

DEPARTMENT OF PUBLIC WORKS

Quality, Excellence, Innovation

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October 18, 2016

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Marin County Board of Supervisors
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SUBJECT: Skydive Golden Gate Inc. Airport Business Operating Permit, and Public Works Director Authority to Consent to Sublease - Gness Field, Marin County Airport

www.marincounty.org/pw

Dear Board Members:

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Stormwater Program

Transportation &
Traffic Operations

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RECOMENDATION: 1) Approve Skydive Golden Gate Inc. airport conditional business operating permit to allow the operator to conduct tandem skydiving instruction and operations at Marin County's general aviation airport north of Novato, Gness Field, and 2) provide the Public Works Director authority to consent to a future sublease with Skydive Golden Gate.

SUMMARY: In early 2014, Skydive Golden Gate Inc. (SGG) expressed interest to conduct tandem skydiving business operations at Gness Field. On June 5, 2014, the Aviation Commission heard the SGG business proposal and conditionally recommended approval of the business operating permit with two stipulations regarding wind speed limitations and an off-airport site retrieval plan. The applicant subsequently filed an informal complaint with the Federal Aviation Administration (FAA) on August 27, 2014, alleging that the recommended airport business operating permit conditions were a violation of the County's FAA grant assurances. When airport owners accept funds from FAA administered airport financial assistance programs, they must agree to certain obligations (assurances). These obligations require the recipients to maintain and operate airport facilities and not restrict or discriminate against aeronautical activity at the airport, such as skydiving.

The County subsequently suspended processing the business application until the FAA provided a determination on the informal complaint. On March 8, 2016, the County received a safety review from the FAA Flight Standards District Office (attached FAA memo with a July 16, 2015 date, received on March 8, 2016). SGG also executed an agreement with FAA Oakland Air Traffic Control Center effective March 21, 2016, which was based on the Safety Risk Management Panel risk assessment conducted in November 2015.

Lacking specific skydiving business operating standards in the aviation section of the Marin County Code, staff submitted a draft skydiving business standards ordinance to the Aviation Commission for comment at its regular meeting on April 7, 2016, and incorporated their suggestions. The final ordinance was subsequently approved at a merit hearing before your Board on May 3, 2016.

A draft business operating permit, modeled after the County of Santa Clara's permit available on their airport web site, was provide to SGG on June 10, 2016, as staff planned to place the item on the Board agenda for early July. SGG requested additional time to review the draft permit. On July 27, 2016, the County received comments and objections to certain draft permit conditions from SGG attorney, Mr. Richard Manning. County Counsel and staff have worked to resolve differences with SGG and reached agreement on the business operating terms that are before your Board today.

Current Skydiving Proposal

Golden Gate Skydiving is proposing to commence a tandem jump skydiving business at Gness Field. Customers with no or limited skydiving experience would receive ground instructions from an instructor and then board an aircraft that would depart from Gness Field. The customer would be harnessed to a professional skydiving instructor and once the aircraft had reached a designated altitude (approximately 9,500 feet), the tandem pair would jump from the aircraft and land at a designated parachute landing zone on the airport property. The parachute landing zone being considered is on the southeast corner of the property, near the helipad. During the business operating standard ordinance hearing, SGG stated that they would expect 5 to 10 departures per business day. On an annual average, Gness Field has about 230 aircraft operations per day.

Liability Insurance

One of the draft permit issues raised was the level of liability insurance required by the County. Skydiving businesses across the country are unable to obtain liability insurance in excess of \$1 million coverage. Requiring higher levels has been the subject of litigation and FAA review and the FAA has determined that requiring unattainable insurance constitutes an unreasonable denial of access. We have done our own research and, based on this information and in consultation with County Counsel, staff recommends that third party liability insurance for both aircraft and the business be \$1 million. SGG will need to provide insurance coverage documentation and endorsements prior to operations. In addition, each customer shall also be required to execute a hold harmless agreement releasing the County of Marin from liability.

Other Requirements/Fees

Prior to the business starting operation, the operator will need to secure a place of business at the airport. We understand that SGG is currently in negotiations to sublease offices on the north side of the airport and, if successful, would require County consent. Staff is also requesting the Board to provide the Public Works Director authority to review and approve any sublease consent request associated with SGG subleasing space at the airport. Any jump aircraft overnight parking will also require a storage/tie down agreement and associated monthly fees paid. Skydiving operations could not begin until all of the preoperational permit terms are met.

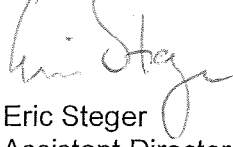
Airport Business Operating Permit

Attached for your Board's consideration is a proposed airport business operating permit. In accordance with Marin County Code, Chapter 12.06, SGG submitted a safety and business plan for review and approval by the County (attached). It appears at this time that the submittals meet all FAA and United State Parachute Association (USPA) requirements. Other specific preoperational conditions are also included in the proposed permit. Staff recommends your Board approve the draft business operating permit.

FISCAL IMPACT: Possible airport revenue collected would be aircraft tie down fees and 1% of the gross sales less sales tax. If SGG subleases office space at the airport, then no additional office rental revenue would be collected. It is estimated that the annual airport revenue from this business would be less than \$5,000 per year. There is no impact to the General Fund.

REVIEWED BY:	<input checked="" type="checkbox"/>	County Administrator	<input type="checkbox"/>	N/A
	<input type="checkbox"/>	Department of Finance	<input checked="" type="checkbox"/>	N/A
	<input checked="" type="checkbox"/>	County Counsel	<input type="checkbox"/>	N/A
	<input type="checkbox"/>	Human Resources	<input checked="" type="checkbox"/>	N/A

Respectfully submitted,



Eric Steger
Assistant Director, Public Works

Attachments: Proposed Airport Business Operating Permit
FAA Memorandum dated July 16, 2015
Letter of Agreement, Golden Gate – Oakland ARTCC, March 21, 2016
Skydive Golden Gate Business Proposal
Skydive Golden Gate Alternative/Emergency Landing Plan

cc: Michael Knight, Skydiving Golden Gate, Inc.
David Binder, FAA Oakland FSDO
Dennis Fogarty, FAA Western-Pacific NextGenBranch
Karol Hosking

