

March 17, 2016

Mr. Tony Vazquez  
Mayor of the City of Santa Monica  
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**RE: Santa Monica Airport**

Dear Mayor Vazquez:

I write on behalf of the National Business Aviation Association (“NBAA”). As you know, NBAA represents over 10,000 member companies which own and operate over 11,000 general aviation aircraft to facilitate the conduct of their businesses or which are otherwise involved with business aviation. Those members include numerous tenants and users of the Santa Monica Municipal Airport (“SMO” or “Airport”), who continue to be strongly interested in the Airport’s future accessibility and viability.

On March 15, 2016, a draft leasing policy for SMO was presented at a meeting of the City’s Airport Commission – a policy which the Commission declined to endorse. Among other issues, in the course of the meeting it became clear to all in attendance that the proponents of that policy were unfortunately misinformed about the Airport and its federal obligations.

In particular, the presentation conveyed to the members of the Commission and the public that the FAA prohibition on “discrimination” at an airport such as SMO implicated only discrimination based on factors such as race and gender. In fact, as your City Attorney, Marsha Moutrie, repeatedly has informed the Council, the FAA’s grant assurances (as well as the 1948 federal Instrument of Transfer (“IOT”)) applicable to SMO specifically prohibit economic discrimination – i.e., SMO must be accessible on reasonable terms to all types of aeronautical users, irrespective of factors such as the size of aircraft, frequency of operation, etc.

This misunderstanding of the City’s legal obligations fundamentally taints the draft leasing policy. Specifically, the policy’s delegation to the City Manager of unbridled discretion to remove or deny access to aeronautical tenants without any standards or criteria, or on an undefined and equally impermissible notion of “compatibility” with the surrounding community would, if implemented, be a per se violation of grant assurance no. 22 and the equivalent language of the IOT. Proceeding with a policy that fails to comply with federal requirements will inevitably result in expensive and lengthy litigation, and will not serve the interests of the Airport, its tenants, or the citizens of Santa Monica.

I would also like to emphasize the importance of offering leases on appropriate terms to all current tenants that are engaged in aeronautical businesses – e.g., at fair market rents (consistent with the appraisal recently conducted by the City), multi-year terms rather than month-to-month and without restrictive terms on their activities (e.g., on business hours, types and numbers of operations, or irrelevant insurance mandates).

Finally, I urge you to understand that non-compliance with the federal obligations that continue to require the operation of the Airport (at a minimum through 2023, based on the FAA's December 4, 2015 ruling) may lead the federal government to impose severe sanctions, such as the termination of all federal transportation grants to the City. NBAA does not desire that outcome – many of its members are, or employ, City residents who utilize the City's transportation infrastructure. However, that consequence may occur if the City continues to make poor choices, such as the open defiance of legal obligations that it voluntarily assumed – and drafting airport policy with the apparent intent of evicting airport tenants in good standing. That outcome can easily be avoided by the City instead acting as a good steward of its Airport in compliance with long-standing and widely understood federal requirements.

Sincerely,



Steve Brown  
Chief Operating Officer

CC:

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