refusal is necessary for safety or security reasons.

Section 4-14. Compliance with Federal Aviation Regulations

No Person may conduct any Aircraft Operations in violation of any FAR.

Section 4-15. Interfering or Tampering with Aircraft

No Person may interfere or tamper with any aircraft, aircraft parts, instruments, fuel or tools without prior approval of the Aircraft Owner, or in the event of an emergency, as specifically directed by the Airport Manager.

Section 4-16. Aircraft Demonstrations and Public Events

No aircraft flight or ground demonstrations may be conducted at the Airport without the prior written Permission of the Airport Manager. The City reserves the right to temporarily restrict or control activities on the Airport Movement Area and public areas of the Airport for purposes of aerial and ground demonstrations or for any other public purpose. To the extent practicable, such public events will be conducted in such a manner as to minimize the impact upon normal Airport operations.

Section 4-17. NOTAMS and Airport Advisories

The Airport Manager and/or the Control Tower are responsible for the dissemination of NOTAM information pertaining to airfield conditions and airfield lighting. The Airport Manager and/or the Control Tower are also responsible for the dissemination of NOTAM material pertaining to the Control Tower. The Airport Manager and/or the Control Tower are authorized to relay airfield conditions, advisories or information concerning outages of airfield lighting to the appropriate FAA Flight Service Station for dissemination as a NOTAM.

Section 4-18. Tiedown or Storage of Damaged or Dismantled Aircraft

A damaged or dismantled aircraft shall be repaired, re-assembled, or moved to a location acceptable to the Airport Manager within 60 days unless the Airport Manager permits an alternative arrangement.

Section 4-19. Airport Movement / Non-Airport Movement Areas

No aircraft or other Vehicle, with the exception of emergency vehicles, may enter upon the Airport Movement Area without maintaining radio contact with the Control Tower, except by express Permission of the Airport Manager and after coordination with the

ControlTower. Air Traffic Control service will be provided in the Airport Movement Area. No Air Traffic Control service will be provided in non-Airport Movement Areas. The Airport Manager strongly recommends that all aircraft maintain radio contact with ground control whenever the aircraft engine(s) are running. Ground control will provide advisory service to the degree possible in non-Airport Movement Areas, and it offers an immediate means of contacting emergency services should such services be required.

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Article 5. Vehicles, Pedestrians, Etc.

Section 5-1. General Requirements

No Person may operate a Vehicle on the Airport except in accordance with the Rules and Regulations and all federal, state and local laws.

- a. Vehicles shall access all Airport facilities and businesses from the Landside public parking or appropriate gate areas for said facility of business.
- b. All Vehicles shall yield the right of way to aircraft in motion and emergency Vehicles.
- c. All Vehicles, except for ground service and emergency Vehicles, shall remain a safe distance from any aircraft whose engines are running.
- d. All Vehicles, upon entering or exiting an Airport access gate, shall wait for the gate to completely close behind them before proceeding to their destination.

Section 5-2. Licensing, Registration and Insurance

- a. No Person may operate a motorized Vehicle of any kind on the Airport without a valid state motor vehicle operator's license.
- b. All motorized Vehicles operated on the Airport that are registered for use on public streets shall be covered by the type and amount of Vehicle liability insurance coverage required by state law.
- c. All motorized Vehicles operated on the Airport that are not registered for use on public streets shall be covered by appropriate liability insurance coverage.
- d. All motorized Vehicles operated and Parked on the Airport shall have a current registration as required by state law.

Section 5-3. Control of Vehicles

- a. No Person may operate or Park a Vehicle at the Airport in a manner prohibited by the Rules and Regulations or by signs, pavement markings, or other signals posted by the City or by the Airport Manager. The Airport Manager has the authority to regulate or prohibit any class or type of Vehicle or other form of transport that operates in the Airside area.
- b. No Person may operate or Park a Vehicle in the Airside area unless that Person has valid access privileges.

Section 5-4. Speed Limits

All Vehicles shall be operated on the Airport in strict compliance with all posted speed limits. The maximum speed limit in the Airside for all Vehicles, with the exception of authorized municipal and emergency services Vehicles operated by duly authorized officials in the performance of their official duties, is fifteen (15) miles per hour, or less, if conditions require a lower speed to ensure safe operation.

Section 5-5. Vehicles Operating on Runway and Taxiways

- a. Only Vehicles authorized by the Airport Manager may operate on the Airport Movement Area. No Vehicle may be operated on the Runways and Taxiways unless so authorized by the Airport Manager.
- b. Any Vehicle authorized to operate on the Airport Runways or Taxiways shall display amber rotating beacon or a 3' x 3' white and orange-checked flag that complies with FAA Advisory Circular 150/5210-5 and is visible to the Control Tower personnel. Exceptions to this rule must be authorized by the Airport Manager.
- c. All Vehicles that are authorized to operate on the Runways or Taxiways shall have obtained a clearance from the Control Tower.
- d. All Vehicles shall remain in continuous communications with the Control Tower while operating on a Runway or Taxiway.
- e. The fact that a Vehicle has a two-way radio installed does not constitute an authorization or clearance for the Vehicle to operate on Vehicles on Runways or Taxiways.
- f. All Vehicle operators shall comply with the standard airport light gun signals.

Section 5-6. Airport Perimeter Security

Persons owning, operating or otherwise responsible for Airport buildings or other structures that contain any portion of the Airport security perimeter (as defined by the Airport Manager), shall operate and maintain all vehicular and pedestrian access points and Airport security perimeter on their property in a manner that is acceptable to the Airport Manager and limits access from their property to the Airport to only those Persons authorized by the Airport Manager to have access.

Section 5-7. Authority to Remove Vehicles

The Airport Manager may cause to be removed from any area of the Airport any Vehicle that is disabled, abandoned, or Parked in violation of the Rules and Regulations, or that presents an operational hazard to any area of the Airport, as determined by the Airport Manager, in his or her sole discretion, with the Vehicle operator bearing any expense of removal and the risk of any damage from such removal.

Section 5-8. Bicycles and Miscellaneous Vehicles

- a. Bicycles may be operated on the Airport, provided that such operation is in accordance with the Rules and Regulations, including those sections pertaining to Vehicles. Any bicycles equipped with reflectors and a light may be operated on the Airport after dark.
- b. No Person may operate at the Airport any go-cart, go-ped, skateboard, rollerblade, or other Vehicles not licensed, or otherwise permitted by state law, for operation on a public street or highway, except for City Vehicles or small Vehicles (golf carts, UTV's, ATV's, etc...) used for servicing aircraft or on Airport transportation.

Section 5-9. Vehicular Accidents

The driver of any Vehicle involved in an accident on the Airport that results in injury or death to any Person, or damage to any property, shall immediately stop such Vehicle at the scene of the accident; render reasonable assistance to each Person injured in the accident, including making arrangements for the transporting of the Person to a physician, surgeon or hospital for medical or surgical treatment, if it is apparent that treatment is necessary or if the transporting is requested by the injured Person; and give his/her name, address and operator's license and registration number to the Person injured, the Airport Manager, and to any Police Officer or witnesses of the accident. The driver of such Vehicle shall make and file a report of such accident as required by state law, and provide a copy of that report to the Airport Manager.

Section 5-10. Careless Operation, Driving While Intoxicated.

No Vehicle of any kind may be operated at the Airport:

- a. In a careless, negligent or reckless manner, or in disregard of the rights and safety of others, or while the driver would be prohibited by law from operating an automobile upon the public streets of the City due to drug or alcohol impairment or influence, or at a speed or in a manner that endangers, or is likely to endanger, Persons or property;
- b. If the Vehicle is constructed, equipped or loaded so as to endanger, or be likely to endanger, Persons or property, or to result in the load or other materials becoming separated from the Vehicle; or
- c. If the Vehicle is not lighted or otherwise clearly visible during hours of darkness or during inclement weather.

Section 5-11. Parking Restrictions

- a. No Person may Park or leave standing any Vehicle, whether occupied or not, except within a designated Vehicle Parking Area, except that a Vehicle may be Parked next to, or in front of, a Hangar so long as the

Vehicle does not obstruct aircraft movement. Aircraft Owners and operators may Park their Vehicles only in the Aircraft Parking space designated for their aircraft.

- b. Vehicles Parked in an Aircraft Parking Area shall be Parked in a manner so as to be completely contained in an Aircraft Parking area and to not obstruct adjacent Aircraft Parking Areas or Taxilanes unless for the purposes of immediate and temporary loading, unloading, or staging of an aircraft.
- c. A Vehicle Parked in an Aircraft Parking Area shall be Parked in a manner that allows the Vehicle to be immediately driven or towed away from any nearby aircraft in case of an emergency.

Section 5-12. Airport Access During an Accident or Incident

Only Persons authorized by law or Persons having the Permission of the Airport Manager or the Control Tower may enter the Airside area of the Airport for the purposes of attending, observing, or assisting at the scene of an Aircraft Accident or Incident or Vehicular Accident.

Section 5-13. Pedestrians in the Airside Area

Walking, standing, and loitering in the Airside area are permitted only if such activities are determined by the Airport Manager not to be an operational or safety concern.

Section 5-14. Vehicle Repair

- a. No Person may clean or make any repairs to Vehicles (other than Ground Support Equipment) anywhere on the Airport, except minor repairs that enable such Vehicles to be removed from the Airport.
- b. No Person may move, or interfere or tamper with, any Vehicle, or take or use any Vehicle part or tool without the written approval of the Vehicle owner, or other evidence of the right to do so satisfactorily presented to the Airport Manager.

Section 5-15. Automobiles on Operational Areas

Automobiles driven by Aircraft Owners or aircraft operators who have been authorized by the Airport Manager to access Operational Areas shall be subject to the following restrictions:

- a. Automobiles should enter the Airport through the gate closest to the storage location of the Aircraft Owner's or aircraft operator's aircraft, and leave the Airport through the same gate.

- b. Automobiles traveling to an Airport location a significant distance away should use Glen Harbor Blvd. rather than traveling on an Airside road or roadway.
- c. Automobiles may park on the east side of the terminal only if authorized to do so by the Airport Manager.
- d. Only authorized vehicles may be parked next to the Control Tower.

Section 5-16. Vendor Vehicles

All vendor Vehicles, tool trucks, snack trucks, and the like, are prohibited from operating on the aircraft apron. Such Vehicles shall initially access Airport Commercial Aeronautical Activity Providers from Glen Harbor Blvd, and may visit Airport Commercial Aeronautical Activity Providers on the Airside if escorted by the Provider.

Section 5-17. Enforcement of Article 5

- a. The first violation of any of the requirements in Article 5 of the Rules and Regulations will result in a verbal warning to the violator, which will be noted in the violator's file.
- b. The second offense will result in a Notice of Violation to the violator.
- c. The third offense will result in a suspension of the violator's Vehicle driving privileges on the Airport for one (1) year. After one year, a written request may be submitted to the Airport Manager requesting the reinstatement of the violator's Vehicle driving privileges.

Section 5-18. Pedestrians Soliciting Rides

No Person may stand or walk in, upon, or adjacent to, a Roadway at the Airport for the purpose of soliciting a ride from a Vehicle, nor may any Person solicit aircraft rides from any area of the Airport.

Section 5-19. Motor Homes, Boats, Trailers, and Recreational Vehicles

Motor homes, boats, utility trailers, and recreational Vehicles shall not be stored anywhere on the Airport unless with the prior written Permission of the Airport Manager.



**GLENDALE MUNICIPAL AIRPORT
MINIMUM OPERATING STANDARDS**

**Draft 2012
Version 3-8-2013**

(Stakeholder Meeting)

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Article 1. Introduction/Purpose

The Federal Aviation Administration (FAA) has determined that it is the prerogative of the airport owner (sponsor) to impose minimum operating standards to establish the threshold entry criteria for those wishing to engage in providing aeronautical services to the public on the airport. Airports receiving Federal funding provide the assurance that they will make the airport available for public use on fair and reasonable terms and without unjust discrimination to all types, kinds and classes of aeronautical use. This assurance is met through the adoption and enforcement of these Minimum Operating Standards.

Article 2. Definitions; Application; Waiver

Section 2-1. Definitions

All definitions contained in the Glendale Municipal Airport Rules and Regulations are incorporated by reference into these Minimum Operating Standards. For purposes of these Minimum Operating Standards, all references to the “Rules and Regulations” when capitalized, are to the Glendale Municipal Airport Rules and Regulations.

Section 2-2. Application of Minimum Operating Standards

- a. All persons conducting Commercial Activities or Commercial Aeronautical Activities at the Airport shall, as a condition of conducting such activities, obtain a lease, license, Permit, and/or agreement with or from the City authorizing such activities pursuant to Article 3, and comply with all applicable requirements concerning such activities as are set forth in these Minimum Operating Standards.
- b. These Minimum Operating Standards shall be deemed to be a part of each Tenant’s lease, license, Permit and/or agreement with or from the City unless any such provisions are waived or modified by the City pursuant to Section 2-5. The mere omission of any particular standard from a Tenant’s written lease, license, Permit and/or agreement with the City shall not constitute a waiver or modification of such standard in absence of clear and convincing evidence that the City intended to waive or modify such standard.

Section 2-3. Multiple Activities by One Tenant

Whenever a Tenant conducts multiple activities at the Airport pursuant to one lease, license, Permit and/or agreement with or from the City, such Tenant must comply with the minimum standards set forth herein for each separate activity being conducted. If the minimum standards for one of the Tenant’s activities are inconsistent with the minimum standards for another of the Tenant’s activities, then the minimum standards which are most beneficial to the City, as determined by the Airport Manager, shall apply.

Section 2-4. Activities Not Covered by Minimum Operating Standards

Any activities for which there are no specific minimum standards set forth herein shall be subject to such standards and provisions as are developed by the City on a case-by-case basis and are set forth in such Tenant's written lease, license, Permit and/or agreement with or from the City.

Section 2-5. Waiver or Modification of Standards

The Airport Manager may, at his or her discretion, waive or modify any portion of these Minimum Operating Standards for the benefit of any governmental agency performing non-profit public services, performing emergency medical services to the public by means of aircraft or performing fire prevention or fire-fighting operations. The City Council may waive or modify any portion of these Minimum Operating Standards for non-governmental entities when it determines, in its discretion, that such waiver or modification is in the best interests of the City and all parties concerned, and will not result in any competitive inequities among Tenants at the Airport.

Article 3. Commercial Activity Application Process

Section 3-1. Submittal

Any Person, who desires to conduct a Commercial Activity on the Airport, shall submit a written application to the Airport Manager and receive a lease, license, Permit, and/or agreement with or from the City authorizing such conduct prior to conducting such activities. Prior to submitting an application, the applicant should discuss all aspects of the application and the proposed operation with the Airport Manager. The applicant shall submit the following required information or documentation in the application:

- a. A detailed description of the scope of the intended operations, including all services to be offered;
- b. The amount of land, office space, and/or aircraft storage areas required for the operation;
- c. A detailed description of any improvements or modifications to be constructed or made to airport property, including cost estimates and a construction timetable;
- d. The proposed hours of operation;
- e. Documentation of the applicant's financial capabilities to construct any improvements and to conduct any proposed activities;
- f. A detailed description and/or evidence of the applicant's technical abilities and experience in conducting the proposed activities, including personal references and FAA certificates, if applicable;
- g. The commencement date for the applicant's activities and the term of the lease, license, Permit or agreement sought, including all option periods;
- h. If the applicant is a corporation, a copy of the Articles of Incorporation as filed with the Corporation Commission;
- i. If the applicant is a limited liability company, a copy of the Articles of Organization filed with the Corporation Commission;
- j. If the applicant is a limited partnership, a copy of the certificate of limited partnership filed with the Secretary of State;
- k. If the applicant is a general partnership, a copy of the written partnership agreement, if any.

The Airport Manager may require the applicant to provide additional information which is necessary to ensure compliance with the Rules and Regulations and these Minimum Operating Standards.

Section 3-2. Processing the Application

The Airport Manager will be responsible for processing the applications for a lease, license, Permit and/or agreement with or from the City authorizing the conduct of a Commercial Activity at the Airport, subject to the approval of the City Council, if necessary. The Airport Manager may deny any application if it is determined that any of the following apply:

- a. The applicant does not meet the qualifications and standards set forth in the Rules and Regulations or these Minimum Operating Standards;
- b. The proposed activities are likely to create a safety hazard at the Airport;
- c. The activities will require the City to spend funds, or to supply labor or materials as a result of the applicant's activities, or will result in a net financial loss to the City;
- d. No appropriate space or land, as determined by the Airport Manager, is available to accommodate the proposed activities;
- e. The proposed activities are not consistent with the Airport's Master Plan and/or Airport Layout Plan;
- f. The proposed activities are likely to result in a congestion of aircraft or buildings, a reduction in airport capacity, or an undue interference with airport operations or the operations of any existing airport users;
- g. The applicant or any of its principals has knowingly made any false or misleading statements in the course of applying for a lease, license, Permit or agreement;
- h. The applicant or any of its principals has a record of violating the Rules and Regulations, these Minimum Operating Standards, the FAR or any other applicable laws, rules or regulations;
- i. The applicant does not have the technical or financial capabilities to properly conduct the proposed activities.

Section 3-3. Appeal Process

The decision of the Airport Manager on all such matters shall be final unless the applicant files an appeal to the City of Glendale Executive Director of Transportation Services within ten (10) days of receiving written notice of denial. In the event of such a timely appeal, the decision of the City of Glendale Executive Director of Transportation Services shall be final.

