

**Reno~Stead Airport Association, Inc.**  
**Post Office Box 3948 Reno, Nevada 89505**

*Summer 2016*



**RSAA  
TURNS 20!**

On July 24, 1996, Articles of Incorporation (the “Articles”) for the Stead Airport Users’ Association, a nonprofit cooperative corporation without stock, were filed with the Nevada Secretary of State. The Articles were signed by Lewis C. Gage, Ronald W. Johnson and Lowell H. Ridge, drafted and notarized by Thomas J. Hall.

The initial board of directors included the following:

Lewis C. Gage	Fred L. Michel
Larry E. Gilman	Lowell H. Ridge
Thomas J. Hall	M. Shane Theis
Ronald W. Johnson	

On January 21, 2013, the First Amended and Restated Articles of Incorporation were executed, changing the name of the organization to the Reno Stead Airport Association.

At the July, 2016 Board Meeting, Director Mike Walsh tendered his resignation to RSAA. With much reluctance, the Board did accept Mike’s resignation on a majority vote. Jack Buchold was elected to take a position on the Board. His contact information is listed on the blue Board of Directors page attached hereto. Please feel free to contact Jack with any thoughts you may wish to pass on.

## **General Aviation Commercial Minimum Standards at the Reno-Stead Airport**

On March 8, 2016, Reno-Tahoe Airport Authority (RTAA) General Aviation Property Specialist, Ken Moen introduced a process to create General Aviation Commercial Minimum Standards for the Reno-Stead Airport. RTAA staff were present to answer questions concerning the development of General Aviation Commercial Minimum Standards at the Reno-Stead Airport. Please plan to attend future regularly-scheduled RSAA meetings.

### **Mission**

To establish an Advisory Group to review existing Reno-Stead Airport (RTS) General Aviation (GA) Minimum Standards and make recommendations to the Reno-Tahoe Airport Authority (RTAA) CEO. The CEO's General Aviation Minimum Standards Advisory Group (GAMS Advisory Group) will convene monthly until final recommendations are made to the CEO.

### **Objective**

To develop RTS GA Commercial Minimum Standards to be aligned with RTAA Strategic Priorities of Optimizing General Aviation and Facilitating Economic Development, ensure safe operations and comply with FAA Guidelines.

Mike Dikun and Ken Moen will lead the RTAA effort and Bill Eck is slated to represent the Board of Trustees. The volunteers and affiliation are listed below:

- |                              |                                  |
|------------------------------|----------------------------------|
| 1) Tom Hall, RSAA            | 7) Dennis Koehl, EAA             |
| 2) Alby Riddick, ACL         | 8) Jan Bishop, Stead User        |
| 3) Ken Weigand, Tenant       | 9) Jim Bordycottes, Stead User   |
| 4) Tracy Rhodes, EAA         | 10) Jack Suverveld, Ace Aviation |
| 5) Jack Buchold, Stead User  | 11) Doug Kajans, Tenant          |
| 6) Jerry Thurman, Stead User | 12) Lew Gage, Tenant             |

Do not hesitate to contact Ken Moen ([kmoen@renoairport.com](mailto:kmoen@renoairport.com); 775-328-6486) or Mike Dikun ([mdikun@renoairport.com](mailto:mdikun@renoairport.com); 775-328-6573) with any questions.



# **Minimum Standards - Going Well Beyond Just “Leveling the Playing Field”**

By Paul A. Meyers  
Principal Aviation Management  
Consulting Group, Inc.

## **MINIMUM STANDARDS ARE JUST LIKE VITAMINS**

Leading researchers say that our bodies and brains can't function optimally without vitamins - that our body is like a car engine and vitamins give us a "metabolic tune-up" improving cell efficiency and discouraging sickness and disease. They say taking vitamins is like buying inexpensive insurance with no downside and the potential for enormous health benefits.

Minimum Standards benefit the aviation community in much the same way. Airports are vital economic engines that provide significant public benefit and it is difficult, if not impossible, for an airport to function "optimally" without Minimum Standards.

