

**COUNCIL ACTION FORM**

**SUBJECT: 2016 AGREEMENTS FOR UNMANNED AIRCRAFT SYSTEMS  
(HUNZIKER DEVELOPMENT AND SKEYE 1 LLC)**

**BACKGROUND:**

On June 9, 2015, City council granted an interim approval to Hunziker Development to operate an Unmanned Aerial Vehicle (UAV), which will be referred to as a “drone,” within the airspace controlled by the Ames Municipal Airport. The airspace is defined by a 5-nautical mile boundary around the Airport’s runway surfaces. Since that time, Hunziker has conducted several flights to record video and take photos of its various properties for marketing purposes. It should be noted that the approval for Hunziker expires on December 31, 2015.

On November 10, 2015, City Council granted special approval to Hunziker to take video, from the public right-of-way, of the Downtown, Campustown, Somerset, and the South Duff business districts, as well as various City Parks. The purpose was two-fold, 1) to collect video that can be used to promote Ames as a great place to live; and, 2) to test the technical capabilities of a commercial grade drone. Specifically, this testing process is intended to determine if there is a particular elevation at which a drone would operate that potentially creates a privacy concern. Should privacy concerns be identified at a particular elevation, a threshold of operation would be established based upon the resolution of the video or photos taken and would require special approval by the City. The testing process is still under consideration as the video is being reviewed by City Staff.

In recent months, staff has been approached by Terry Lankford and Kevin Buck with Skeye 1 LLC, a business that provides UAV Services which is also seeking approval to operate a drone within the Ames area. Skeye 1 LLC has submitted its FAA certificate of authorization and insurance as required of all commercial Unmanned Aircraft Systems (UAS) operators. Skeye 1 LLC provides data collection services, such as agricultural surveys, aerial photography, and topographic surveys using post processing software. It should be noted that the FAA approval, like Hunziker, limits Skeye’s operation to line-of-sight and daytime hours only. It is also subjected to all the same State and Federal standards as Hunziker (and as all UAS operators).

**The proposed agreements would authorize Hunziker and Skeye 1 LLC, respectively, to operate within the 5-mile area around the Ames Airport for the calendar year 2016. Each entity will be subjected to all applicable State and Federal rules, as well as any specific requirements outlined in their certificate of authorization. Because of the ongoing evolution in regulations and standards on a national level, City staff has not yet been able to complete a comprehensive, specific policy and standards for the City of Ames. Therefore, the agreements with Skeye and Hunziker refer to two documents that will be established as new information becomes available: 1) The**

**Ames administrative policy on UAS operations; and, 2) The Ames minimum operating standards for UAVs. This will allow the flexibility for these documents to be approved and updated without requiring each user to enter into a new agreement.**

**ALTERNATIVES:**

1. Approve the agreements with Hunziker Development and Skeye 1 LLC to operate a UAV within Ames airspace for calendar year 2016.
2. Reject any requests to operate UAV's within Ames airspace until the Ames administrative policy and minimum operating standards are adopted.

**MANAGER'S RECOMMENDED ACTION:**

City Council has asked staff to develop a draft UAV policy that addresses the safety and privacy of the public, while protecting the potential benefits from using these technologies. Part of that development effort is already under way by coordinating test flights with our local commercial partners. Staff is also continuing to work with State and Federal counterparts on current and upcoming standards, as well as, reviewing ongoing legal cases that happen nationally. It is anticipated that drafts of a policy and minimum operating standards will be ready for City Council review during the first quarter of 2016.

By approving these agreements for 2016, it will allow staff and the Ames community to gain real-world experience in the use of UAV's by commercial users. The benefit of commercial use is that those operations must be done so following all FAA safety standards. Commercial users also have the requirement to notify the City of all operations. This relationship provides an environment that allows staff to monitor when, where, and for what purpose a drone is be used. **Furthermore, the proposed agreements, which are substantially the same, specify that once the City's standards are approved, these two operators will be subject to the new local requirements.**

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as stated above.

**AGREEMENT WITH HUNZIKER & ASSOCIATES, INC., REALTORS,  
AUTHORIZING COMMERCIAL USE OF  
UNMANNED AIRCRAFT SYSTEM IN THE CITY OF AMES**

**THIS AGREEMENT** is made and entered into effective the \_\_\_\_\_ day of \_\_\_\_\_, 2015, by and between Hunziker & Associates, Inc., Realtors (“Owner”) and the City of Ames, Iowa (“City”).