Article 4. General Contractual Provisions

All leases, licenses, Permits, and/or agreements authorizing Tenants to use the Airport shall contain the following provisions and conform to the Airport Leasing Policy:

- a. The Tenant's rights to engage in specific activities at the Airport are non-exclusive.
- b. The Tenant shall defend and indemnify the City and its elected or appointed officials, agents, boards, commissions and employees from all loss, damages or claims for personal injury or death or for property damage or loss, or for any other damages or loss arising out the Tenant's or its invitees' use of the Airport.
- c. A termination clause allowing the City to terminate the Tenant's lease, license, Permit and/or agreement no later than 30 days after notice of default is given to the Tenant, if the Tenant fails to cure its default within the 30-day period; and allowing the City to terminate the Tenant's lease, license, Permit and/or agreement immediately if the Tenant fails to maintain the required insurance.
- d. The Tenant shall make no improvements or modifications to Airport property without the prior written consent of the City and without posting appropriate payment and performance bonds. Before commencing any improvements or modifications, the Tenant shall submit detailed construction plans and specifications to the City, and upon completion of the construction, the Tenant shall provide the City with two complete sets of detailed plans and specifications of the work as completed. All improvements and modifications shall be constructed in a good and workmanlike manner. All improvements or modifications made to Airport property shall become the property of the City, at no cost to the City, upon the termination of the Tenant's lease, license, Permit and/or agreement
- e. The Tenant shall not sublease or assign any of its rights under the lease, license, Permit and/or agreement with or from the City without the written consent of the City. The Airport Manager may require any potential sublessee or assignee to submit to the City biographical and financial information at least 30 days prior to a proposed assignment.
- f. All provisions that the FAA or the City's Federal Airport Grant Assurance Obligations require to be included shall be included.

Article 5. Insurance

Section 5-1. General Insurance Requirements

Unless otherwise specified in Articles 6 through 8, each Person conducting a Commercial Activity shall at all times maintain in effect the following types of insurance as applicable to the business to be conducted:

- a. Comprehensive general liability insurance, on an occurrence basis for bodily injury and property damage, including products-completed operations, personal injury and advertising injury. The aggregate limit must be twice the per occurrence limit. Coverage must include damage to premises rented (fire damage liability). Airport premises liability may be used in place of comprehensive general liability;
- b. Automobile liability insurance combined single limit includes coverage for bodily injury and property damage covering any auto, owned, non-owned or hired;
- c. Worker's compensation limits based upon statutory requirement and employer's liability coverage;
- d. Aircraft liability insurance, on per occurrence basis covering injury or damage to the property of others caused from the operation of an aircraft owned or leased;
- e. Hangar keeper's liability insurance on a per occurrence basis for damage to aircraft belonging to others in the care, custody and control or for the repair of safekeeping;
- f. Pollution liability on an occurrence basis that includes bodily injury or property damage arising out of the actual or alleged release, dispersal, discharge, etc. of pollutants.
- g. Property insurance on an all risk basis for any tenant improvements or betterments with no coinsurance penalty provision.
- h. City of Glendale is to be named as an additional insured on all required coverage's and the coverage shall be primary and non-contributory with respect to all other sources including any City insurance or self-insurance.

Section 5-2 General Insurance Adjustments by Risk Manager

- a. In addition to the types and amounts of insurance required by Section 5-1, each Tenant shall at all times maintain such other insurance as the City's Risk Manager or Airport Manager may reasonably determine to be necessary for such Tenant's activities, or as the FAA may determine is required under the City's Federal Airport Grant Assurance Obligations.

- b. Minimum insurance requirements may be adjusted on a case by case basis by the City's Risk Manager or Airport Manager.

Section 5-3. Form; Acceptance by City

All insurance shall be in a form, and from a company, acceptable to the City's Risk Manager, shall name the City as an additional insured, shall require 30 days written notice to the City before modification or termination and shall include contractual liability coverage for the Tenant's obligations of indemnity.

Section 5-4. Indemnification

- a. Each Person conducting a Commercial Activity shall defend, indemnify and hold harmless the City and its elected or appointed officials, agents, boards, commissions and employees (hereinafter referred to collectively as the "City" in this Section) from all loss, damages, or claims of whatever nature, including attorney's fees, expert witness fees and costs of litigation, which arise out of any act or omission of Operator or its agents, employees and invitees (hereinafter referred to collectively as "Operator" in this Section) in connection with operations at the Airport and which result directly or indirectly in the injury to or death of any persons or the damage to or loss of any property, or any other damage or loss arising out of the failure of Operator to comply with any provisions of this document.
- b. The Operator shall, in all instances, except for loss, damages or claims resulting from the sole negligence of the City, indemnify the City against all such loss, damages or claims, regardless of whether the loss, damages or claims are caused in part by the negligence, gross negligence or fault of the City. The City shall give Operator prompt notice of any claim made or suit instituted which may subject Operator to liability under this Section, and Operator shall have the right to compromise and defend the same to the extent of its own interest. The City shall have the right, but not the duty, to participate in the defense of any claim or litigation with attorneys of the City's selection without relieving Operator of any obligations hereunder.
- c. Operator obligations hereunder shall survive any termination of Operator's activities at the Airport. The Operator agrees to waive all rights of subrogation against the City arising from the Operator's use, occupancy or operations at the Airport.

Article 6. General Operational Requirements

Section 6-1. Taxiway Access

If paved access from a Tenant's premises to the Airport's taxiway system is essential for their business operation and not already provided, each Tenant conducting aeronautical activities shall provide such access. Such taxiway access shall meet all applicable Airport and FAA standards for the largest aircraft type anticipated to use the leased premises.

Section 6-2. Right of Entry Reserved

The City reserves the right at all reasonable times to enter upon each Commercial Aeronautical Activity Provider's premises for any lawful purpose, provided that such entry does not unreasonably interfere with the Commercial Aeronautical Activity Provider's use of the premises.

Section 6-3. Rates and Charges

Each Commercial Aeronautical Activity Provider may determine the rates and charges for all of its activities and services, provided that such rates and charges shall be consistent with the City's Federal Airport Grant Assurance Obligations, reasonable, and equally and fairly applied to all of the Commercial Aeronautical Activity Provider customers.

Section 6-4. Personnel and Invitees; Conduct of Business

Each Commercial Aeronautical Activity Provider shall at all times designate a manager to supervise its operations at the Airport and designate personnel who are available outside of normal business hours to respond to emergency situations. Each Commercial Aeronautical Activity Provider shall employ a sufficient number of trained, on-duty personnel to provide for the efficient and proper compliance with its obligations under its lease, license, Permit and/or agreement and the Airport Rules and Regulations and these Minimum Operating Standards.

Section 6-5. Sound Level; Vibrations

Each Commercial Aeronautical Activity Provider shall take all measures to keep the sound level of its operations as low as reasonably possible and to reduce to a minimum vibrations that could tend to damage any equipment, structure or building.

Section 6-6. Nuisance; Waste; Damage

No Commercial Aeronautical Activity Provider shall conduct or permit any activities which may result in nuisance, waste or damage to or at the Airport.

Section 6-7. Hazardous Conditions

No Commercial Aeronautical Activity Provider shall do or permit to be done on its premises any act which:

- a. May constitute a hazardous condition in connection with the operations permitted by the Tenant's lease, license, Permit and/or agreement; or
- b. Will invalidate or conflict with any fire or casualty insurance policies or regulations, the Glendale Fire Code.

Section 6-8. Overloading Floors or Structures

No Commercial Aeronautical Activity Provider shall overload any floor, structure, structural member or paved areas on the Airport.

Section 6-9. Maintenance and Repairs

Each Commercial Aeronautical Activity Provider shall keep its premises in a neat and orderly condition and in good repair, and shall keep the floor of its premises and the apron and ramp areas used in its operations clean and clear of oil, grease and other materials or stains.

Section 6-10. Trash

Each Commercial Aeronautical Activity Provider shall, in disposing of its trash and refuse, use a system of refuse disposal approved by the City.

Section 6-11. Security

Each Commercial Aeronautical Activity Provider shall take necessary measures to ensure security in accordance with the guidelines and regulations of, and any Airport security program approved by, the Department of Homeland Security.

Section 6-12. Interference with Utilities and Systems

No Commercial Aeronautical Activity Provider shall interfere with the effectiveness or accessibility of any public utility system, drainage system, sewage system, fire protection system, sprinkler system, alarm system or fire hydrant or fire hoses.

Section 6-13. Fire Equipment

Each Commercial Aeronautical Activity Provider shall supply and maintain such adequate and readily accessible fire extinguishers and equipment as may be required by the Fire Codes.

Section 6-14. Vehicle Identification

Any vehicle operated by a Commercial Aeronautical Activity Provider that is used in the Airside Area must bear identification designating the Commercial Aeronautical Activity Provider to whom the vehicle is assigned. Letters and/or identification shall be clearly visible and displayed in a manner that is acceptable to the Airport Manager.

Article 7. Fixed Base Operators

Section 7-1. Requirements for the FBO

A Fixed Base Operator (FBO) shall comply with all of the standards contained in Article 6. The FBO shall comply with all applicable provisions of the Glendale City Code; Airport Rules and Regulations; Minimum Operating Standards; Federal, State and local laws, rules, regulations, and ordinances; and the City's Federal Airport Grant Assurance Obligations. The FBO shall engage in a wider range of Commercial Aeronautical Activities than a SASO as defined in Article 8, which shall include all of the following:

- a. Aircraft fueling and line services;
- b. Major Aircraft Alterations and Repairs. (The FBO may subcontract in order to provide the Major aircraft powerplant and accessory repair services required of it);
- c. Sales of aircraft parts and accessories;
- d. Removal of disabled aircraft from operational areas;
- e. Providing customary facilities, amenities, and services to general aviation users, including, at a minimum, the following: public restrooms, waiting lounges, conference rooms, crew lounges and flight planning services.

Section 7-2. Land and Facility Requirements

The FBO shall lease at the Airport at least 150,000 square feet of contiguous land for its aircraft operating area (including building area, automobile parking area, and fuel storage area) from the City of Glendale. This area shall accommodate the following:

- a. Airplane Design Group II aircraft (wingspan up to 79 feet);
- b. Transient aircraft parking for ten (10) aircraft;
- c. Circulation Taxilanes around aircraft operating area;
- d. Adequate area to simultaneously accommodate transient activities while emptying aircraft from storage hangars and staging based aircraft.
- e. Executive Terminal Building: 9,000 square feet with a minimum of 6,000 square feet dedicated to customer service and support functions.
- f. Hangar Space: 10,000 square feet with dedicated space for aircraft maintenance and repair and aircraft storage.
- g. Shop: 1,200 square feet of shop space to support aircraft maintenance and repair activities including the storage of parts and accessories.

Section 7-3. Hours of Operation

Unless otherwise agreed to in writing by the Airport Manager, the FBO shall provide aircraft fueling and line services at least 12 hours per day, each and every day, and shall keep the fixed base operation open for general aircraft maintenance at least 8 hours per day, five days per week.

Section 7-4. Aircraft Service Equipment

The FBO shall maintain tools, jacks, tugs, towing equipment, tire-repair equipment, ground power units, emergency starting equipment, portable compressed air tanks, oxygen cart and supplies, fire extinguishers, chocks, ropes and tie-down supplies as are necessary for the servicing of aircraft types expected to use the Airport. The FBO shall provide appropriate recovery services and equipment necessary to promptly remove Disabled Aircraft from the Airport Movement Area. Large or heavily damaged Aircraft that the FBO determines it cannot safely remove shall be referred by the FBO to a qualified aircraft recovery service for removal.

Section 7-5. Aviation Fueling Requirements

- a. The FBO shall comply with the National Fire Protection Association's codes and standards, as amended, FAA Advisory Circular 150/5230-4, as amended, all requirements of the Airport Rules and Regulations, the Airport Minimum Operating Standards, and all other applicable laws related to aircraft fuel handling, dispensing and storage.
- b. The FBO shall maintain tank farm storage facilities for aviation fuels in capacities of at least 10,000 gallons of aviation gasoline and 20,000 gallons of turbine fuel, in an area to be designated by the Airport Manager. The FBO shall not construct or modify any fuel storage or distribution facilities without the written consent of the City and without complying with all City safety standards. The City shall have the right to inspect such facilities periodically to assure compliance with all standards.
- c. The FBO shall provide mobile dispensing equipment and trucks sufficient to serve the needs of the Airport. All such equipment shall meet all applicable safety standards. The metering devices shall be inspected, checked and certified by appropriate state officials. The City shall have the right to inspect such equipment periodically to assure compliance with all standards.
- d. The FBO shall require all of its fuel-handling personnel to attend training courses and to receive periodic refresher training as required by the Airport Manager and City Fire Department. The operator shall develop a standard operating procedure for aviation fueling activities and provide a current copy of the same to the Airport Manager. The City and the FAA shall have the right to periodically conduct inspections and surveillance of the operator's activities and personnel to ensure adherence to safe practices.

Section 7-6. Insurance

The FBO shall maintain the types and amounts of insurance required by Section 5-1, except that the FBO shall at all times maintain comprehensive general public liability and property damage insurance in the amount of at least \$5,000,000 combined single limit per occurrence.

Section 7-7. Personnel Qualification Requirements

The FBO shall have on-staff a manager with a minimum of five (5) years of applicable industry experience and is approved by the Airport manager. The Airport Manager shall be notified of change in FBO management.

Article 8. Specialized Aviation Service Operator (SASO)

Specialized Aviation Service Operators are often needed and encouraged by the Airport to meet the demands of Commercial Aeronautical Activities on the Airport.

Section 8-1. SASO Activities

The SASO shall engage in one or more of those commercial aviation activities described in this Article 8 as stated in the SASO's Commercial Operating Permit.

Section 8-2. General Requirements

In addition to any other requirements of these Minimum Operating Standards and the Airport Rules and Regulations, the SASO must comply with both the special requirements related to the specific activities described in this Article 8, and the general requirements set forth below:

- a. The SASO shall have on-staff a manager with a minimum of two (2) years of applicable industry experience and is approved by the Airport Manager. The Airport Manager shall be notified of any change in SASO management.
- b. The SASO shall either build or, lease at the Airport from a bona fide Airport Tenant or the City, a minimum of 100 square feet of office space.
- c. The SASO shall at all times maintain the types and amounts of insurance required by Article 5 for any of its activities which may be covered by such types of insurance.
- d. The SASO shall comply with all applicable provisions of the Glendale City Code; Airport Rules and Regulations; Airport Minimum Operating Standards; Federal, State and local laws, rules, regulations, and ordinances; and the City's Federal Airport Grant Assurance Obligations.
- e. These requirements may be satisfied by an approved sublease of such space from an existing full service FBO or other Lease holder.

Section 8-3. Hangar/Shade/Leasing Services

A hangar/shade/leasing services operator engages in the business of leasing or selling hangars or shades to aircraft owners or operators solely for aircraft and/or aeronautical storage purposes. A hangar/shade/leasing services operator may engage in the business of constructing the hangars to be leased. A hangar/shade/leasing services operator shall comply with the following minimum standards:

- a. The operator shall lease at the Airport sufficient business space for the type of services being provided by the operator, as determined by the Airport Manager.

- b. The construction plans and specifications for any hangars to be constructed, including minimum hangar sizes and architectural design plans, are subject to the written approval of the City.
- c. The hangar operator shall provide to the Airport Manager a tenant list that includes the tenant(s) name, address, phone number and aircraft type, model and N-number.

Section 8-4. Aircraft Sales

An aircraft sales operator engages in the sale or brokerage of new and/or used aircraft (either on a retail or wholesale basis). An aircraft sales operator shall comply with the following standards:

- a. An operator engaged in the sale of aircraft shall comply with the provisions of FAR, Part 47, Subpart C and shall possess a valid “Dealer’s Aircraft Registration Certificate”, FAA form 8050.
- b. The operator shall employ and have on-duty during normal business hours at least one Person holding a current pilot certificate with ratings appropriate for the types of aircraft to be demonstrated.
- c. The operator shall maintain an approved Aircraft Dealers Certificate from the State of Arizona.

Section 8-5. Aircraft Airframe, Engine Maintenance, Repair Service and Sales

An aircraft airframe, engine maintenance and repair service operator provides one or more of the following services: airframe or engine overhaul; repair services on aircraft, including jet aircraft and helicopters; and sales of aircraft parts. An aircraft airframe, engine maintenance and repair service operator shall comply with the following standards:

- a. **The operator shall lease at the Airport at least 5,000 square feet total premises.**
- b. The operator shall provide hangar facilities, a paved aircraft parking apron, an adequate number of paved automobile parking spaces for its customers, a public lounge and waiting room and public restrooms in its premises.
- c. The operator shall provide sufficient shop space, equipment, supplies and availability of parts equivalent to that required for certification by the FAA as an FAA-approved repair station.
- d. The operator shall employ and have on-duty during normal business hours at least one individual who is currently certified by the FAA with ratings appropriate to the work being performed, and who holds an airframe, power plant or aircraft inspector rating; or an individual working on behalf of the holder of a current FAR Part 145 Certificate.

- e. Major maintenance activities may be performed only in hangars/shades or other structures where the conduct of such major maintenance would comply with the operator's specific lease agreement, the applicable City Fire Codes, the Airport Rules and Regulations and the Minimum Operating Standards.