## **SETTING THE STAGE FOR MINIMUM STANDARDS**

Communities across the nation depend on airports. Beyond serving as air transportation portals, airports support a wide range of commercial (for hire) aeronautical activities including aircraft fueling, location based services (ground services, parking, and hangar), technical services (maintenance), flight services (charter and flight instruction), and aircraft sales. In addition, airports support a variety of non-commercial (not for hire) aeronautical activities and critical public

services such as medical transport, law enforcement, fire protection, and other emergency services.

However, one of the most important roles of an airport is to provide fertile ground for commerce which, if successfully achieved, drives, builds, and ultimately, sustains local economies. Airports are vital economic engines that provide significant public benefit.

The existence of an airport in or near a community can dramatically increase the attractiveness of the community from a business development standpoint. On the other hand, when a community doesn't have an airport or if the airport is inadequate in any respect, the air transportation needs of the community will be met elsewhere and the potential for business growth and development, job creation, and quality of life enhancements within the community will be greatly diminished.

Unfortunately, most airports are not, and probably never will be, self-sufficient and must be subsidized by airport sponsors to sustain operations. This is the trade-off when it comes to airports. While an airport makes a measurable economic contribution to the community and provides other significant benefits to the people, there is typically a cost associated with it.

Airport sponsors (governing bodies) struggle perpetually with this concept and have the tendency to "ebb and flow" with community sentiment regarding the true value and economic impact of an airport.

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## Minimum Standards - Going Well Beyond Just "Leveling the Playing Field"

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An airport governing body's level of involvement in the day-to-day operation and management of an airport also varies.

In the worst cases, governing bodies are adamantly opposed to developing and implementing policies, procedures, and standards that govern the operation and management of the airport and instead prefer to manage the airport "on the fly" and quite often, end up micro-managing the airport as a result.

In the best cases, governing bodies understand the importance of giving airport management the tools and support needed to properly operate and manage the airport. Even better yet, some governing bodies give airport management the freedom within the parameters set forth in policies, procedures, and standards to do exactly that.

To this end, there are a number of compartments in the airport management toolbox including "planning" (master plan and Airport Layout Plan, land use plan, and strategic business plan), "management" (primary guiding documents including Minimum Standards), "operations" (standard

operating procedures), and "financial" (budget and Capital Improvement Plan).

As with any toolbox, the ability to get the job done correctly is dependent upon the type, quality, and condition of the tools that are available and how those tools are used - success is ultimately dependent upon the knowledge and ability of the operator.

This article examines one of the essential tools in the airport management toolbox - Minimum Standards.

### ROLE AND PURPOSE OF MINIMUM STANDARDS

Minimum Standards establish threshold requirements or entry-level criteria (a minimum ante) that must be met by an aviation business prior to engaging in commercial aeronautical activities at an airport. This provides the opportunity for aviation businesses to qualify and compete on a "level playing field" for available land and/or airside and landside improvements. This is the essence or underlying philosophy of Minimum Standards.

Threshold requirements typically include such areas as scope of activity, premises (land and improvements), facilities, certification, licensing, personnel, equipment, hours of activity and insurance.

**"I suppose it is tempting, if the only tool you have is a hammer, to treat everything as if it were a nail."**

- Abraham Maslow



**RSAA has become aware of  
two tax initiatives by the  
Nevada Department  
of Taxation.**



# 1. General aviation tax on aging aircraft.

June 2, 2016

**SENT VIA ELECTRONIC MAIL TO**

Terry Rubald, Deputy Executive Director  
Local Government Services  
Department of Taxation  
1550 East College Parkway  
Carson City, Nevada 89710

**RE: Proposed Change to Aircraft Depreciation Schedule**

Dear Ms. Rubald,

In anticipation of the scheduled June 3, 2016 workshop, we are forwarding further concerns of the Reno-Stead Airport Association pertaining to the proposed change in the residual value for 20-year aircraft. We refer to and incorporate herein our letter dated May 19, 2016. Additionally, the following points should be noted:

- The State of Nevada promoted and continues to promote economic assistance and approved legislation for economic development and stimulation of Nevada's aviation sector.