**WHEREAS**, City owns and operates a municipal airport located within the corporate boundaries of the city which is in active use for civil aviation activities on a daily basis; and

**WHEREAS**, as airport owner, the City is charged with control of the airspace around the City’s airport; and

**WHEREAS**, the Federal Aviation Administration is the national governmental authority whose duty it is to regulate and oversee all aspects of civil aviation; and

**WHEREAS**, Unmanned Aircraft Systems (UAS) are a technology that has recently become generally available for purchase and operation by citizens for uses which may include aerial photography; and

**WHEREAS**, the use of Unmanned Aircraft Systems creates the potential to disrupt air traffic and potentially endanger persons and property, both in flight and on the ground, and is therefore subject to regulation by the Federal Aviation Administration; and

**WHEREAS**, Owner is in the business of real estate development and has occasion to desire to photographically document its properties and developments, which can more effectively be accomplished through the use of aerial photography; and

**WHEREAS**, Owner owns an Unmanned Aircraft System and would like to obtain the permission of the City to make commercial use of the UAS for aerial observation and photography of Owner’s properties; and

**WHEREAS**, the Parties desire to work collaboratively with consideration of each other’s rights and interests, to assure public safety, and establish by agreement terms and conditions allowing Owner limited commercial operation of its UAS within the city.

**NOW THEREFORE**, in consideration of the above recitals and the provisions contained herein and reliance on the same, the Parties agree as follows:

**I.  
PURPOSE**

The purpose of this agreement is to authorize Owner's operation of an Unmanned Aircraft System (UAS) under parameters specified herein, within a five nautical mile radius of the Ames Municipal Airport.

**II.  
OPERATION AUTHORITY AND PARAMETERS**

- A. **Identity of UAS and Operator.** The City agrees to allow Owner to operate the Unmanned Aircraft System (hereinafter "UAS") specified in the Department of Transportation Federal Aviation Administration Certificate of Waiver or Authorization #FAA-2015-0035-333E (hereinafter "Certificate") within five nautical miles of the Ames Municipal Airport.

This UAS may be flown only by the individual natural person who is granted that Certificate, hereinafter designated "Operator."

- B. **Compliance with Certificate.** Owner and Operator agree to strictly comply with all Standard Provisions and Air Traffic Control Special Provisions set forth in the Certificate, which are incorporated into this contract by this reference.
- C. **Operational Restrictions.** Owner and the specific Operator agree to strictly comply with the "Operations Authorized" provision of the Certificate, which are incorporated into this contract by reference.
- D. **Additional Regulatory and Statutory Compliance.** Owner and Operator agree to comply with all other Federal Aviation Administration regulations which are presently in effect, or may come into effect, for Unmanned Aircraft Systems, as well as with all other Federal, State, Municipal or other laws or regulations which may exist or be enacted or adopted.

Owner and Operator also agree to comply with any policies that have been, or may be, established by the City regarding UAS operation, including but not limited to 1) the City's administrative policy on UAS operations, and 2) the City's minimum operation standards for UAVs.

This agreement does not operate as a waiver of any other statutory or regulatory authority.

- E. **Special Local Requirements.** In addition to the above provisions, the City is requiring that Owner agree to the following:
1. Operator must carry a handheld radio tuned into the Ames Common Traffic advisory Frequency (CTAF) of 122.70 when operating inside the five nautical mile ring.

2. Any operations between 50 feet above ground level and 200 feet above ground level inside the one to five nautical mile ring require contacting the FBO at least one hour prior to operations.
  3. Any operations inside the one nautical mile ring of the Ames Municipal airport require FBO notification, and City of Ames notification, a minimum of 24 hours prior to operations, regardless of altitude.
  4. Operator shall have the ability to conduct operations on its own properties between the surface of the ground up to 50 feet above ground level without FBO or City notification inside the one to five nautical mile ring from the airport.
  5. Operator agrees to carry the Certificate any time the UAS is being operated, and agrees to present it for inspection upon request to any authorized representative of the FAA, or any Federal, State, County or Municipal official charged with enforcing local laws or regulations, or any peace officer.
  6. Owner and Operator agree to operate the UAS only above property they own, or above property that is owned by another who has expressly and in writing consented to UAS operation by Owner and Operator. Owner and Operator, upon request by the City, shall promptly furnish proof of express written consent.
  7. This agreement shall remain in effect so long as Owner remains as a corporation in good standing pursuant to the Iowa Secretary of State.
- F. **Flight Log.** Owner and Operator shall maintain a flight log which contains and complies with all the documentation necessary under the “Reporting Requirements” provisions of the Certificate, including but not limited to, date, time and location of all flights, including any ‘zero-entry’ flights, and shall, upon request, allow City inspection of the log. When requested by the City, the furnished log shall be in the same form as the documentation submitted to the FAA monthly.