Section 8-6. Aircraft Rental Services

An aircraft rental business engages in the rental or leasing of aircraft to the public. An aircraft rental or lease operator shall comply with the following standards:

- a. The operator shall have available for lease a minimum of (1) one fixed wing or (1) one rotary wing aircraft.
- b. The operator shall employ and have on duty during normal business hours at least one person holding a current FAA commercial pilot certificate with appropriate ratings, including instructor rating.

Section 8-7. Flight Training

A flight training operator engages in instructing pilots in dual and solo flight training, in fixed wing or rotary wing aircraft, and provides such related ground school instruction as is necessary to adequately prepare a pilot take a written examination and flight check ride for the categories of pilot's licenses and ratings involved. A flight training operator shall comply with the following standards:

- a. The operator shall have available for use a minimum of (1) one fixed wing or (1) one rotary wing Aircraft or qualified simulator.
- b. The operator shall provide adequate classroom facilities for the amount and type of training involved, and shall provide mock-ups, pictures, slides, film strips, movies, video tapes and/or other training aids necessary for effective ground school instruction. All materials, supplies and training methods must meet FAA requirements for the type of FAA certificate required in order to be able to provide the training offered.
- c. The operator shall employ and have on duty during normal business hours at least one instructor who is currently certified by the FAA to provide the type of training offered.

Section 8-8. Aircraft Component & Accessory Repair Services and Sales

An aircraft component & accessory repair service and sales operator engages in the business of repairing aircraft radios, avionics, instruments, propellers, accessories, upholstery, painting and/or similar aircraft components. An aircraft component & accessory repair service and sales operator sell new or used parts and components necessary for such repairs. An aircraft component and accessory repair service and sales operator shall comply with the following standards:

- a. The operator shall lease at the airport sufficient business space as determined by the Airport Manager.
- b. The operator shall provide hangar or shop facilities, a paved aircraft parking apron, an adequate number of paved automobile parking spaces for its customers, a public lounge and waiting room and public restrooms in its premises.
- c. The operator shall employ and have on duty during normal business hours at least one individual person who is currently certified by the FAA with ratings appropriate to the services offered.
- d. The operator may use for Major Aircraft Alterations and Repair activities only such hangars/shades or other structures as are approved for such use by the Airport Manager based on the terms of the applicable lease agreement and City fire codes.

Section 8-9. Aircraft Charter or On-Demand Air Taxi Service

An aircraft charter or on-demand air taxi service operator engages in the business of providing air transportation of persons or property to the general public for hire, as either a charter operator or on-demand air taxi, as defined by the FAA. An aircraft charter or on-demand air taxi service operator shall meet the following standards:

- a. The operator shall employ and have on duty during normal business hours at least one individual who holds current FAA commercial pilot and medical certificates and ratings appropriate for the operator's flight activities. All flight crews shall be properly rated for the aircraft operated. After a reasonable notice period, as determined by the Airport Manager, the operator shall provide reasonable assurance, as determined by the Airport Manager, of the continued availability of qualified operating crews.
- b. The operator shall own or lease exclusively by written agreement aircraft equipped for, and capable of use in instrument conditions, and with a valid airworthiness certificate and maintained in an airworthy condition. All aircraft shall meet the requirements of the operator's FAR Part 135 certificate.
- c. The operator shall have a current FAR Part 135 Certificate.

Section 8-10. Aerial Application Services (Crop Dusting)

An aerial application operator engages in the crop dusting and agricultural spraying business with the use of specifically equipped aircraft. An aerial application operator shall meet the following standards:

- a. The operator shall be available "on-call" during all reasonable hours during the normal aerial application season.
- b. The operator shall employ and have on-duty at least one individual who holds a

current FAA commercial pilot certificate, properly rated for the aircraft to be used, and an agricultural aircraft operator certificate issued under Part 137 of the FAR.

- c. The operator shall own or lease exclusively by written agreement at least one aircraft that has a valid airworthiness certificate, is maintained in an airworthy condition, and meets all the requirements of Part 137 of the FAR. Such aircraft shall be based upon the operator's leased premises at the Airport.
- d. The operator shall provide a segregated chemical storage area protected from public access and located at the Airport such that it will provide the greatest safeguards to the public. The operator shall provide tank trucks for the handling of liquid spray and mixing liquids and shall provide adequate ground equipment for handling and loading of dusting materials. Due to the potential hazard posed by the chemicals and corrosives used in agricultural spraying and aerial applications, operator's leasehold must be utilized for that sole purpose, and may not be combined with a facility providing any other aeronautical service. The operator shall be responsible for supplying waste disposal systems as mandated by all governmental entities under all applicable environmental protection laws, rules and regulations.

Section 8-11. Specialized Commercial Flying Services

A specialized commercial flying services operator engages in air transportation for hire for any of the following purposes: nonstop sightseeing flights that begin and end at the Airport, banner towing and aerial advertising, aerial photography or survey, power line or pipeline patrol, fire-fighting or fire patrol, air ambulance service, airborne mineral exploration, or any other commercial operations specifically excluded from Part 135. A specialized commercial flying service operator shall meet the following standards:

- a. The operator shall employ and have on duty during normal business hours at least one individual who holds a current commercial pilot certificate with appropriate ratings for the aircraft to be flown.
- b. The operator shall own or lease exclusively by written agreement at least one aircraft that has a valid airworthiness certificate, is maintained in an airworthy condition, and is suitably equipped for the type of operation involved. Such aircraft shall be based upon the operator's premises at the Airport.

Section 8-12. Aircraft Management Services

An aircraft management services operator means a Person performing one or more of the following services in the management of another Person's aircraft: pilot staffing, records management, aircraft charter brokerage, and other aircraft-related services, not including services detailed in any other sections of these Minimum Operating Standards. Aircraft management does not include the control of, or operation of, aircraft under FAR Part 135.

- a. The operator shall lease at the Airport sufficient business space for the type of services being provided by the operator, as determined by the Airport Manager.
- b. If any of the services offered by the operator require FAA certification, the operator shall employ and have on duty during normal business hours at least one individual who is currently certified by the FAA with ratings appropriate to the services offered.

***Section 8-13. On-Airport Rental Car, Limousine or Other Ground Transportation Services
Concession Services***

An on-airport rental car, Limousine or other ground transportation services concession services operator means a Person providing rental car, limousine, or other ground transportation services at the Airport. An on-airport rental car, limousine, or other ground transportation services concession services operator shall:

- a. Employ and have on duty at least one Person during normal business hours.
- b. At all times maintain in effect the types and minimum amounts of insurance specified in Article 5, for any of its activities at the Airport that may be covered by such insurance.

Article 9. Commercial Operating Permit

Section 9-1. Non-Tenant Commercial Operators

A Non-Tenant Commercial Operator is a Person who is not a Tenant, but who conducts a Commercial Activity on the Airport. The term Non-Tenant Commercial Operator includes, but is not limited to, rental car concessionaires, mobile certified mechanics, independent flight instructors, aircraft detailers, mobile oil recyclers and others who perform commercial operations without permanent facilities on the Airport. The Term Non-Tenant Commercial Operator does not include any commercial transport provider engaged in providing goods, commodities, or services to the Airport, any Federal, State, or local government agency operating at the Airport, or any FBO.

All Non-Tenant Commercial Operators, including without limitation the following, shall obtain, prior to conducting any Commercial Activity on the Airport, a Commercial Operating Permit authorizing the conduct of such Commercial Activity:

- a. A Person conducting a Commercial Activity who supplies or directly provides goods, commodities, services or facilities to the general public at the Airport as a regular business activity.
- b. A Person conducting a Commercial Activity who uses or enters upon the Airport in furtherance of its business interests and/or to deliver services or goods to customers of that business.

Section 9-2. Requirements

An applicant for a Commercial Operating Permit must comply with the following requirement, and remain in compliance with these requirements once it obtains a Commercial Operating Permit:

- a. Provide to the Airport Manager copies of the applicant's FAA licenses, and/or ratings.
- b. Provide to the Airport Manager an original copy of a certificate of insurance evidencing that applicant has insurance of the types, and in the minimum amounts, required under Article 5, and meeting the current insurance requirements set forth by the City Risk Manager office, and naming the City as an additional insured.
- c. Provide to the Airport Manager evidence that the applicant has a current business license from the City of Glendale.
- d. Comply with all applicable provisions of the Glendale City Code; Airport Rules and Regulations; Airport Minimum Operating Standards; Federal, State and local laws,

rules, regulations, and ordinances; and the City's Federal Airport Grant Assurance Obligations.

- e. Pay all applicable fees set for the pertinent Commercial Operating Permit listed on the schedule of Airport Rates and Fees available from the Airport Administration Office.

Article 10. Non-Commercial Activities

Section 10-1. Flying Clubs

A Flying Club is a non-profit entity or organization organized for the purpose of providing its members with one or more aircraft for their personal use and enjoyment only. A Flying Club shall meet the following standards:

- a. At the time of applying for a lease, license, Permit and/or agreement with or from the City to operate at the Airport, the Flying Club shall furnish the Airport Manager with a copy of its articles of incorporation, if it is a corporation; a copy of its articles of organization, if it is a limited liability company; a copy of its certificate of limited partnership, if it is a limited partnership; a copy of its partnership agreement, if it is a general partnership; the Flying Club's roster or list of members, including names of officers and directors; evidence of required insurance; a description of all aircraft used at the Airport; evidence that such aircraft have a valid airworthiness certificate; evidence of ownership of, or leasehold interest in, such aircraft; and any operating rules of the Flying Club.
- b. The Flying Club's books and records shall be available for inspection and copying by the Airport Manager at any reasonable time. The Flying Club shall update its roster or list of members and provide the Airport Manager with such updated roster or list no later than June 30 and December 31 of each year, or at such other times as may be requested by the Airport Manager.
- c. All aircraft used by the Flying Club at the Airport shall be owned by the Flying Club or exclusively leased by the Flying Club exclusively through a written lease, and all ownership or lease rights to such aircraft must be vested on a pro-rata basis in all of its members. The property rights of its members shall be equal, and no part of any revenues received by the Flying Club shall be used to provide any direct benefit to any particular member or members (e.g., by salary or bonus). The Flying Club shall not derive greater revenue from the use of its aircraft than the amount necessary to defray the Flying Club's administrative expenses and the cost of the operation, maintenance and replacement of its aircraft and facilities.
- d. The Flying Club's aircraft shall not be used by anyone other than its members, and shall not be used by anyone for hire, charter or on-demand air taxi operations. Flight instruction may be provided in the Flying Club's aircraft by one club member to another member, and the club member providing such instruction may be compensated by being awarded either a credit against the payment of Flying Club dues or additional flight time in the aircraft owned by the Flying Club.
- e. Any qualified mechanic who is a registered member of the Flying Club and part owner of the aircraft owned by the Flying Club may perform maintenance work on those aircraft. The Flying Club may not pay, or become obligated to pay, for such maintenance work, but such mechanics may be compensated by being awarded either

a credit against the payment of Flying Club dues or additional flight time in the aircraft owned by the Flying Club.

- f. The Flying Club and its members are prohibited from leasing, selling, trading or bartering any goods or services to or with any non-members of the club, except that The Flying Club may sell or exchange its aircraft and equipment for replacement or liquidation purposes.
- g. The Flying Club shall comply with all applicable provisions of the Glendale City Code; Airport Rules and Regulations, Airport Minimum Operating Standards; Federal, State, and local laws, rules, regulations, and ordinances; and the City's Federal Airport Grant Assurance Obligations.
- h. A Flying Club that violates these requirements, or that permits one or more members to do so, may be required to terminate all operations as a Flying Club at the Airport, at the Airport Manager's discretion.

Section 10-2. Private, Non-Commercial Hangars

An applicant may request a land leasehold upon which to build and use private non-commercial hangars. The following standards apply to private non-commercial hangars:

- a. The private, non-commercial hangar Tenant shall lease at the Airport the sufficient space, as approved by the Airport Manager, for each of its hangar(s).
- b. The private, non-commercial hangars shall be used only for those purposes which are specified for Hangars in the Airport Rules and Regulations.
- c. All aircraft which are stored in the private, non-commercial hangars shall be owned or leased by the private, non-commercial hangar Tenant or one of the following persons associated with the Tenant;
 - 1. A person who is a general partner of a Tenant which is a partnership;
 - 2. A person who is a manager of a Tenant which is a limited liability company, or if there is no designated manager, a member of such tenant;
 - 3. The president of a Tenant which is a corporation;
 - 4. The chief executive officer of a Tenant which is any other legal entity.
- d. The private, non-commercial hangar Tenant shall not sublease any hangar or make any partial assignment of its leasehold interest without prior approval of the City pursuant to Article 4.
- e. All insurance provisions contained in Article 5 shall apply to the private, non-

commercial hangar Tenant, except that the Tenant shall not be required to maintain any automobile liability insurance (except as required by State law), aircraft liability insurance, or hangar keeper's liability insurance in connection with the land leasehold upon which the Tenant builds and uses private non-commercial hangars.

- f. The private, non-commercial hangar Tenant shall comply with all applicable provisions of the Glendale City Code; Airport Rules and Regulations, Airport Minimum Operating Standards; Federal, State, and local laws, rules, regulations, and ordinances; and the City's Federal Airport Grant Assurance Obligations.



CITY COUNCIL REPORT

Meeting Date: **3/19/2013**
Meeting Type: **Workshop**
Title: **COUNCIL ITEM OF SPECIAL INTEREST: CITY AUDITOR REPORTING STRUCTURE**
Staff Contact: **Candace MacLeod, City Auditor**

Purpose and Policy Guidance

The purpose of this City Council Report is to address City Council's request to draft an Ordinance amending the reporting structure of the City Auditor's Office at the February 19, 2013 Council Workshop. Under the proposed structure, the City Auditor would report functionally to City Council and administratively to the City Manager.

Background Summary

The reporting line for internal audit is the ultimate source of its independence. According to the professional standards that govern the practice of internal auditing, internal audit:

- Must be organizationally independent
- Must have authority to look at any department, function or transaction at any time
- Must have access to all systems, files, records and electronic data

The Institute of Internal Auditors states that the organizational independence of the internal audit function is achieved most effectively when the chief audit executive reports functionally to the board and administratively to the organization's chief executive officer. Examples of functional reporting to the board involve the board:

- Approving the annual risk-based internal audit plan
- Receiving communications and internal audit reports from the chief audit executive relative to its audit plan and other matters
- Making appropriate inquiries of management and the chief audit executive to determine whether there are inappropriate scope or resource limitations

Administrative reporting is the reporting relationship within the organization's management structure that facilitates the day-to-day operations of the internal audit activity. Administrative reporting typically includes:

- Budgeting
- Human Resource administration, including personnel evaluations and compensation
- Internal communications and information flows



CITY COUNCIL REPORT

Previous Related Council Action

City Council requested information on internal auditor independence at the December 4, 2012 Council Workshop

Analysis

Local governments establish staff and maintain independent audit functions to enhance accountability, earn and increase citizen confidence and respect for government, increase public transparency of governmental operations and provide an independent perspective that is highly beneficial to ensuring compliance with laws, regulations, policies and procedures.

The professional standards that govern the practice of internal auditing recommend that the internal audit function:

- Be established formally by charter, enabling resolution or other appropriate legal means
- Be organizationally independent and free from management control and interference
- Have access to those charged with governance
- Report audit results both to the head of the government entity and to those charged with governance

Budget and Financial Impacts

There is no fiscal impact to the city.

Attachments

Ordinance

ORDINANCE NO. _____ NEW SERIES

AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AMENDING GLENDALE CITY CODE CHAPTER 2, (ADMINISTRATION), ARTICLE III (OFFICERS AND EMPLOYEES), BY ADDING A NEW SECTION 2-54 RELATING TO THE OFFICE OF THE CITY AUDITOR; AND SETTING FORTH AN EFFECTIVE DATE.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF GLENDALE as follows:

SECTION 1. That Glendale City Code Chapter 2 (Administration), Article III (Officers and Employees), be amended by adding a new Section 2-54 to read as follows:

SEC. 2-54. OFFICE OF THE CITY AUDITOR.

(a) THERE SHALL BE AN INDEPENDENT OFFICE OF INTERNAL AUDIT CHARGED WITH CONDUCTING FINANCIAL, CONTRACT COMPLIANCE, INTERNAL CONTROL, AND PERFORMANCE AUDITS OF ALL CITY DEPARTMENTS, PROGRAMS, ACTIVITIES, BOARDS, AND COMMISSIONS AND REPORT FINDINGS AND RECOMMENDATIONS BASED UPON THE AUDITS TO THE DIRECTORS OF THE AFFECTED DEPARTMENTS, THE CITY MANAGER AND THE COUNCIL. THE CITY AUDITOR AND STAFF OF THE OFFICE OF CITY AUDITOR SHALL BE MEMBERS OF THE MERIT SYSTEM AND ADHERE TO THE RULES AND DIRECTIVES APPLICABLE TO THE CLASSIFIED SERVICE.

(b) THE OFFICE OF CITY AUDITOR SHALL BE UNDER THE INDEPENDENT CONTROL AND SUPERVISION OF THE CITY AUDITOR. THE CITY AUDITOR SHALL ORGANIZE AND ADMINISTER THE AUDITOR'S OFFICE TO OPERATE WITHOUT MANAGEMENT INTERFERENCE OR OTHER INFLUENCE THAT MIGHT ADVERSELY AFFECT AN INDEPENDENT AND OBJECTIVE JUDGMENT OF THE AUDITOR.