In June 2015, Governor Brian Sandoval signed Nevada Assembly Bill 161 to lower the cost of flying to give aviation businesses a competitive edge. The current proposed tax adjustment will be contrary to the efforts of the 2015 Nevada State Legislature.

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## Tax Initiatives

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- The Reno-Tahoe Airport Authority promotes economic development of its properties located at the Reno-Stead Airport. The Reno-Tahoe Airport Authority has invested over \$40 million in airport improvements over the last seven (7) years at the Reno-Stead Airport. The long-term overall investment certainly exceeds over \$50 million, including new runways, new terminal building and updated safety improvements. The proposed change in residual value for taxation of aircraft will have a detrimental effect on the current and future users of Reno-Stead Airport.

- With a proposed change in the residual value, the tax incident for GA aircraft may be raised by 300%-400%, which will be detrimental to the continued use of aircraft based at the Reno-Stead Airport.

- If implemented, the proposed increase in aircraft personal property tax will inevitably encourage and compel Nevada aircraft owners to transfer their aircraft out of the State of Nevada.

Because of these concerns, the Reno-Stead Airport Association respectfully requests that the proposed change in residual value for aircraft not be included in the 2017-2018 Personal Property Manual.

Thank you for your consideration.

Sincerely,

*Thomas J. Hall*

Thomas J. Hall, President

TJH:smk

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## Taxation Workshop

RSAA Member Greg Stanley presented succinct testimony at the Nevada State Taxation Board's workshop, where he presented the following:

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## Taxation Workshop

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### Summary of testimony at Nevada State Tax Board workshop on General Aviation Property Tax Increases held June 3, 2016

Presenter's Name: Greg Stanley

Professional Affiliations:

- Member, Pathways to Aviation Foundation Board of Directors
- Member, Nevada Governor's Workforce Development Aerospace and Defense Sector Council
- Retired Corporate Director of Engineering Services at Sierra Nevada Corporation (Nevada's Largest Aerospace Firm)
- Founder & Managing Partner of G3 Partners, LLC, a Stead Airport Hangar Developer and Leaseholder
- General Aviation Aircraft Owner

Introduction: Despite the common misperception that all aircraft owners are wealthy, a significant percentage of this aging population are retired, living on fixed limited incomes and dedicate a disproportionately large amount of man hours to community and educational services, with and without use of their personal aircraft.

Although lacking access to and having an opportunity for a thorough review of a credible and vetted Economic Analysis, the intuitively obvious potential detrimental economic effects of this proposed policy implementation include:

**An increase in aircraft annual operating costs from an increased tax burden inevitably results in:**

- A disincentive to and reduction in new and current aircraft ownership and reducing Nevada's aircraft population
- Substantially Higher operating and training costs for new pilot training, that consequently reduces the number of potential motivated private and commercial student pilots desperately required to fill current and projected manpower deficiencies
- Reduced Nevada's aircraft population drives hangar vacancy upward and ownership, property values and development downward
- Fewer aircraft negatively affects aircraft support services (insurance, maintenance and repairs, fueling, and associated current and future aviation employment) and business revenues
- Providing incentive for aircraft owners to relocate to and register their assets in

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## Taxation Workshop

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adjacent, less tax punitive, states such as Oregon, thereby providing them with increased associated tax and business revenues and employment

### Issues challenging appropriateness and consistency of Nevada's proposed GA Tax policy changes:

- Additional General Aviation tax burdens would present a direct contradiction to recently approved aviation maintenance sales tax exemption legislate and competitive with adjacent states
- Ironically, June is historically designated as Aviation Month by the Governor's office, yet this contradictory punitive aviation tax is being quietly rushed through state government administrative channels
- Governor's Workforce Development Aerospace and Defense Sector Council has been developing initiatives to promote and incubate aviation related education, training, employment and business opportunities with this tax proposal standing in direct opposition and counter-productive to that mission and executive direction.