### **III. INSURANCE REQUIREMENTS**

Owner shall obtain, and keep in effect, insurance as follows:

- A. **Type.** Owner shall maintain General Liability or a similar type of policy of insurance that affords coverage of \$1,000,000 combined single limit per occurrence and \$2,000,000 in aggregate limits for bodily injury, personal injury, and property damage.
- B. **Deductibles.** Any deductibles or self-insured retentions must be declared and approved by the City of Ames. At the option of the City of Ames, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City of Ames, its

officials and employees, or Owner shall procure a bond guaranteeing payment of losses and related investigations, claims administration and defense expenses.

- C. **Endorsements.** Each insurance policy required shall be endorsed to state that coverage shall not be suspended, voided, cancelled by either party, reduced in coverage or in limits, except after thirty days prior written notice by certified mail, return receipt requested, has been given to the City. Owner shall furnish the City with certificates of insurance and original endorsements for effecting coverage required by this clause. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements are to be approved by the City before operations of the UAS commence. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.

#### **IV. INDEMNIFICATION**

To the fullest extent permitted by law, Owner and Operator shall indemnify and hold harmless the City of Ames, its officials, agents and employees from and against all claims, damages, losses and expenses, including but not limited to, attorneys fees arising out of or resulting from the operation of the UAS, provided that any such claim, damage, loss or expense 1) is attributable to bodily injury, sickness, disease or death, or to injury to, or destruction of, tangible property, including the loss of use resulting therefrom; and 2) is caused in whole or in part by any intentional or negligent act or omission of the Owner or Operator, or anyone directly or indirectly employed by the Owner or Operator, or anyone for whose acts the Owner or Operator may be liable, regardless of whether such claim, damage, loss, or expense is caused in part by a party indemnified hereunder.

#### **V. TERM AND TERMINATION**

- A. **Term.** This agreement is in effect from December \_\_\_\_, 2015, to December 31, 2016, unless sooner terminated.
- B. **Termination.** The City may terminate this agreement by providing written notice of said termination to the other party. If a hazardous occurrence, danger or emergency renders written notification too slow, the City reserves the right to terminate this agreement upon verbal notification to the Owner or Operator to be expeditiously confirmed in writing.

#### **VI. CONTACT PERSONS**

For purposes of carrying out the provisions of this agreement, including notification and reporting, the City's contact person is the Ames Municipal Airport Manager, Damion Pregitzer. The Owner's contact person shall be \_\_\_\_\_. Each party shall promptly notify the other if there is a change of Contact person.

IN WITNESS WHEREOF, in consideration of the provisions set forth above, the parties have caused this agreement to be executed in their behalf.

HUNZIKER & ASSOCIATES, INC.,  
REALTORS

CITY OF AMES, IOWA

By \_\_\_\_\_  
Dean E. Hunziker, President

By \_\_\_\_\_  
Ann H. Campbell, Mayor

STATE OF IOWA, COUNTY OF STORY, ss:

Attest \_\_\_\_\_  
Diane R. Voss, City Clerk

This instrument was acknowledged before me on \_\_\_\_\_, 2015, by Dean E. Hunziker as President of Hunziker & Associates, Inc., Realtors.

STATE OF IOWA, COUNTY OF STORY, ss:

\_\_\_\_\_  
Notary Public in and for the State of Iowa

On this \_\_\_\_\_ day of \_\_\_\_\_, 2015, before me, a Notary Public in and for the State of Iowa, personally appeared Ann H. Campbell and Diane R. Voss, to me personally known and who, by me duly sworn, did say that they are the Mayor and City Clerk, respectively, of the City of Ames, Iowa; that the seal affixed to the foregoing instrument is the corporate seal of the corporation; and that the instrument was signed and sealed on behalf of the corporation, by authority of its City Council, as contained in Resolution No. \_\_\_\_\_ adopted by the City Council on the \_\_\_\_\_ day of \_\_\_\_\_, 2015, and that Ann H. Campbell and Diane R. Voss acknowledged the execution of the instrument to be their voluntary act and deed and the voluntary act and deed of the corporation, by it voluntarily executed.

\_\_\_\_\_  
Notary Public in and for the State of Iowa