(c) THE CITY AUDITOR SHALL PROVIDE AN ANNUAL AUDIT PLAN TO THE COUNCIL. COUNCIL SHALL REVIEW AND ADOPT THE PLAN. COUNCIL SHALL PROVIDE THE NECESSARY FUNDS AND APPROPRIATION TO ASSURE THE PLAN CAN BE APPROPRIATELY EFFECTUATED AND ADMINISTERED.

(d) PRIOR TO THE CITY AUDITOR BEING INVOLUNTARILY SEPARATED FROM EMPLOYMENT, THE CITY MANAGER SHALL REPORT THE INTENDED SEPARATION AND THE REASONS THEREFORE TO ALL MEMBERS OF THE CITY COUNCIL.

SECTION 2. That the provisions of this ordinance shall become effective thirty (30) days after passage of this ordinance by the Glendale City Council.

PASSED, ADOPTED AND APPROVED by the Mayor and Council of the City of Glendale, Maricopa County, Arizona, this _____ day of _____, 2013.

M A Y O R

ATTEST:

City Clerk (SEAL)

APPROVED AS TO FORM:

City Attorney

REVIEWED BY:

Acting City Manager

c_auditor.doc



CITY COUNCIL REPORT

Meeting Date: **3/19/2013**
Meeting Type: **Workshop**
Title: **PARTNERSHIP WITH NEW WESTGATE, LLC FOR TEMPORARY LEASE AT WESTGATE**
Staff Contact: **Erik Strunk, Executive Director, Parks, Recreation & Library Services**

Purpose and Policy Guidance

This is a request for City Council to review a proposed partnership and opportunity between New Westgate, LLC, and the City of Glendale Parks, Recreation and Library Services Department, to approve a one-year lease agreement to provide the City with 3,050 leasable square feet of retail space for the "Gallery Glendale at Westgate."

Background Summary

During the fall 2012, staff from the Parks, Recreation and Library Services Department and the Marketing and Communications Department met with New Westgate, LLC to identify any potential partnerships that would be of benefit to both organizations. Initially, the conversations focused on the free use of space by the City to temporarily display portions of its municipal arts collection.

After several conversations, it became apparent that the space could also be used for additional community-based programming such as minimal library services (i.e. – book pick up and drop off, family and story time, internet/computer access to city services, book clubs, educational classes), special interest classes (i.e. - art and performing art classes), recreation opportunities (i.e. – youth and teen programming), and other activities that would be conducive to connecting the community with city services and programs.

Under the agreement, New Westgate, LLC will provide 3,050 square feet of space (Suite #D-109) and cover all utility expenses at no cost to the City for a period of 12 months and it will allow the City to conduct special programming (via the fee-based Special Interest Class Program) within its designated public areas. In exchange, the City is obligated to staff the facility every Friday and Saturday evening from the hours of 6:00 p.m. – 9:00 p.m. and will cross-promote planned activities on its website, newsletters and publications, city calendars, disseminate information at its parks, recreation and library facilities, place temporary Westgate promotional banners at various city-owned sports facilities, and use the LED billboard located at the northeast corner of the Loop 101 Freeway and Glendale Avenue to promote the endeavor.

Previous Related Council Action

The City has not previously explored this type of opportunity at Westgate and therefore no previous Council action has been taken.



CITY COUNCIL REPORT

Community Benefit/Public Involvement

The intent of this program is to provide an alternate location for the provision of parks, recreation and library and arts services; assess its impact; and determine if this type of model is viable in other parts of the City. It is a unique opportunity to “pilot” a new concept that will provide area residents and patrons to Westgate with programs and services they might not otherwise be able to conveniently access. The site will provide the Parks, Recreation and Library Services Department with an additional location (at very low cost) to provide services and programs, while Westgate will see an increase in foot traffic. The site is an excellent location and does not require any tenant improvements or substantial remodeling.

This item has been reviewed and discussed by the Arts Commission, the Library Advisory Board, and the Parks and Recreation Commission. All three Council-appointed committees have expressed support of the concept.

Budget and Financial Impacts

There will be no cost to the City for this 12-month agreement, which is valued at an estimated \$100,000/year. New Westgate, LLC, will also cover all utility expenses (electric and water), estimated at \$10,000/year. Estimated operating costs to the City (i.e. - temporary staff as needed, signage, technology and program supplies), will not exceed \$1500/month. These funds are budgeted in department self-sustaining accounts 1260-15410 and 1880-14825; and the municipal arts program 1220-15310.

Cost	Fund-Department-Account
\$5,000	1260-15410-518200 Library - Professional and Contractual
\$8,000	1220-15310-518200 Arts - Professional and Contractual
\$5,000	1880-14825-518200 Recreation - Professional and Contractual

Capital Expense? Yes No

Budgeted? Yes No

Requesting Budget or Appropriation Transfer? Yes No

If yes, where will the transfer be taken from?



CITY COUNCIL REPORT

Attachments

Staff Report



STAFF REPORT

To: **Horatio Skeete, Acting City Manager**
From: **Erik Strunk, Executive Director, Parks, Recreation & Library Services**
Item Title: **PARTNERSHIP WITH NEW WESTGATE, LLC FOR TEMPORARY LEASE AT WESTGATE**
Requested Council Meeting Date: **3/19/2013**
Meeting Type: **Workshop**

PURPOSE

This is a request for City Council to review a proposed one-year agreement with New Westgate, LLC, to provide the city with 3,050 leasable square feet of retail space for the “Gallery Glendale at Westgate.” There will be no cost to the city for this 12-month lease agreement, which is valued at an estimated \$100,000/year. Additionally, New Westgate, LLC, will cover all utility expenses (electric and water), estimated at \$10,000/year.

BACKGROUND

During the fall of 2012, staff from the Parks, Recreation and Library Services Department and the Marketing and Communications Department met with New Westgate, LLC to identify any potential partnerships that would be of benefit to both organizations. Initially, the conversations focused on the free use of space by the city to temporarily display portions of its municipal arts collection.

After several conversations, it became apparent that the space could also be used for additional community-based programming such as minimal library services (i.e. book pick up and drop off, family and story time, internet/computer access to city services, book clubs, educational classes), special interest classes (i.e. art and performing art classes), recreation opportunities (i.e. youth and teen programming), and other activities that would be conducive to connecting the community with city services and programs.

Under the agreement, New Westgate, LLC will provide 3,050 square feet of space (Suite #D-109) and cover all utility expenses at no cost to the city for a period of 12 months and it will allow the city to conduct special programming (via the fee-based Special Interest Class Program) within its designated public areas. Additionally, New Westgate, LLC will cross-promote all planned city activities at the site, on its website and in related publicity materials. In exchange, the city is obligated to staff the facility every Friday and Saturday evening from the hours of 6:00 p.m. – 9:00 p.m. and will cross-promote planned activities on its website, newsletters and publications, city calendars, disseminate information at its parks, recreation and library facilities, place temporary Westgate promotional banners at various city-owned sports facilities, and use the LED billboard located at the northeast corner of the Loop 101 Freeway and Glendale Avenue to promote the endeavor. The Parks, Recreation and Library Services Department will also collaboratively develop a special “library incentive card” that will be provided to library patrons to encourage

their use and visitation to the site (all printing costs will be incurred by New Westgate, LLC). The city will also be responsible for maintaining the space (general clean up) and for incurring the costs of any special materials needed for any of the planned activities at the site. Although there will be no dedicated parking for the site, there is sufficient parking in and around the Westgate complex.

ANALYSIS

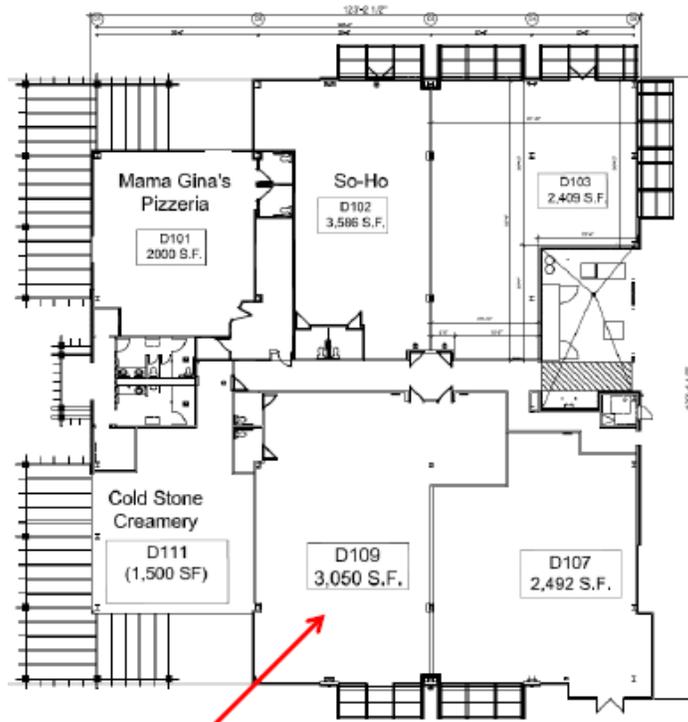
This is a unique opportunity to pilot a new concept that will provide area residents and patrons to Westgate with programs and services they might not otherwise be able to conveniently access. The site will provide the Parks, Recreation and Library Services Department with an additional location to provide services and programs, while Westgate will see an increase in foot traffic. The site is an excellent location and does not require any tenant improvements or substantial remodeling.

The intent of this pilot program is to provide an alternate location for the provision of parks, recreation and library and arts services; assess its impact; and determine if this type of model is viable in other parts of the city.

FISCAL IMPACTS

It is estimated that the cost to the city (temporary staff as needed, signage, technology and supplies), will not exceed \$1,500/month, all of which is currently budgeted in the department's self-sustaining, revenue generating account, municipal arts program or department budget. Other than what is currently budgeted, there will be no additional costs to the General Fund as these programs and services are already planned regardless of their specific location. To further minimize expenses, it is also the intent of the department to use volunteer personnel to staff the site during events and functions, once the site is operational. A portion of the planned events would be to encourage an "artists in residence" program, which may result in additional to revenue to the city. Under this program, artists would create works of art and sell them on site. The artists would keep 80% of the net revenue from any sale, while the New Westgate, LLC and the city would split the remaining revenue on an equal 50-50 basis.

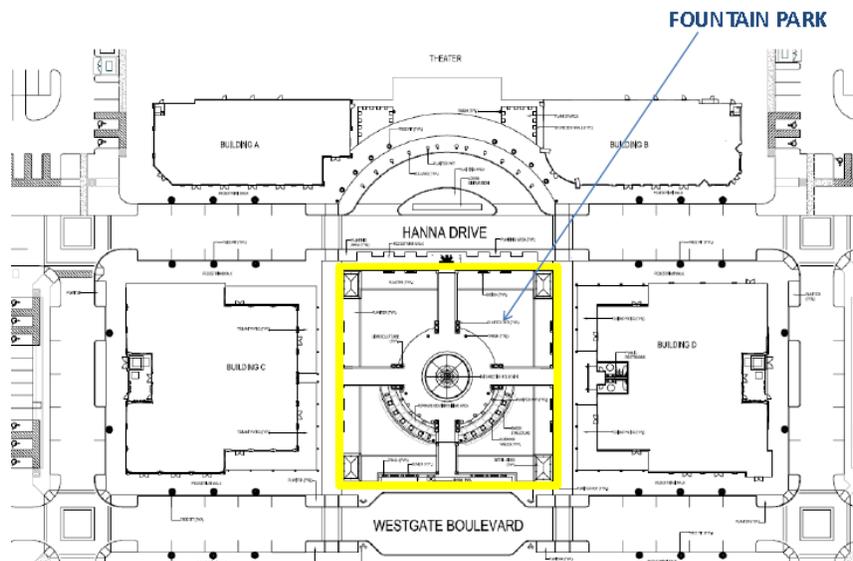
Map of Proposed of Gallery Glendale Location



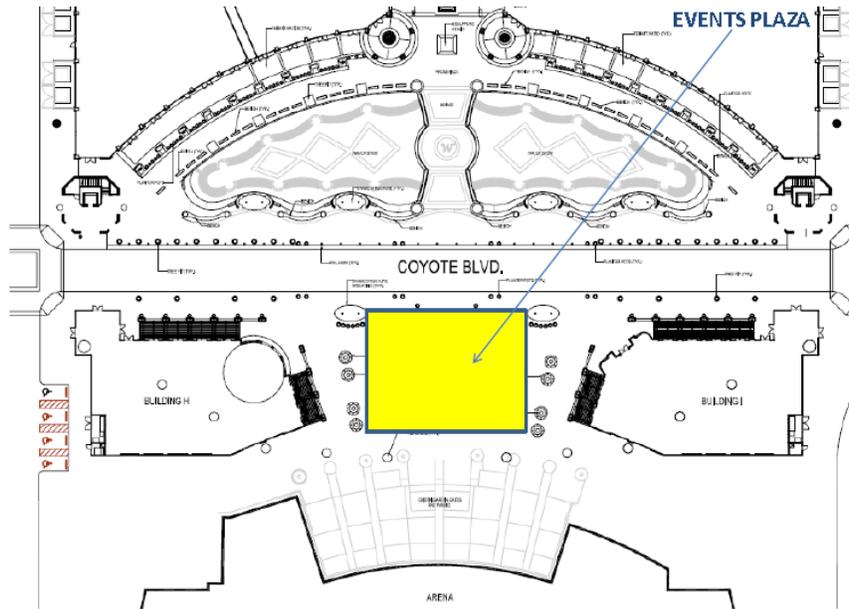
Gallery Glendale at Westgate Space - D109

BUILDING D
LEASE PLAN (1/2/2011) SCALE: N.T.S. 
** PROJECTED DEVELOPMENT PLANS - SUBJECT TO CHANGE**
NORTH

Location of Activities Area



Location of Activities Area





CITY COUNCIL REPORT

Meeting Date: **3/19/2013**
Meeting Type: **Workshop**
Title: **FISCAL YEAR 2012-13 MID-YEAR FINANCIAL REPORT UPDATE AND
FISCAL YEAR 2013-14 REVENUE PROJECTION**
Staff Contact: **Sherry Schurhammer, Executive Director, Financial Services**

Purpose and Policy Guidance

The purpose of this City Council Report is to provide Council with an update on the city's Fiscal Year 2012-13 (FY 2013) Mid-Year Financial Report, as well as a presentation on the revenue projections for Fiscal Year 2013-14 (FY 2014). This is for Council information only.

Background Summary

FY 2013 Mid-Year Financial Report. The FY 2013 Mid-Year Financial report is a document prepared for Council, the citizens and business community in Glendale, and various institutions that work with or evaluate the city's financial standing. The FY 2013 Mid-Year Financial Report provides a summary and analysis of revenue and expenditure activity for several of the city's largest operating funds through the second quarter of Fiscal Year 2012-13 [July 1, 2012 through December 31, 2012].

On June 12, 2012, City Council voted to increase the city's privilege (sales) tax rate by seven-tenths (.7) of one percent to a total of 2.9% across all categories (excluding the rental and leasing of residential property, mining, and transient lodging) for a period of five years, with an effective date of August 1, 2012. The General Fund (GF) receives the additional revenue from this temporary rate increase [1.9% of the 2.9% rate] with the remaining 1% distributed to the transportation sales tax fund and the public safety sales tax funds. This action also increased the restaurant/bar tax rate from 3.2% to 3.9%.

On June 26, 2012, City Council established a two-tier city sales tax rate by adjusting to 2.2% the sales and use tax rate on single item purchases exceeding \$5,000. Examples of single item purchases that could fall into this category include new or used vehicles and jewelry.

The budgeted FY 2013 GF revenue attributable to the temporary tax increase is \$23 million; however, the additional revenue is expected to be closer to \$22M for FY 2013 due to the implementation of the two-tier rate structure. At the time Council adopted the two-tier rate structure, the accompanying council report identified a potential loss of revenue at \$900,000 - \$1.1 million and included \$1.1 million in ongoing GF operating budget reductions; with implementation of the two-tier rate structure the identified GF ongoing operating budget reductions were implemented.



CITY COUNCIL REPORT

The FY 2013 Mid-Year Financial Report shows total city sales tax revenue across all funds collected through the second quarter was \$57.7 million. This is an increase of 25% or \$11.3 million when compared to the same time period for FY 2012. For the GF, city sales tax revenue totaled \$34.5 million, an increase of 37% or \$9.3 million compared to the same time period for FY 2012. Approximately \$7.3 million of this amount is related to the temporary .7 tenth sales tax increase and another \$2 million is attributable to an increase in general sales. Compared to budget, total city sales across all funds is running about \$1 million or 2% under budget. As the report states, the budget variance is expected to improve with the next quarter's collections that will include holiday retail sales activity [December retail sales are reflected in city sales tax revenue reported to the city in late January and therefore will be part of the third quarter report].

The FY 2013 Mid-Year Financial Report provides more detail about city sales activity in the major sales tax categories (i.e., retail, rental, restaurant/bar and utilities) as well as other significant GF revenue sources.

On the expenditure side, FY 2013 Mid-Year Financial Report shows that GF expenditures through the second quarter are running 8% or \$6.3 million less than the same time period for FY 2012. When compared to budget, GF expenditures through the second quarter are running about \$167,000 under budget.

The report also addresses the revenues and expenditures associated with the designated city sales tax revenue funds related to transportation and public safety. There is a separate section of the report that addresses revenue and expenditure activity in the city's enterprise funds: water services, sanitation and landfill.

FY 2014 Revenue Projection. The workshop presentation for this council report will include a presentation of the FY 2014 revenue projection for the GF, designated sales tax funds and the enterprise funds.