### SUMMARY:

1. The potential near and long term, multi-faceted negative impacts to aviation affiliated individuals, business communities and workforce development efforts could far outweigh tax revenue generation.
2. The apparent contradictions and inconsistencies in state policies related to aviation tax increases vs. exemptions promote the image of regulatory uncertainty in the eyes of current and prospective aircraft and airport property owners, aviation related businesses and the electorate as a whole. At best, this taxing inconsistency could be perceived as an unfair increase of taxes on aircraft owning individuals while discounting corporate aircraft maintenance materials.

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## **2.** Property Purchased Outside Nevada for Use In Nevada

**Tax Bulletin SUT 16-0003; Issue Date: June 27, 2016**

### **Introduction**

This bulletin provides information regarding the application of use tax on property purchased outside Nevada.

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**Statutes and/or Regulations referenced**

NRS 372.185; NRS 374.190; NAC 360.490

**Use Tax**

Pursuant to NRS 372.185 and 374.190, Nevada imposes a use tax on consumers of tangible personal property who store, use or consume that property in Nevada. The use tax is complementary to sales tax and applies when tangible personal property avoids the imposition of sales tax at the point of purchase outside Nevada and is subsequently brought into Nevada for consumption. Individuals and Businesses who purchase tangible personal property from out-of-state vendors (including catalog purchases, mail order, and internet) for their use in Nevada are subject to Nevada use tax. NAC 372.055 provides that credit will be given for sales tax legally paid in another state up to the Nevada tax rate in the county of use. Use tax applies to all purchases of tangible personal property, including but not limited to: vehicles, off-highway vehicles (e.g., all-terrain vehicles (ATVs), snowmobiles, dirt bikes), watercraft, **aircraft**, furniture, computer equipment and other office supplies and clothing.

**Payment of Use Tax**

A Use Tax liability, of a person not in business, may be reported on a one-time return available at any Department of Taxation office. Use Tax liability may also be satisfied by sending a letter or invoice stating the purchase price and submitting the Use Tax payment. Those who regularly incur Use Tax liability should register and obtain a consumer's Use Tax certificate if they don't already have a sales permit. There is no charge for a consumer's certificate. Non- retail businesses that hold a State Business License must report and remit Use Tax with their yearly or quarterly Consumer Use Tax Return.

**\* \* \***

**Final Policy Issued  
RE: Non-aeronautical Use of  
Hangars**

Justine A. Harrison, Esq., of Justine A. Harrison, Chtd., Las Vegas, reports as follows:

The FAA has released its final rule on non-aeronautical use of hangars. It provides airports with more flexibility when it

comes to ensuring their economic health, but ensures aeronautical use as the priority. The FAA recognizes that when demand is low for aeronautical uses, airports can use hangars to generate revenue but hangar capacity must be recoverable on relatively short notice for aeronautical use. Some of the key policy clarifications are:

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**Final Policy Issued  
RE: Non-aeronautical Use of Hangars**

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Mixed hangar uses are recognized, but non-aviation related items in a hangar cannot interfere with the primary use of the hangar for aircraft storage and movement:

- Construction of amateur-built aircraft is an aeronautical use
- Prior approval by the FAA is required for most non-aeronautical uses
- Non-aeronautical use is permissible only when demand for aeronautical use is low

Please see the final policy for full details, including criteria airports should use when evaluating potential and actual hangar uses as posted on the RSAA website [www.steadusers.org](http://www.steadusers.org).

Blue skies,  
Justine A. Harrison, Esq.  
Justine A. Harrison, CHTD.  
[www.harrisoncounsel.com](http://www.harrisoncounsel.com)

**Reno Airport hosts  
aviation summit**

Reno Gazette-Journal  
June 21, 2016

Reno-Tahoe International Airport will host major airline and aircraft manufacturing executives from around the world at the

*(continued on page 11)*

**LOCAL NEWS**

**Aviation publication  
recognizes Reno airport**

Reno Gazette Journal  
April 26, 2016

Reno-Tahoe International Airport recently was presented the award for best customer service from Airport Revenue News, a prestigious national aviation publication, at the 2016 ARN Revenue Conference and Exhibition in Dallas.