The FY 2014 revenue projection reflects an educated estimation of the revenue the city can reasonably expect to collect during FY 2014 based on current available information. That current information includes growth projections from experts on the Arizona economy as well as those from the state universities and the Joint Legislative Budget Committee. As is true for any projection of the future, what we know today will change as we progress through FY 2014. This means revenue growth could be better than we are projecting today or it could be worse. That is the fundamental nature of projecting what will happen during FY 2014 that will end 15 months from now, in June 2014.

Overall, the FY 2014 revenue projection shows the following:

- **General Fund:** The FY 2014 projection for the General Fund revenue is \$155.2M and is essentially even with the FY 2013 adopted revenue budget of \$155.3M. The starting point



CITY COUNCIL REPORT

for the FY 2014 projection is the FY 2013 estimate as that is the most current information available and is based on actual collections through the second quarter of this FY.

The estimate for FY 2013 is \$153.1M; it is \$2.2M (1.4%) less the \$155.3M budget. The FY 2013 estimate is \$2.2M less than the FY 2013 budget for two reasons:

- City sales tax collections through the second quarter are running under budget by about \$1.2M (3%). This variance is attributable, in part, to revenue coming in at a rate that is slightly less than expected and to the fact that the FY 2013 revenue budget was adopted on June 12, 2012, assuming a single-tier rate increase whereas a two-tier city sales tax rate was adopted on June 26, 2012.
- The two categories of revenues that capture a range of license fees, user fees, fines and rental fees are running under budget through the mid-year mark of FY 2013. In these two categories the specific revenue sources that are not coming in as expected during FY 2013 are recreation user fees, library fines and fees, rental fees and miscellaneous revenues.

The FY 2014 projection of \$155.2M is based on the following assumptions for selected components of the General Fund revenue.

- **City sales tax** is expected to grow to \$76.5M by the end of FY 2014 as compared to the FY 2013 estimate of \$73.7M. The \$76.5M assumes growth of 4% from the estimate of \$73.7M.
- **State-shared revenue** is expected to growth to \$51.8M by the end of FY 2014 as compared to the FY 2013 estimate of \$49.6M. This growth is primarily attributable to an increase in income tax revenue. The income tax distribution for FY 2014 will be based on the state's actual collections from FY 2012.
- **Primary property tax revenue** continues to represent less than 2% of the General Fund revenue projected for FY 2014. It is expected to decline to \$2.4M from an FY 2013 estimate of \$2.6M. The FY 2014 projection assumes the city's primary property tax rate remains unchanged at \$0.2252. The decline in revenue is a continuation of the slide that began in FY 2011. Recall that there is a 3-year lag in property tax revenue meaning the revenue expected in FY 2014 reflects the real estate market of 2011.
- **Franchise fee revenue** is expected to remain flat for FY 2014 at \$4.3M due to minimal customer growth associated with slow population growth and competition from alternative service providers for cable services.



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- **Development-related fee revenue** is expected to decline from an FY 2013 estimate of \$3.6M to an FY 2014 projection of \$3.2M. This decline is the result of the one-time revenue increase experienced in FY 2013 related to the construction of the Tanger Outlet development.
- **License and fee revenue** is expected to growth about 3% from an FY 2013 estimate of \$5M to just under \$5.2M for FY 2014.
- The **remaining sources of revenue** in the General Fund reflect an FY 2014 projection of \$11.8M compared to an FY 2013 estimate of \$14.3M. This \$2.5M decline is primarily associated with a decline in chargeback revenue for indirect cost allocation assessed for General Fund services provided to the enterprise funds and the transportation sales tax fund. The staff chargebacks will decrease for FY 2014 as a result of the calculated rates being brought in line with the cumulative impact of the multi-year GF staffing and operating budget reductions.
- **Designated Sales Tax Funds (Transportation and Public Safety):** The FY 2014 projection for the Transportation sales tax fund is \$22.6M and includes transit-related revenue and, if available, revenue from the Arizona Department of Transportation. The starting point for the FY 2014 projection is the FY 2013 estimate as that is the most current information available and is based on actual collections through the second quarter of this FY. The estimate for FY 2013 is \$21.9M and is about \$300K (1.3%) more the FY 2013 budget of \$21.6M.
- The FY 2014 projection for the Public Safety sales tax is \$19.9M. The starting point for the FY 2014 projection is the FY 2013 estimate as that is the most current information available and is based on actual collections through the second quarter of this FY. The estimate for FY 2013 is \$19.1M and is about \$100K more the FY 2013 budget of \$19M.
- **Enterprise Funds:** There are 3 different enterprise funds: water services, landfill and sanitation. Each covers the expenses for their respective operations with the revenue coming from user fees for each of those services. Each is addressed individually below.
 - **Water Services:** Revenue is expected to be essentially flat compared to the current FY estimate. Growth in the number of accounts has been negligible and no rate increases will occur during FY 2014. The FY 2014 projection is \$77.7M.
 - **Landfill:** The FY 2014 projection is just under \$9M and is level with the FY 2013 estimate of just under \$9M. Similar to water services revenue, growth in landfill tonnage has been negligible and no rate increases will occur during FY 2014.



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- **Sanitation:** The FY 2014 projection is \$14.7M and is level with the FY 2013 estimate of \$14.7M. Similar to water services revenue, growth in the number of accounts has been negligible and no rate increases will occur during FY 2014.

Previous Related Council Action

On February 21, 2013, City Council conducted a retreat that was open to the public. The meeting included a staff presentation on the historical performance of major revenues that comprise the GF, designated sales tax funds and highway user revenue fund (HURF).

At the January 8, 2013 Voting meeting, Council tabled the proposed FY 2013 \$6 million in GF ongoing budget reductions, and the reallocation of existing Police and Fire operating budgets (the reallocation was not a reduction in their operating budgets).

On December 27, 2012, the city completed the refunding bond sale as authorized by Council at the Voting meeting held on November 13, 2012. The bonds were issued by the city's Municipal Property Corporation (MPC) and replaced the previously outstanding Western Loop 101 Public Facilities Corporation (PFC) debt.

At the December 18, 2012 Workshop session, staff presented Council with \$6 million in proposed GF ongoing budget reductions in light of Council's approval of the revised Arena Management Agreements. At the same time, staff presented a proposed reallocation of existing Police and Fire operating budgets; the reallocation was not a reduction in their operating budgets.

At the November 27, 2012 Voting meeting, Council approved the revised Arena Management Agreements. The presentation included an overview of the twenty-year budget projection (General Fund Revenues, Expenditures and Fund Balance) under two possible scenarios (Team stays – Team leaves) and the implications for the city's GF budget.

At the November 20, 2012 Workshop session, Acting City Manager Horatio Skeete presented Council with an update on the revised Arena Management Agreements. This presentation included an overview of the twenty-year budget projection (General Fund Revenues, Expenditures and Fund Balance) under two possible scenarios (Team stays – Team leaves) and the implications for the city's GF budget.

At the November 13, 2012 Voting meeting, Council adopted an ordinance authorizing the refinancing of a portion of the debt related to the MPC in an amount not to exceed \$61 million; and, to refinance the debt related to the PFC in an amount not to exceed \$203 million.



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At the October 16, 2012 Workshop session, staff presented Council was updated about ongoing public education meetings regarding the proposed reductions discussed at the September 25 and October 2 Workshops in light of the citizens sales tax initiative that was scheduled for the November 6, 2012 General Election Ballot.

At the October 9, 2012 Voting meeting, Council adopted an ordinance approving the FY13 budget amendments. The request included only intra-fund budget transfers and did not include budget transfers between funds. The total FY13 budget appropriation across all funds was unchanged.

At the October 2, 2012 Workshop session, staff presented Council with a continuation of the discussion from September 25, 2012 Special Workshop session.

At the September 25, 2012 Special Workshop session, staff presented Council with an opportunity to discuss and provide staff with feedback on the proposed reductions to the FY 2013 operating budget in light of the citizens sales tax initiative that was scheduled for the November 6, 2012 General Election Ballot.

At the September 12, 2012 Special Workshop session, staff presented Council with an overview of the five-year budget projection (General Fund Revenues, Expenditures and Fund Balance) for the city, examining three possible scenarios and the implications for the city's GF budget.

At the June 26, 2012 Voting meeting, Council adopted an ordinance amending Glendale City Code Chapter 21.1 to impose a two-level tax structure on sales and uses of tangible property exceeding \$5,000 at the tax rate of 2.2% with an effective date of August 1, 2012; and, Council adopted an ordinance setting the FY13 primary property tax rate at \$0.2252 per \$100 of assessed valuation and the FY13 secondary property rate at \$1.6753 per \$100 of assessed valuation. The total property tax rate increased from \$1.5951 to \$1.9005.

At the June 12, 2012 Voting meeting, Council adopted a resolution approving the FY13 final operating, capital, debt service, and contingency appropriation budget. Council also adopted an ordinance amending Glendale City Code Chapter 21.1 with an effective date of August 1, 2012 to:

- 1) Increase the additional tax rate upon Transient Lodging (bed tax) Privilege (sales) from 3.4% to 5% for tourism promotion.
- 2) Increase the Privilege (sales) tax rate by seven-tenths (.7) of one percent to a total of 2.9% across all categories excluding residential rental/leasing, mining, and the additional tax upon transient lodging; and, set a sunset clause of five years, terminating the tax increase on August 1, 2017.

Community Benefit/Public Involvement

A review of the FY13 Mid-Year Financial Report and FY14 revenue projections provides Council and the community with a means to understand the city's financial stability.



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Budget and Financial Impacts

There are no costs incurred by the city as a result of this action.

Attachments

Other

Executive Summary

This report provides a detailed analysis of the City of Glendale's financial position for the second quarter of Fiscal Year 2012-13 (FY13). The second quarter includes information for the months of July 1, 2012 through December 31, 2012, and as such is the mid-year financial report. The report has the following sections: Economic Summary, City Revenues, General Fund Revenues and Expenses, Special Revenue Funds, and the Enterprise Funds. Below is a synopsis of the significant financial considerations impacting the city this fiscal year.

Adjustments in Revenue

Effective August 1, 2012, City Council adopted an increase to the General Fund's portion of the transaction privilege tax with a sunset of five years (August 2017). The new sales tax rate for most taxable activities increased from 2.2% to 2.9%, with the restaurant/bar rate increasing from 3.2% to 3.9%. An exception was built in for retailers that sell items in amounts over \$5,000 to help minimize a decrease in large single-item retail sales purchases. The increase in the sales tax rate is expected to raise an additional \$22 million in sales tax revenue for the General Fund this fiscal year. It should be noted that sales tax collection lags by one month, so December collections reflect November sales, and so on. As such, this quarterly report reflects four months worth of additional revenue due to the temporary sales tax increase. An analysis of spending habits in the community for these four months shows that the increase in the sales tax rate had no obvious impact on the spending pattern in the community.

Additional Reductions in Expenses

Since the new sales tax rates are set to sunset in 2017, a long-term look at the city's operational expenses must occur in order to plan for the eventual reduction of sales tax collections. The current financial position necessitates that the plan incorporate a phased approach and the FY14 budget will be a critical component of this plan. The process will entail more detailed analysis of cost of service, continued exploration of alternative service delivery options, and the possibility of further investments in technology that will increase efficiency and lower costs.

New Retail

Tanger Outlet Mall had a successful grand opening on November 15, 2012 with over 70 tenants. This 368,000 square foot project was constructed in 8 months, and from design review to final inspection took less than one year. Tanger Mall opened in time to capture Black Friday and holiday shopping. With the opening on November 15, 2012, and the fact that sales tax collections lag by one month, the city realized 16 days of sales tax revenue during the second quarter of FY13. Section II of this report (City Revenues and General Fund Revenues) discusses the impact of the new sales tax on the General Fund.

Debt Restructuring/Refinancing

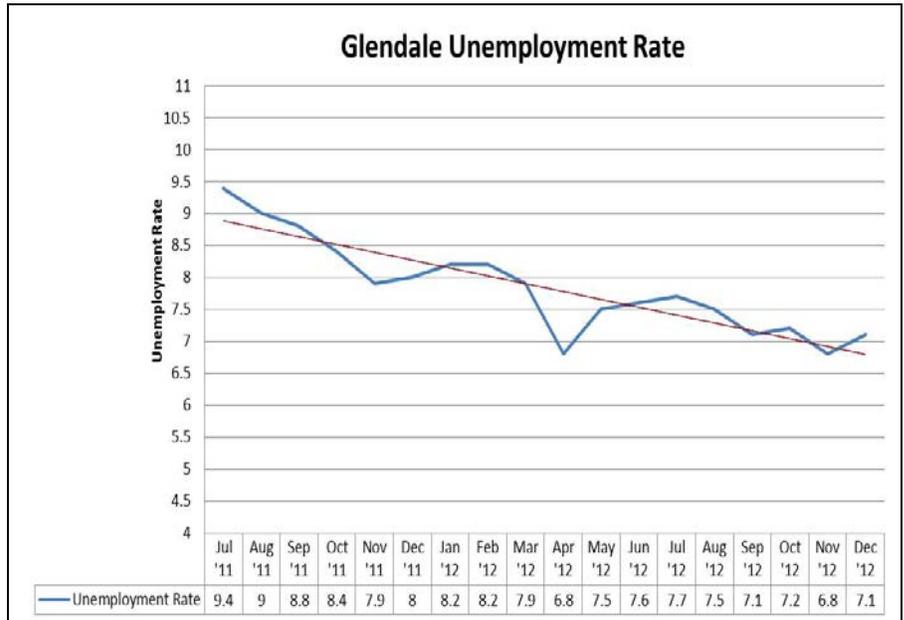
Managing debt related to city assets, particularly Municipal Property Corporation (MPC) and Public Facilities Corporation (PFC) debt was a focus during the FY13 Budget planning process. The goal was to analyze any opportunity to better align debt service payment structures with the realities of the sales tax collections in the slowly recovering economy. On December 27, 2012 the city completed the refunding bond sale. This was completed without extending the payment date. The effective interest rate on these refunding bonds is now set at 4.1%, with the net present value savings totaling about \$43 million over the life of the bonds, and the cash flow savings totaling approximately \$38 million over the next five years. These bonds were issued by the city's MPC and replace the previously outstanding PFC debt. The repayment of the MPC bonds is backed by a pledge of the General Fund city sales tax and state shared revenue the city collects each year.

I. Economic Summary

Glendale’s Employment

Glendale’s unemployment rate has slowly trended downward since 2011. High unemployment in the community and on a state level negatively impacts the operating budget for the city. The city relies on local and state shared sales tax as well as state shared income tax as primary drivers for General Fund revenue.

Since 2009, the uncertainty in the jobs market has impacted these key sources of revenue in the following ways: the unemployed lost income due to joblessness or underemployment; or the fear of unemployment creates a general hesitation to spend in a volatile job market.



Source: State of Arizona, Department of Administration, Office of Employment and Population Statistics

According to the Bureau of Labor Statistics, Glendale’s December unemployment rate was 7.1%. This is an improvement when compared to January of 2012 which was 8.2%. As illustrated on the graph, for the previous 18 months (July 2011 to December 2012) Glendale has seen the unemployment rate generally decline signified by the red trend line. In addition, Glendale’s unemployment rate has consistently been lower than the state’s unemployment rate. If this improvement in unemployment continues, the revenues that fund the city’s operating budget will slowly recover.

Business Attraction, Retention, and Job Locates

The Community and Economic Development Department continues to work to attract and retain businesses in Glendale to maintain a strong economic base for the city in the form of sales tax revenue and jobs. In fact since the beginning of FY13, Community and Economic Development has worked to facilitate several locates and is pleased to announce several capital investment and jobs related positives for the city:

- St. Joseph’s Westgate Medical Center-Dignity Health is launching their new development, an initial \$44 Million investment for the campus located at 7300 North 99th Avenue. This first phase development will create 200 jobs when the hospital opens March 2014.
- Humana Pharmacy Solutions-announced in December, 2012 it was hiring an additional 170 employees to add to its 600-plus work force in Glendale. Humana Pharmacy Solutions is part of Louisville, KY.-based Humana, a Fortune 100 company that is one of the nation’s largest publicly traded health-benefits companies.
- Arrowhead Cadillac-The Van Tuyl Group will be constructing a new \$16 Million Cadillac car dealership at 8310 West Bell Road. They received Design Review approval on December 31, 2012 and will break ground in March of 2013. The Community and Economic Development Department works to attract and retain businesses in Glendale to maintain a strong economic base for the city in the form of sales tax revenue and jobs.
- Council approved a Development Agreement with Global Water to support the amendment to provide Sewer Service in the 303 Area. When this process is completed the city would be in a position to annex over 7,000 acres that could provide millions of commercial and industrial development opportunities.

Glendale’s Building Occupancy Rates

Building occupancy rates are one statistic used to track the health of the business community within Glendale. Most businesses in Glendale pay city sales or use tax, which are two vital revenue sources in the city’s General Fund. Tracking occupancy rates provides city staff with the data needed to market the community’s assets and retain many commercial spaces occupied. Occupancy rates are tracked in three categories: office, industrial, and retail.

The following chart tracks the occupancy rates for the different categories since the beginning of FY12. Generally the occupancy rates in Glendale track in much the same manner as the rest of the valley.

*Glendale’s Building Occupancy Rates**

	<i>FY12 1st</i>	<i>FY12 2nd</i>	<i>FY12 3rd</i>	<i>FY12 4th</i>	<i>FY13 1st</i>	<i>FY13 2nd</i>
Office	74.4%	78.1%	75%	73%	73%	72%
Industrial	94.5%	93.3%	92.3%	92.2%	92%	92%
Retail	89.4%	88.8%	90%	90.6%	91%	91%

*Information provided by CoStar

With occupancy data staying constant over the past fiscal year, there are ten office buildings with vacant space in excess of 25,000 contiguous square feet which include:

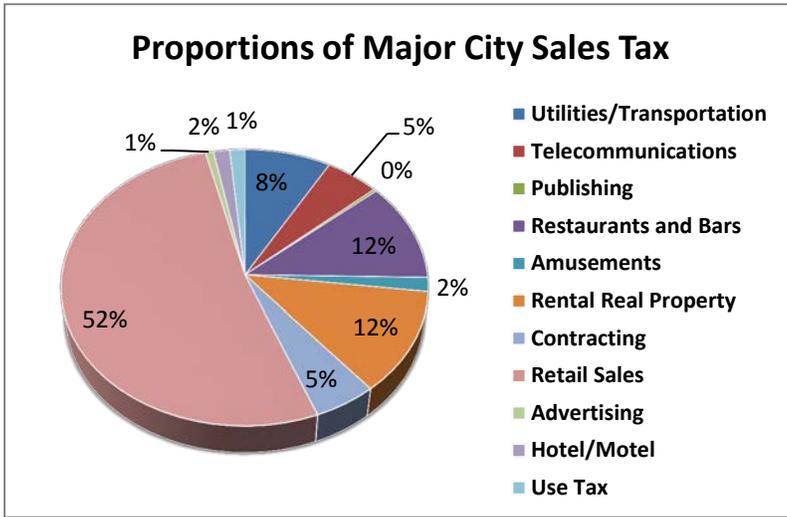
- Talavi Tech Center – 185,000 sq. ft. (5551 W. Talavi Blvd.)
- Zanjero Falls – 143,515 sq. ft. (7410 N. Zanjero Blvd.)
- Talavi Corporate Center – 104,000 sq. ft. (5651 W. Talavi Blvd.)
- Westgate City Center Office Space – 88,702 sq. ft. (6770 N. Sunrise Blvd.)
- Brookwood Commerce Centre – 61,738 sq. ft. (4425 W. Olive Ave.)
- Westgate City Center Office Space – 52,889 sq. ft. (6751 N. Sunrise Blvd.)
- Westgate Garden Offices – 39,954 sq. ft. (6622 N. 91st Ave.)
- The Atrium at Arrowhead Offices – 32,920 sq. ft. (17505 N. 79th Ave.)
- Talavi Spectrum – 30,310 sq. ft. (5701 W. Talavi Blvd.)
- Glendale Corporate Center – 25,500 sq. ft. (5281 N. 99th Ave.)

These ten buildings represent 764,528 square feet of vacant office space in the City of Glendale. The Phoenix market is at 20-21% vacancy rate, even higher than the 17.1% national average, and Glendale is at 28%. More than a third of this vacancy rate (10%) is accounted in 3 buildings: Talavi Tech Center, Talavi Corporate Center and Zanjero Falls. With increased prospect activity, staff is anticipating more absorption in the office sector. Once these office spaces are filled, Glendale will have leased the major remaining office space in the city.

Summary

There continues to be very good corporate interest in Glendale and the entire Phoenix Valley. Inquiries remain strong in spite of the weak Gross Domestic Product number reported for the fourth quarter of FY12. Both the quantity and quality of the projects are better than in the past few years. We remain confident that Glendale will continue to see new companies locating here, as well as existing companies expanding operations for the foreseeable future.

II. City Revenues



City Sales Tax is the largest source of revenue available to the city. The pie chart and the subsequent analysis are provided to give a broader understanding of the city's sales tax activity. The information used to create the pie chart is the *total amount of collected revenue in all City Sales Tax categories and all funds*. This includes the revenues that are specifically dedicated to the city's Special Revenue Funds: Transportation, Public Safety, Zanjero, Westgate/Arena, and Stadium funds.

Later in this report a general analysis and discussion will be provided on the significant business sectors that comprise City Sales Tax.

City Sales Tax Overview

City Sales Tax is the largest single source of revenue for the city; it funds the city's day-to-day operations and is used towards certain types of debt. The city collects and tracks City Sales Tax revenue through the use of varying sales tax (ST) codes. Each business operating within the city is licensed under the appropriate ST code. The use of ST codes allows the city to monitor the activity within different business sectors of the Glendale economy.

A temporary increase to the city sales tax was adopted effective August 1, 2012 with a sunset of five years (August 2017). The new sales tax rate for most taxable activities increased from 2.2% to 2.9%; and, the restaurant/bar rate increased from 3.2% to 3.9%. With regard to the new sales tax rate, Council adopted a two-tiered tax rate to capture retail sales over \$5,000 at a lower rate than was previously proposed (reduced from 2.9% to 2.2%). The change was implemented after the budget was adopted in July 2012, and as such impacted the estimated budget for the General Fund and the Stadium Fund. The change is responsible, in part, for the budget variance represented in those areas.

Distribution of City Sales Tax

The city's most common sales tax rate is 2.9%, of which the General Fund receives 1.9%; the remaining 1% of revenue is distributed to the Transportation and Public Safety funds (.5% for each). Details on the Transportation and Public Safety Sales Tax Funds will be provided later in this report under the section titled *Special Revenue Funds*. Sales tax collected in the Sports and Entertainment District is distributed differently, the percentage that typically contributes to the General Fund is instead distributed to the Zanjero, Westgate/Arena, or Stadium funds. The amounts distributed to the Zanjero and Westgate/Arena funds are used towards the debt related to these projects; and, the amount distributed to the Stadium fund is remitted to the Arizona Sports and Tourism Authority (AZSTA) according to the stadium agreement.

The below table shows how the City Sales Tax revenue through the second quarter of FY13 was distributed among funds, and shows budget projections and FY12 actuals comparisons. Total City Sales Tax revenue through the second quarter of FY13 is \$57,655,092, which is a 25% increase when compared to the same time period last year. The 25% variance or \$11.3 million increase in revenue can be attributed to a continuous return on the temporary sales tax rate increase and from the opening of the Tanger Outlet mall, as well as National Black Friday sales, construction contracting progress and a moderate pace in consumer confidence which demonstrates the economy is rebounding, although at a gradual rate.

Categories	FY13 Second Quarter Budget	FY13 Second Quarter Actuals	Budget Variance Over / (Under)	FY12 Second Quarter Actuals	Variance from FY12 Over / (Under)
General Fund	\$35,653,571	\$34,459,370	(3%)	\$25,062,286	37%
Transportation Sales Tax Fund	\$9,936,104	\$10,464,492	5%	\$9,872,793	6%
Public Safety Sales Tax Fund	\$9,100,016	\$9,591,183	5%	\$9,036,483	6%
Zanjero Fund	\$798,274	\$821,476	3%	\$582,934	41%
Westgate Arena Fund	\$2,065,897	\$1,391,849	(33%)	\$911,222	53%
Stadium Fund	\$1,071,565	\$926,722	(14%)	\$802,024	16%
Total	\$58,625,427	\$57,655,092	(2%)	\$46,267,742	25%

The City Sales Tax distribution to the General Fund for the second quarter of FY13 increased by 37% to \$34,459,370 in comparison to the same period last year. There was an overall increase of approximately \$9.4 million of which \$7.4 million is related to the temporary .7 tenth of a percent sales tax increase and \$2 million in general sales.

The Zanjero Fund second quarter FY13 actuals show a favorable increase of 41% to \$821,476 when compared to this same period last year. The 41% or \$238,542 increase in revenue is due to an increase of activity at the retail and restaurant establishments in this area, as well as the increase to the sales and bed taxes in the area.

The Westgate Arena Fund second quarter actuals for FY13 increased by 53% to \$1,391,849 and is 33% under budget. The 53% or \$480,627 increase can be attributed to the construction and opening of the new Tanger Outlet Mall and the increase in the bed tax. Tanger Outlets opened on November 15, 2012 which resulted in sixteen days of new business revenue reported in December of 2012. With regard to the budget variance, historically, budgets are evenly distributed among each quarter. This report takes a different approach and distributes the budget across quarters by using averages of the previous three years of actual revenues. The change was made so that the information provided herein will track with the online reporting tool called "Follow Your Money" located on the city's website at: <http://www.glendaleaz.com/FollowYourMoney/index.cfm>. That aside, the budget variance gap is expected to improve in the next quarter when collections are fully realized and sustained as projected.

The Stadium Fund experienced a 16% increase to \$926,722 and is 14% under budget from last year this time. The revenue increase of 16% or \$124,698 is due to additional events that took place in the stadium (one extra football game during the playoffs, a Gun Show, and two car sales events) when compared to the same period last year. The 14% budget variance is due in part to the two-tiered tax rate that impacted the projected revenue at the Stadium. Additionally, the amusement sales tax related to ticket sales is the largest revenue stream in this fund. A comparison of the taxable amount for amusement at the Stadium for the second quarter of FY13 shows a decline of almost 49% as compared to the same time period last year, indicating a change from last FY in the timing of ticket sales.

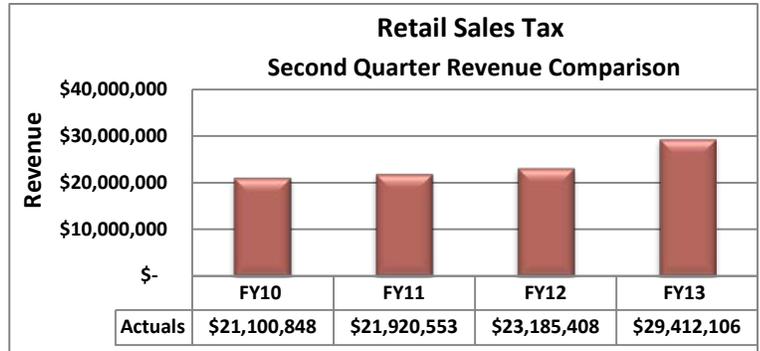
The above explanation regarding the distribution of City Sales Tax and the temporary sales tax increase is important for the reader to note when reviewing the below "Significant City Sales Tax Categories" section because, for the purposes of tracking economic activity, each category will include total revenue regardless of how it is distributed between the funds and why the comparison of sales tax tends to show an increase. The following section provides analysis on the most significant categories within City Sales Tax.

Significant City Sales Tax Categories

Retail Sales Tax

Retail sales tax collections comprise about 52% of the total revenue collected in City Sales Tax making it the main driver in the City Sales Tax revenues. In addition, retail sales tax indicates important trends in consumer spending and the health of the economy. Glendale’s retail sales tax rate is primarily 2.9% and collected on the sale of tangible personal property including automobiles, home furnishings, clothing, etc. However, Retail Sales on a single item greater than \$5,000 is taxed at 2.2% and groceries are taxed at a rate of 2.5%.

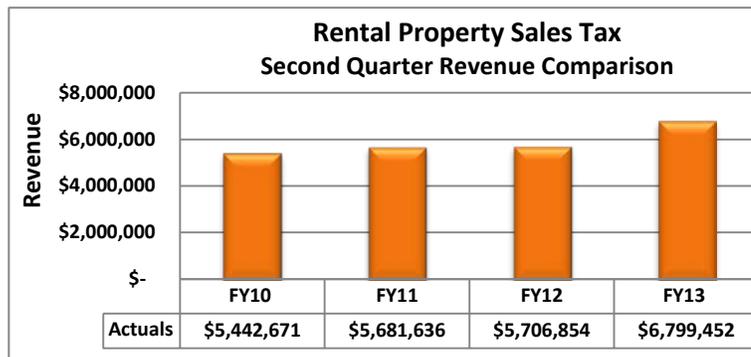
The graph illustrates the retail sales tax activity when comparing second quarter revenues for the past four years. As is shown, there has been a steady yet gradual increase in Retail Sales Tax revenue from year to year. Retail sales tax collected through the second quarter of FY13 totaled \$29,412,106, which is an increase of 27% or about \$6.2 million when compared to FY12’s second quarter collection.



The 27% increase in revenue is due to the temporary sales tax rate increase that went into effect August 1, 2012; however, overall consumer spending trends suggests discretionary spending has slightly improved during the second quarter of this year, even with the sales tax rate increase.

Rental Real and Personal Property Sales Tax

Rental tax collection is the second largest revenue category in City Sales Tax making up about 12% of total revenues. In Glendale, property owners or landlords are required to pay a rental sales tax of 2.2% or 2.9% depending on whether it is on the rental or lease of residential or commercial real and personal property, respectively. The taxes in this category are distributed in the same manner as described in other categories.



The graph compares second quarter rental sales tax collections for the past four fiscal years. Rental tax revenue collected through the second quarter of FY13 is \$6,799,452, which is an increase of 19% or approx. \$1.1 million when compared with last year’s collections.

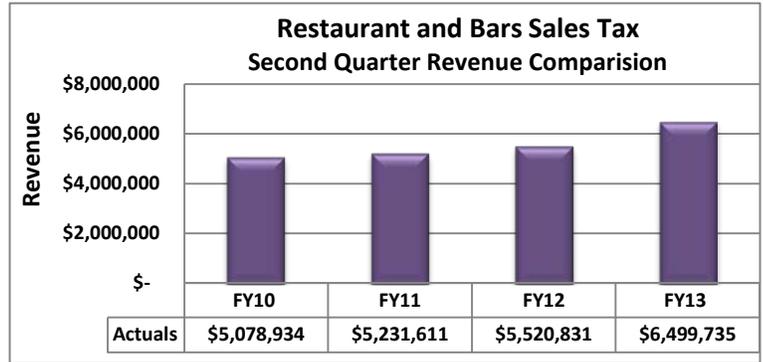
While residential rental of real property experienced a slight increase in revenue, the commercial rental of real property was the primary contributor towards the overall 19% increase.

Residential rental can be attributed to more citizens realizing the need to come in compliance with the city code and is not impacted by the temporary sales tax rate increase. The commercial rental increase is attributable to the sales tax rate increase that went into effect August 1, 2012, coupled with the completion of the new construction resulting in more commercial leases.

Restaurant/Bar Sales Tax

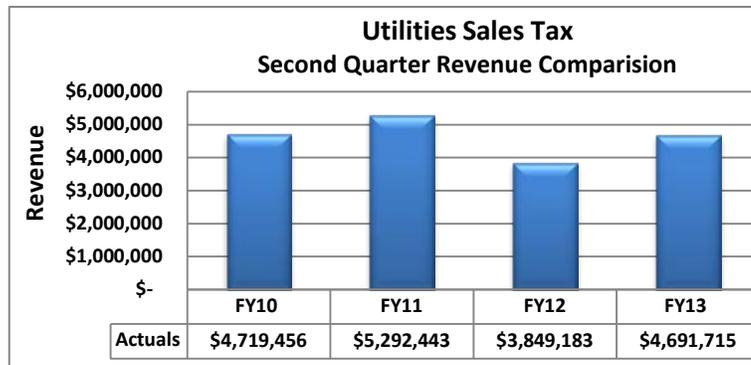
Restaurant and Bar Sales Tax is the third largest category in city sales tax making up about 12% of revenues. Food and liquor sales from restaurants and bars operating in the city are taxed at 3.9%. However, as discussed earlier, the portion that typically would be distributed to the General Fund is instead distributed to the Zanjero, Westgate/Arena, or Stadium funds if it is collected in the Sports and Entertainment District.

Restaurant and Bar Sales Tax revenue for the second quarter of FY13 is \$6,499,735, which is an increase of 18% or \$978,904 from the second quarter of FY12. As you can see, there has been a steady yet gradual increase from year to year. The FY13 upward trend is attributable to the temporary sales tax increase that went into effect August 1, 2012. This resulted in more revenue collected from consumer spending.



Utilities Sales Tax

Utilities Sales Tax makes up 8% of total city sales tax collection. Utility providers operating within the city are required to pay a utility sales tax of 2.9% on the services they provide to the residents and businesses within the city. The city's own water utility, along with electricity and gas providers all fall under this category. Also included in this category are transportation sector revenues that are collected from taxable transportation activities such as taxi cab businesses. These revenues are distributed in the same pattern as previously described.



Utility sales tax through the second quarter of FY13 is \$4,691,715, an increase of 22% or \$842,532 when compared to last year's collections. This area also realized an increase due to the temporary tax rate increase that went into effect on August 1, 2012. Traditionally, utility sales tax revenue can be impacted by changes in utility rates as well as the number of occupied or vacant homes in a community, the length or severity of the summer season, water/power conservation efforts, and other similar factors.

The General Fund

The city's General Fund is used to fund the day-to-day operations of the city and to service the city's MPC debt. General Fund revenues are comprised of a combination of city and state taxes as well as fees related to development, business licenses, and miscellaneous services. The General Fund receives the largest portion of city sales tax revenue collected each year. The below table shows the different revenue streams within the General Fund, a comparison of FY13 second quarter actuals to budget projections and FY12 second quarter actuals.