Reno-Tahoe International Airport competed for best customer service against 18 other commercial airports with 4 million annual passengers or less.

RNO has embraced a customer service culture and all personnel employees undergo customer service training. Customer comments are also encouraged via various social media channels and the [renoairport.com](http://renoairport.com) website includes an "Ask the Airport" tab where travelers can expect to receive a timely answer to their queries from the airport's staff. Reno-Tahoe Airport Authority staff from various departments also participates in the Kindness Takes Flight program.

Reno-Tahoe International competed with airports from around the country to host this year's conference. Bringing more than 30 airline executives and 400 aviation leaders to the Reno-Tahoe area is an unprecedented opportunity for RTIA to showcase our region and attract more air service. In the past 13 months, Reno-Tahoe International has added 10 flights.

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## Reno Airport hosts aviation summit

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Boyd Group International Aviation Forecast Summit September 18 to 20, in Squaw Michael Boyd, President/CEO of Boyd Group International, is a renowned airline industry expert known for his blunt, humorous and often spot-on assessments and predictions for air travel. His annual conference is a respected event each year in the aviation industry.

The Reno airport is partnering with the Resort at Squaw Creek and the Village at Squaw Valley to provide conference attendees with a memorable Tahoe/Sierra experience. Members of the tourism community throughout the region are helping sponsor the event.

RSAA supports this event as well.

\* \* \*



## Notes about Recent Fire Inspections at RTS

The following items are the primary concerns to Reno-Tahoe Airport Authority (RTAA) Fire Inspectors during 2016 hangar inspections at Reno-Stead Airport:

1. Combustible rubbish stored in non-combustible metal containers with lids -1103.6.
2. Oily rags and such stored in approved closed containers **with self-closing lids** - 1103.6.
3. NO SMOKING signs to be posted - 1103.2.
4. Fire extinguishers in approved areas and inspected and serviced by a State of Nevada authorized fire extinguisher company. A minimum size fire extinguisher of 10 lb. ABC type agent and UL listed.
5. Extension cords shall not be used as a substitute for permanent wiring and is only used with one portable appliance. The amp capacity shall not be less than the rated capacity of the portable appliance supplied by the cord. Appropriately store all cords when not in use - 605.5.
6. Aircraft work is limited to the exchange of parts and maintenance requiring no open flame - 1104.6.

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## Recent Fire Inspections at KRTS

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7. Flammable and combustible liquids, when over 10 gallons, must be stored in a liquid storage cabinet labeled "Flammable - Keep Fire Away". Doors must be well fitted, self-closing and equipped with a latch. Cabinets shall be UL listed or equivalent - 3404.3.4.4.1.
8. The area around fire extinguisher must be kept free and clear and provide clear access to them. Recommend a 30-inch red line/box showing clearance in front of fire extinguishers and electrical service - 1105.7.
9. Label all containers with actual contents.
10. Provide drip pan under aircraft for fuel or lubricant leaks - 24.107.

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### **Helicopter parts firm arrives in Minden (MEV)**

The Record-Courier  
July 13, 2016  
Staff Reports

With the completion of its 76,000 square foot of warehouse, Helicopter Parts International, Inc., will be moving its operations from Washington to Minden.

"It is compelling to note that while manufacturing in the U.S. has declined overall, there has been a resurgence of highly technical specialized manufacturing that has remained here and in some cases grown," owner Harry Niwranski said. "Helicopter Parts International has benefited and thrived despite the offshoring of a large number of manufacturing jobs in many industries."

The firm has been in the helicopter supply

industry for 42 years, and is a leader in the field as a Honeywell-certified supplier of Bell and Sikorsky helicopter parts and components. It obtains many of its parts by purchasing and dismantling used helicopters which are salvaged for parts which are then reconditioned for use in repair and upgrade applications.

"HPI's move to Nevada comes amidst a wave of new technology, engineering and sophisticated manufacturing that's arriving in Northern Nevada," said Roger Kadz, Vice President/Business Development Officer for Nevada State Development Corporation. "It's exactly what the region and our state needs. It is further evidence of just how valuable our region is as a strategic shipping hub with an advantageous tax structure."