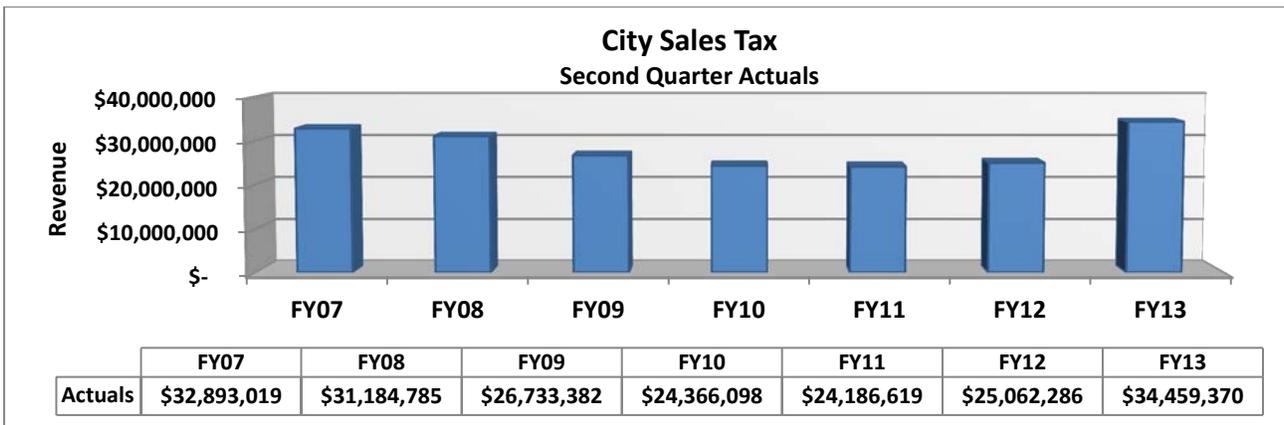
Categories	FY13 Second Quarter Budget	FY13 Second Quarter Actuals	Budget Variance Over / (Under)	FY12 Second Quarter Actuals	Variance from FY12 Over / (Under)
City Sales Tax	\$35,653, 571	\$34,459,370	(3%)	\$25,062,286	37%
State Shared Revenue	\$30,370,447	\$29,788,519	(2%)	\$26,861,420	11%
Property Tax/ SRP In-Lieu	\$1,389,311	\$1,407,877	1%	\$1,573,340	(11%)
Franchise Fees	\$2,267,863	\$2,215,363	(2%)	\$2,244,967	1%
Development Service Fees	\$1,420,422	\$2,156,252	52%	\$1,230,306	75%
Business Licenses	\$507,911	\$326,403	(36%)	\$469,852	(31%)
Miscellaneous	\$8,494,782	\$8,899,104	5%	\$9,037,440	(2%)
Total	\$80,104,307	\$79,252,888	(1%)	\$66,479,611	19%

As the above table highlights, City Sales Tax and State Shared Revenues make up the majority of the revenue brought into the General Fund. General Fund revenues for the second quarter of FY13 total \$79,252,888, which is an increase of 19% or approximately \$12.7 million when compared to the same time last year. The breakdown of the major contributors to this overall increase in revenue is as follows: \$9.3 million in City Sales Tax, \$2.9 million in State Shared Revenue, and \$925K in Development Service Fees.

The following section will provide further analysis on the sources of General Fund Revenue that realized a significant variance, as shown in the above table.

General Fund City Sales Tax

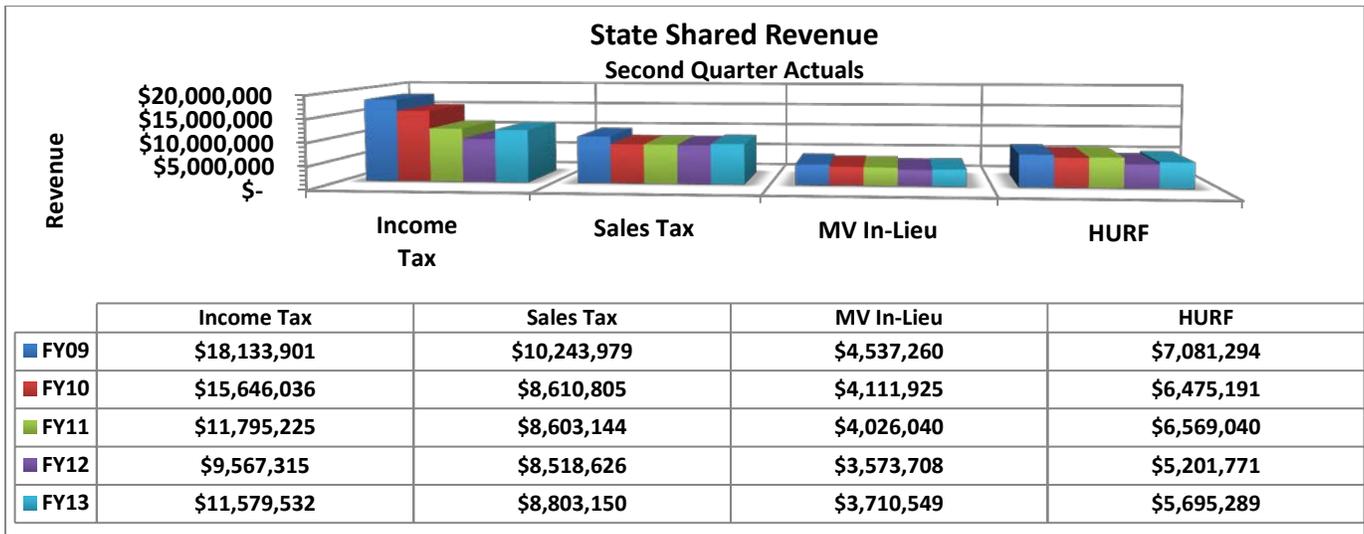
General Fund City Sales Tax through the second quarter is \$34,459,370, which is an increase of 37% or \$9.3 million when compared with the second quarter of FY12. The increase is due primarily to the temporary .7 tenth of a percent sales tax increase and a slight improvement in the economy. The below graph shows the second quarter General Fund City Sales Tax actuals since FY07 – the historical peak in City Sales Tax collections for the city. As shown, FY13’s second quarter collections exceed FY07’s second quarter collections by approx. \$1.5 million, primarily as a result of the rate increase.



State Shared Revenue

The city receives revenue from the state in the form of State Shared Income Tax, State Shared Sales Tax, Motor Vehicle (MV) In-Lieu Tax, and the Highway User Revenue Fund (HURF); these State Shared Revenues comprise a significant portion of the funds that are used to keep the city operating. The distribution of state sales tax and income tax revenue is based upon the relation of the city’s population to the total state population, while the distribution of motor vehicle in-lieu revenue is based on the city’s population in relation to the total incorporated population of Maricopa County. With regards to HURF, the state distributes the revenue based on a complex distribution formula that spreads a portion of the money across the state solely on the basis of population while the remaining money flows to those areas with the highest gasoline and other fuel sales.

State Shared Income Tax, State Shared Sales Tax, MV In-Lieu Tax, and HURF distributions provide an indication of how well the Arizona economy is doing. Overall, state shared revenue distributed through the second quarter of FY13 total \$29,788,519, which is an increase of 11% or \$2.9 million when compared to last year’s second quarter distribution. The below graph shows the second quarter General Fund State Shared Revenue actuals since FY09 – the historical peak for State Shared Revenue distributions to the city.



The most encouraging revenue category shown is the State Shared Income Tax, a key indicator of employment and business activity in the state. It should be noted that the state’s income tax revenue distribution to the cities lags by two years; this means that state income tax distribution for FY13 reflects the income tax the state collected in FY11. In this case, the state’s 2011 income tax receipts were higher than the 2010 receipts resulting in Glendale’s share of state income tax revenue increasing in the second quarter of FY13. The State Shared Income Tax distribution to the city for the second quarter of FY13 was \$11,579,532, which is an increase of 21% or \$2 million as compared to the same time period last year.

With regard to the State Shared Sales Tax, revenues are distributed to cities and towns based on current year collections. The city’s FY13 second quarter distribution was \$8,803,150, which is an increase of 3% or \$284,524 as compared to the same time period last year. While this growth is modest, it does show improvement in terms of spending occurring at the state level. The temporary state sales tax increase is not included in state-shared sales tax.

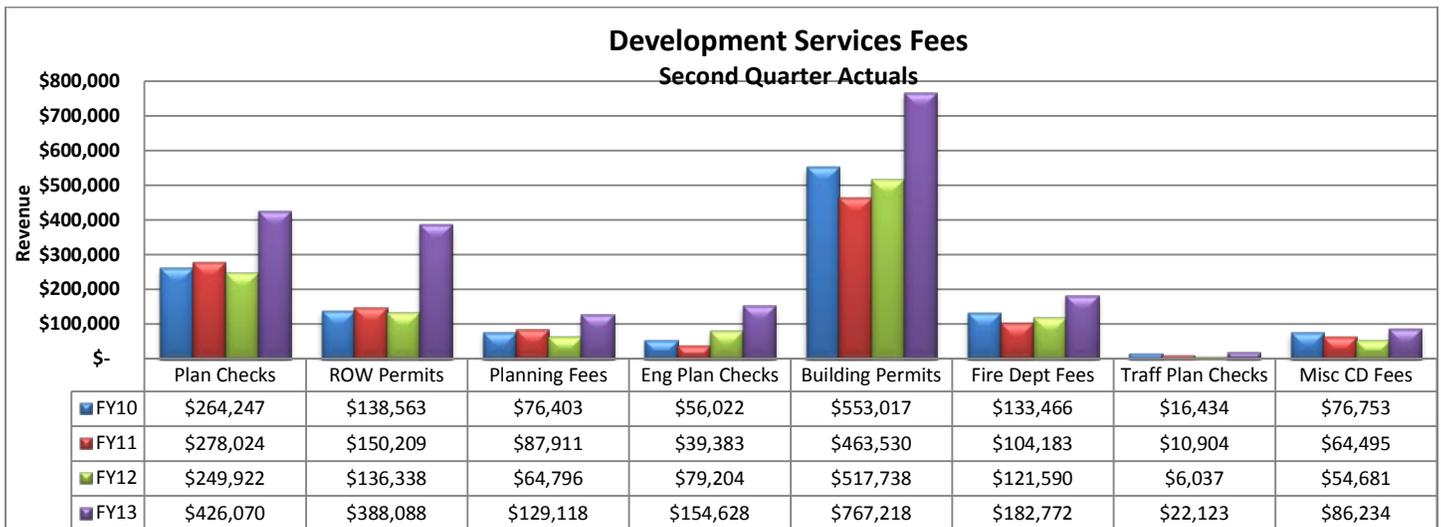
The MV In-Lieu Tax, which is assessed based on the valuation of vehicles being registered with the Motor Vehicle Division of the Arizona Department of Transportation has grown by 4% to \$3,710,549, which is an increase of \$136,841 as compared to last year; and, HURF revenue which is based on the volume of fuel sold rather than the price of fuel has grown by 9% to \$5,695,289, which is an increase of \$493,518 as compared to last year.

Property Tax/SRP In-Lieu

Property Tax/SRP In-Lieu revenue collected through the second quarter of FY13 is \$1,407,877, which is a decrease of 11% or \$165,463 from last year’s collections at this time. The 11% decrease is solely attributed to a decline in property values which impacts property tax collections.

Development Services Fees

Development Services fees collected through the second quarter of FY13 increased by 75% to \$2,156,252 from last year’s collections at this time. Per City Code, Development Services assesses fees for a variety of services listed in the Community Development Fee schedule. The areas providing these services include: Building Safety, Fire, Engineering, Planning, and Transportation. As the below graph shows, all Development Services fee collections increased during the second quarter of FY13 when compared to the same time period last year. The fee service areas include: building safety plan checks, right-of-way permits, planning/zoning fees, engineering plan checks, building permits, fire department fees, traffic engineering plan checks, and miscellaneous community development fees (barricade fees).



With regard to Development Services Fees, the largest revenue generators and growth areas for the second quarter of FY13, when compared to the same time period last year are: building permits (up 48%), plan checks (up 70%), and right-of-way permits (up 185%).

The functions of the Building Safety Department are essentially a regulatory effort, and an important tool for the systematic development of properties within the city. In addition to the enforcement of building codes addressing the design and installation of building systems and city ordinances, the group is responsible for the enforcement of certain state and federal regulations when they become applicable to construction projects in the city. Building Safety is also responsible for providing inspections of Capital Improvement Projects, the abatement of illegal structures, dwelling units, all commercial projects and cross connection. To accomplish this mission, staff performs plan reviews of development plans, issues permits and performs inspections of construction that adequately protects public health, safety and welfare of the public within the city. The amount of revenue collected for these services is an indicator of the amount of construction taking place in the city. The combined revenue collected for building permits and plan checks for the second quarter of FY13 is \$1.2 Million. This increase in revenue is due to the construction of large projects, which is anticipated to adjust slightly in the second half of this fiscal year. In fact, development related revenue is volatile and cannot be counted as on-going revenue. All revenue from the Building Safety Department goes directly into the General Fund.

Business Licenses

Businesses operating within the city must obtain a business license and, in most cases, remit sales tax. Depending on the type of business, a different type of license will be required. The Revenue Division of the Finance Department tracks business license revenue in the following categories: sales tax, business occupational/professional, liquor, and special regulatory business. Business license revenue through the second quarter of FY13 is \$326,403, which is a decrease of 31% or \$143,449 when compared to the same time period last year; however, the number of new business licenses issued increased by a slight amount during this time period. The number of new licenses issued and the revenue received each quarter will vary since business license applications can be submitted without the payment of the license fee. The application fee is due at time the application is submitted, but license fees are not due until applications have been approved. Once applications are received approvals can occur from 60-180 days later. As such, the variance gap might improve next quarter if the license fees are realized. The below table shows the number of new business licenses issued during the second quarter of FY13 and FY12.

Business License Category	FY13	FY12
Sales Tax	1,667	1,441
Business Occupational /Professional	79	90
Liquor	24	32
Special Regulatory	132	26
Total	1,902	1,589

III. General Fund Expenditures

Through the second quarter of FY13, General Fund expenditures total \$72,495,134 and are on target with budget projections. Overall, expenditures have been reduced by 8% or approximately \$6.2 million as compared to this time last year. The city has been undergoing a systematic effort to adjust expenses to revenues which will be discussed in more detail below. For the purposes of this report, General Fund expenditures are separated into four categories: personnel, non-personnel, debt service, and transfers. The table summarizes the expenses in the four categories.

Expenditures	FY13 Second Quarter Budget	FY13 Second Quarter Actuals	Budget Variance Over / (Under)	FY12 Second Quarter Actuals	Variance from FY 12 Over / (Under)
Personnel	\$49,541,492	\$48,964,578	(1%)	\$53,349,841	(8%)
Non Personnel	\$16,507,012	\$16,916,673	2%	\$17,605,022	(4%)
Transfers	\$6,613,883	\$6,613,883	-	\$7,800,272	(15%)
Total	\$72,662,387	\$72,495,134	-	\$78,755,135	(8%)

Personnel expenses represent the largest expense to the General Fund making up about 70% of the total expenditure budget. Personnel expenses have been reduced by approximately 8% from last year as a result of Council's systematic prioritization of the city's services and corresponding elimination of positions. As previously mentioned, the temporary sales tax increase minimized the need for further reductions in personnel; however, there may be further reductions to bring expenses in line with revenues.

Non Personnel expenses are made up of operating costs like: supplies, professional services, and overtime. This quarter, Non Personnel expenses are 4% less than they were last year and are 2% over budget. This 2% overage is due to slightly higher expenses in utilities and vehicle charges.

Over the past few years reductions in this category have been emphasized as a means to preserve the personnel budget. However, the Non Personnel budget is at a point where further significant reductions will only be possible through the corresponding reductions in service areas or levels.

Transfers from the General Fund are made to service the city's MPC debt or are used to fund special operations of the city such as the Civic Center, Arena, and Community Action Program. This quarter Transfers are 15% less than they were last year at this time due to the debt refinancing that was mentioned in the Executive Summary of this report.

IV. Special Revenue Funds

This report focuses on two special revenue funds which have dedicated purposes, the Transportation Sales Tax Fund and the Public Safety Sales Tax Fund. Because these two funds are managed separately from the General Fund, the analysis' focus will differ slightly and includes a calculation of net revenues (shown as "net rev/exp."). This is made up of the difference between the funds' budgeted or actual revenues and budgeted or actual expenses.

Transportation Sales Tax

In 2001, Glendale residents voted to establish a Transportation Sales Tax that would provide a dedicated revenue stream to be used toward transportation-related projects in the city. This portion of City Sales Tax has a rate of .5% that is applied across all sales tax categories, including food for home consumption. It's important to note that the temporary sales tax increase does not impact the amount of Transportation Sales Tax that is collected in the community. As mentioned, the Transportation Sales Tax Fund is used toward projects specified in the voter-approved initiative. These projects include: intersection improvements; street projects; local bus, dial-a-ride, express service and a regional light rail connection; pedestrian and bicycle projects; airport projects; and safety improvements. The Transportation Services Department makes expenditures and issues debt against this revenue stream, much like the General Fund does against its portion of City Sales Tax.

Transportation Sales Tax revenue pays for significant functions of the Transportation Services Department. These include Dial-a-Ride and fixed-route transit services, the city's Intelligent Transportation System (ITS), traffic mitigation programs, transportation education, transportation program management, and operation and maintenance of sales tax-funded capital projects.

As the below table illustrates, personnel expenses are 10% below budget due to some vacancies that have not yet been filled, and show a variance of 5% from last FY due to a slight reduction in staffing. The non-personnel expenditures show a 27% increase during the second quarter of FY13 when compared to last year due to professional and contractual obligations necessary for the operation of bus service in the city, as well as a small increase in equipment maintenance and replacement charges. Further, last FY Transportation received grant funding that offset operating costs, and this FY those grants have not hit the accounts yet. It is common for the receipt of grant funding to vary and this timing issue will cause a positive or negative variance to occur across quarters. Expenditures reflected in the table do not include Transportation capital projects that are budgeted at \$34.9 million in the FY13 capital program. While \$34.9 million is budgeted, only a portion of that amount will actually be expended this fiscal year. However, the remaining funds will be needed to complete the list of programmed capital projects in subsequent years.