For more information on Helicopter Parts International, visit [www.helipart.com](http://www.helipart.com).



## IN MEMORIAM

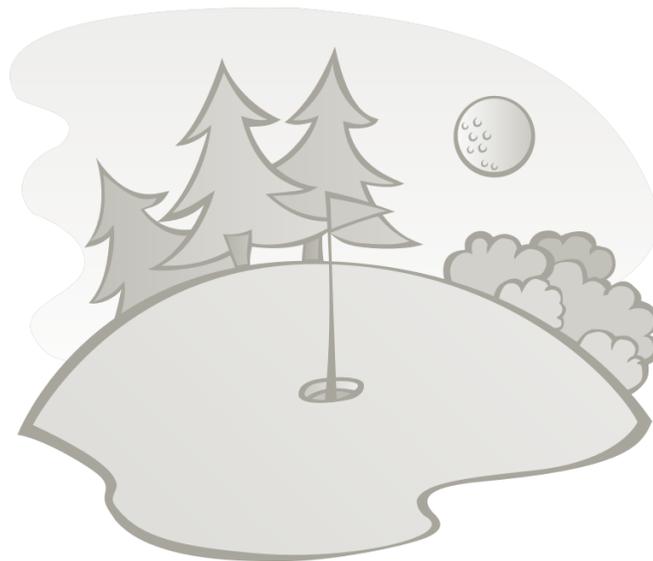
### **Jack B. Bernard**

Jack B. Bernard, 94 years old, of Reno, Nevada, passed away on July 10, 2016. He was born in Yerington to a ranching family who first ranched in Mason Valley as far back as 1854. He graduated from Yerington High School. Following high school he acted as a Senate Aide for a Louisiana Senator in Washington, D.C.

Jack went on to become an elite Naval Aviator who flew an F-4U Corsair from the USS Yorktown Aircraft Carrier. After the military, he owned and operated Reno Glass and Nevada Glass. He was also known to be a successful real estate broker and land developer.

He married Eda DePaoli Bernard on February 26, 1948, and they were married for 51 years at her passing. Jack and Eda shared a passion for golf, traveling to many great courses together to play. They were members of Hidden Valley Country Club. Jack was also a member of the Reno Arch Lyons Club and handled their candy fundraisers for many years.

Preceded in death by Eda Bernard and Victor Bernard (brother). He is survived by Jack Bernard (son), Sue McCreary (daughter), Kim McCreary (son-in-law), Audrey Ferrari (sister), Colonel Robert Ferrari (brother-in-law), five grandchildren and four great grandchildren.





## IN MEMORIUM

### **James O Hubbard 1933 - 2016**

James O. "Jim" Hubbard, 82, passed away on March 30, 2016 in Las Vegas, Nevada. Born in Pitcher, Oklahoma, in 1933 to Homer and Orwanda (Land) Hubbard, he later moved to Seattle, Washington, where he graduated high school and attended the University of Washington.

In late 1953, he joined the Air Force and was stationed at the Stead Air Force base where he served as a survival instructor until his honorable discharge in 1961. After leaving the Air Force, he remained in the Reno area and pursued a career as an architect, working for Washoe County, the Nevada Department of Highways, then later in the private sector where hundreds of examples of his work continue throughout the state and country. He was an avid skier and spent many years actively involved in the National Ski Patrol and later with, the Reno Junior Ski Program where the hills were alive with his voice yelling "bend your knees!" to countless Reno children. He was also a private pilot, something he enjoyed immensely, especially the fishing trips to Baja Mexico with his friends. He will of course be remembered for his kind, easygoing and generous nature, but likely more so for his dry and sarcastic wit.

He was preceded in death by his parents and his loving wife Joan. He is survived by his sister Pete McKnight, his three children, Jeff Hubbard, Jill Johnson and Paul Hubbard, and a whole passel of grandkids, nieces and nephews.