Transportation Sales Tax Fund	FY13 Second Quarter Budget	FY13 Second Quarter Actuals	Budget Variance Over / (Under)	FY12 Second Quarter Actuals	Variance from FY12 Over / (Under)
□ Revenue	\$9,936,104	\$10,464,492	5%	\$9,872,793	6%
Personnel	\$1,657,957	\$1,492,980	(10%)	\$1,567,371	(5%)
Non Personnel	\$3,249,580	\$3,283,344	1%	\$2,570,606	27%
Total Expenditures	\$4,907,537	\$4,776,324	(3%)	\$4,137,977	15%
Net Rev/Exp	\$5,028,567	\$5,688,168		\$5,734,816	

Public Safety Sales Tax

Public Safety Sales Tax revenue is derived from the 0.5% designated sales tax for police and fire services. The sales tax was originally adopted by voters in 1994 at a 0.1% rate. In September 2007, Glendale voters approved an increase to 0.5% effective November 1, 2007. The original one-tenth rate includes food for home consumption (e.g., groceries) while the additional four-tenths rate excludes food for home consumption. Two-thirds of the revenue is allocated to police and one-third to fire based on the ballot language of the original tax. It's important to note that the temporary sales tax increase does not impact the amount of Public Safety Sales Tax that is collected in the community. Below is a discussion on the Police and Fire Department's portions of Public Safety Sales Tax revenue.

Public Safety Sales Tax Fund	FY13 Second Quarter Budget	FY13 Second Quarter Actuals	Budget Variance Over / (Under)	□ FY12 Second Quarter Actuals	Variance from FY12 Over / (Under)
□ Revenue	\$9,100,016	\$9,591,183	5%	\$9,036,483	6%
Personnel	\$6,842,389	\$6,645,724	(3%)	\$6,350,029	5%
Non Personnel	\$2,602,248	\$2,461,734	(5%)	\$2,866,113	(14%)
Total Expenditures	\$9,444,637	\$9,107,458	(4%)	\$9,216,142	(1%)
Net Rev/Exp	(\$344,621)	\$483,725		(\$179,659)	

Police Services

The Public Safety Sales Tax revenue funds approximately 23% of the Police Services operating budget, while the remainder is funded by the General Fund. The Police Department uses its Public Safety Sales tax funds for personnel, equipment and other items needed to carry out its law enforcement mission. The Police Department's portion of this revenue is approximately \$6 million through the second quarter of FY13. Personnel expenditures through this period totaled \$4,354,028 (In FY12 they were \$4,088,197). Non Personnel expenditures totaled \$1,327,629 (In FY12 they were \$1,772,001), which is a net decrease of 25% when compared to this time last year. The Non Personnel expenditure variance is due to the decrease in overtime this fiscal year compared to last year when the Police Department had two large investigations happening at the same time. Also, ammunitions deliveries, and therefore payments, took place in the start of the 3rd quarter this year, so those expenses will be recorded on the next report.

Fire and Emergency Medical Services

The Public Safety Sales Tax revenue funds approximately 17% of the Fire and Emergency Medical Services budget, while the remainder is funded by the General Fund. The Fire Department typically uses its Public Safety Sales tax funds towards personnel and equipment. The Glendale Fire Department's portion of this revenue is approximately \$3.5 million through the second quarter of FY13. Personnel expenditures through this period totaled \$2,291,696 (In FY12 they were \$2,261,832). Non Personnel expenditures totaled \$1,134,105 (In FY12 they were \$1,094,112), which is a net increase of 4% when compared to this time last year. The non-personnel expenditure variance is due to a slight increase in mandated fire training, equipment maintenance and PC replacement costs this year compared to last year.

V. Enterprise Funds

Enterprise Fund Overview

The Enterprise Funds are those funds that reflect the economic activity within the city's water/sewer, landfill, and sanitation service areas. These funds are different from the General Fund because their revenue comes directly from the services they provide – sometimes called “user fees.” The Water Services, Landfill, and Sanitation departments/divisions set rates to cover their operational and debt requirements. Because of this, many like to compare the Enterprise Funded departments to businesses because they do not rely on General Fund revenue to fund their day-to-day operations.

Similar to the Special Revenue Funds above, when examining the Enterprise fund departments the analysis' focus will differ slightly from the General Fund and will include a calculation of net revenues (shown as “net rev/exp”). This is made up of the difference between the departments' budgeted and actual revenues plus budgeted and or actual expenses.

So far this year, all three Enterprise Fund departments are operating with positive net revenues. Enterprise Fund departments differ from most General Fund departments in that they typically carry the bulk of their expenses in the “non personnel” category. The reason for this is that these departments are responsible for maintaining large systems of infrastructure and large pieces of equipment in order to provide services to the community. These large expenses must be budgeted against expected revenues and the department uses their Capital Improvement Plan (CIP) budget to fund them. Since Enterprise Fund departments draw on fund balance and bond proceeds to pay for CIP projects, this amount will not be reflected in the “net rev/exp” calculations.

General Fund departments support Enterprise Fund departments with vital internal service functions such as human resources, payroll, budget, finance, marketing, information technology, attorney, and billing services among others. The General Fund charges the Enterprise Fund for these services based on an internal service rate formula maintained by the Budget Department - these charges are referred to as Staff and Admin Charge-backs. In some cases, employees that work in General Fund departments may be funded by the Enterprise Fund if their function is focused on Enterprise Fund activities. This is a common practice in local government.

Water Services Department

The Water Services department provides safe drinking water and wastewater services and has over 61,500 metered services in Glendale. In order to provide this service, the Water Services department sets water rates and fees to cover the operations, infrastructure, and debt requirements of Glendale’s water utility. There are many factors that come into consideration when setting the water rate which includes but is not limited to: water usage trends, number of water accounts, operations and maintenance costs, water reserve requirements, debt coverage requirements, capital improvement projects needed, and regulatory requirements.

Water Services revenues are comprised of revenue collected from water and sewer customers, water and wastewater development impact fees, and other miscellaneous categories.

Water Services Revenues

Revenues	FY13 Second Quarter Budget	FY13 Second Quarter Actuals	Budget Variance Over / (Under)	FY12 Second Quarter Actuals	Variance from FY12 Over / (Under)
Water	\$25,838,689	\$27,298,030	6%	\$26,883,360	2%
Sewer	\$15,587,114	\$16,320,994	5%	\$15,044,371	8%
Water/Sewer DIF	\$159,163	\$628,700	295%	\$664,420	(5%)
Misc.	\$316,860	\$711,104	124%	\$628,675	13%
Total Revenues	\$41,901,826	\$44,958,828	7%	\$43,220,826	4%

Water Services Expenditures

Expenditures	FY13 Second Quarter Budget	FY13 Second Quarter Actuals	Budget Variance Over / (Under)	FY12 Second Quarter Actuals	Variance from FY12 Over / (Under)
Personnel	\$8,215,744	\$7,418,341	(10%)	\$7,767,594	(4%)
Non Personnel	\$14,879,186	\$12,110,537	(19%)	\$13,062,789	(7%)
Debt Service	\$9,515,976	\$9,515,976	-	\$9,845,255	(3%)
Total Expenditures	\$32,610,906	\$29,044,854	(11%)	\$30,675,638	(5%)
Net Rev/Exp*	\$9,290,920	\$15,913,974		\$12,545,188	
CIP Budget	\$16,034,152	\$1,451,920		\$3,608,273	

FY13 Second Quarter water revenue is \$27.2 million or 6% over budget projections; sewer revenue is \$16.3 million or 5% over budget. During the second quarter of FY13 the city experienced an increase in usage because of warmer than normal temperatures during the months of October, November, and December; In addition, this same period experienced below average rainfall. These two factors, warmer weather and drier climate, were the primary contributors to the increase in water usage and corresponding revenue.

Water/Sewer DIF revenue experiences variability because of the connection to construction activity of commercial tenant improvements and new residential and commercial construction. In addition, the variance between FY13 budget and FY13 actuals is due to very conservative estimates in the initial budget estimates accounting for the large budget variance of 295% in this category.

Miscellaneous Revenue (Misc.) is a mixture of bond proceeds, facility rental income, interest, and collection of late fees. This category, like Water/Sewer DIF revenues, is dynamic in variability and is based on the time of year collected. The largest contribution to Miscellaneous Revenues during this quarter is the collection of late fees, \$242,085, on water and sewer billing.

Water Services expenditures include all personnel and non-personnel items used to provide water and wastewater services. During the first and second quarters of FY13 the department averaged 25 vacancies, which equals 12% of the total authorized staffing, at any one time. The number of vacancies is contributing to the variance between budget and actuals in the personnel expenditure category. The department is currently reviewing all vacancies and is determining appropriate staffing levels to meet business needs.

Non Personnel expenditures are also under budget at this point, but are anticipated to more closely match the budget as purchases for maintenance and repairs occur throughout the year. Chemicals used in the treatment process for water and wastewater vary seasonally. Warmer weather creates a greater demand for chemical use in the treatment of water and wastewater disinfection; cooler weather extends chemical viability, so fewer chemicals are needed to treat water and wastewater.

Measures to reduce costs and balance resources are continually being implemented. Optimization efforts continue with programs such as an aggressive meter testing and replacement program, increased sewer line cleaning and automatic odor control dosing programs, reduced energy consumption, and development of a more cost effective strategy to purchase and use raw water resources.

Landfill, MRF, and Sanitation Divisions

The Landfill and Sanitation divisions are funded through their own respective enterprise funds; however, for the purposes of this report, the financial information for both has been combined into one section.

The Glendale Municipal Landfill and the Glendale Material Recycling Facility (MRF) provide long-term, sustainable, solid waste management for the community in the form of landfill and recycling services. Similar to the Water Services department, the Landfill and MRF set rates and/or fees in order to cover the operation and debt requirements of the facilities. These rates are primarily set based upon the amount of projected tonnage the city will collect and the required revenue for the operating budget and capital improvement projects. Tipping Fees are charged when individuals deliver solid waste to the landfill. Vehicles entering the landfill are weighed to determine the tonnage of the waste they would like to drop off at the landfill and, based on the weight, a tipping fee is assessed. Residents are allowed one free ton per visit and can dump as many times as they want as long as they are below the one ton limit and the waste is generated from their personal property. Residents are assessed a reduced disposal charge for any tonnage exceeding the one ton free disposal limit. Solid waste tonnage is impacted by residential and commercial occupancy because vacant homes and businesses do not generate as much solid waste as occupied properties do.

The Sanitation division provides solid waste collection services to the residents and businesses in the city which includes garbage and recycling collection on a weekly basis and bulk trash pick-up monthly. The Sanitation division sets a rate for residential sanitation services which is included in customers' monthly water bills. The Sanitation division competes with the private sector to provide commercial sanitation services. The following chart shows the various revenue sources for the Landfill, MRF, and Sanitation divisions and the subsequent analysis focuses on the largest sources for revenue for these divisions.

As the *Landfill and Sanitation Revenues* table below shows, through the second quarter of FY13 Landfill and Sanitation revenues are \$11,716,221 which is 4% over budget projections. Landfill revenues are primarily generated from fees charged to customers using the landfill; MRF revenues are generated through the sale of recyclable commodities sold on the open market. Sanitation revenues mostly are generated from residential and commercial front load sanitation services provided to residents and businesses in the community. The following section will describe the most significant sources of Landfill and Sanitation revenues the city collects.

Landfill and Sanitation Revenues

Revenues	FY13 Second Quarter Budget	FY13 Second Quarter Actuals	Budget Variance Over / (Under)	FY12 Second Quarter Actuals	Variance from FY12 Over / (Under)
Commercial Sanitation Frontload	\$1,764,893	\$1,673,770	(5%)	\$1,623,230	3%
Commercial Sanitation Roll-Off	\$252,324	\$310,487	23%	\$242,629	28%
Residential Sanitation	\$5,236,749	\$5,274,482	1%	\$5,077,690	4%
Misc. Bin Services	\$14,359	\$10,162	(29%)	\$5,000	103%
Tipping Fees	\$1,440,801	\$1,960,339	36%	\$1,235,456	59%
Recycling Sales	\$836,058	\$688,849	(18%)	\$1,128,307	(39%)
Misc. and Other Fees	\$1,669,788	\$1,798,132	8%	\$1,565,982	15%
Total Revenues	\$11,214,972	\$11,716,221	4%	\$10,878,294	8%

Landfill and Sanitation Expenditures

Expenditures	FY13 Second Quarter Budget	FY13 Second Quarter Actuals	Budget Variance Over / (Under)	FY12 Second Quarter Actuals	Variance from FY12 Over / (Under)
Personnel	\$3,402,233	\$3,394,446	-	\$3,414,149	(1%)
Non Personnel	\$6,504,718	\$6,526,823	-	\$6,249,049	4%
Debt Service	\$124,939	\$124,939	-	\$77,557	61%
Total Expenditures	\$10,031,890	\$10,046,208	-	\$9,740,755	3%
Net Rev/Exp	\$1,183,082	\$1,670,013		\$1,137,539	
CIP Budget	\$1,785,904	\$463,632		\$36,379	

Overall, total sanitation tonnages collected through the second quarter of FY13 has increased by approximately 2.6% compared to the second quarter of FY12. When combining the total second quarter tons from all four sanitation trash collection areas (Residential Curb Service, Bulk Trash, Front-Load and Roll-Off), a total of 55,808 tons were collected through the second quarter of FY13 in comparison to 54,390 tons collected through the second quarter of FY12.

A notable highlight of the four collection areas is the Roll-Off operations, which showed an increase in tonnage of approximately 29% during the second quarter of FY13, mainly due to commercial roll-off services provided for the construction of the Tanger Outlet mall. This continued increase is positive news as the Roll-Off operations have shown a steady decrease in tons collected since the downturn in the economy in 2009. The other three collection areas have all shown modest increases contributing to the overall 2.6% increase in sanitation tons. This is a positive sign of economic growth as it relates to Glendale sanitation collections. Therefore based on these tonnage explanations, the most notable increases in second quarter revenue for the Sanitation Division occurred in Commercial Roll-off and are mainly credited to construction activity for the new Tanger Outlet mall, which opened in November 2012.

Revenue from landfill Tipping Fees for second quarter FY13 was \$1,960,339 which is 36% over budget and 59% above FY12 actuals. The increase in Tipping Fee revenue as compared to both budget and last year's actuals is largely due to the Intergovernmental Agreement (IGA) between Peoria and Glendale for solid waste disposal services, which was approved by City Council in February 2012, as well as growth in our other commercial customers. This is a positive sign for Landfill operations because it allows for additional revenue to cover expenditures in order to maintain a healthy fund balance. It is also a positive sign for the economy because the increase in tonnage from our commercial customers may be an indication that consumers are spending more, which generally correlates with more waste disposal at the landfill. Again it should be noted that residents are allowed one free ton per visit and can dump as many times as they want as long as they are below the one ton limit and the waste is generated from their personal property.

Upon comparison of the second quarter Recycling Sales revenues from FY13 to FY12, the primary reason for the 39% or \$439,000 decrease in the collected revenue is due to a continued decline in global commodity pricing from the same time period last year. The second quarter blended average per ton for recyclables was approximately \$174 per ton for FY13, compared to \$215 per ton in FY12. More specifically, MRF operations has experienced a drop in pricing for the three major categories of commodities since this time last year including approximately: \$46 per ton decrease for paper fiber, \$47 per ton decrease for metals, and a \$128 per ton decrease for plastics. The overall reduction in fiber pricing (i.e., cardboard, newspaper, and mixed paper) makes up \$376,000 of the revenue decrease since FY12 second quarter; and, a 4% decrease in recycling tons processed during this time period makes up the remaining amount. It is anticipated that some of this gap in revenue will be recovered when material currently being stored at the MRF is sold over the next six months. With regard to the reduction in fiber pricing, this can be further attributed to the closure of the Catalyst paper mill in Snowflake, Arizona on September 30, 2012. The MRF has routinely received higher than market pricing for old newspaper from Catalyst. The contributing factors for receiving higher than market value for old newspaper at Catalyst were: 1) the quality of the MRF's material, and 2) the lower shipping costs due to the proximity of the paper mill. With the closure of the Catalyst paper mill, the MRF is no longer receiving the higher than market value for this material.

The Misc. and Other Fees revenue category includes: interest, internal charges, staff and admin chargebacks, and other smaller sources of revenue collected by the two divisions. These revenues are performing at 8% above FY13 second quarter budget projections and 15% above what they were last year.

As the table on the preceding page shows, Landfill and Sanitation expenditures through the second quarter of FY13 are performing on track with the budgeted amounts. The two divisions combined are recovering approximately \$ 1.6 million net revenue. Landfill and Sanitation Debt Service expenses through the second quarter of FY13 have increased by 61% as compared to the same time period last year. The budget variance can be attributed to an increase in lease payment amounts for the purchase of sanitation collection equipment. The Sanitation Division evaluates purchasing options each year and will either purchase equipment with cash or lease the equipment. Recent purchases of equipment have been made by lease based on funds available.

This concludes the City of Glendale Fiscal Year 2013 Mid-Year Financial Report.