

COUNCIL ACTION FORM

**SUBJECT: 2017 AGREEMENT FOR UNMANNED AIRCRAFT SYSTEMS
(HUNZIKER DEVELOPMENT)**

BACKGROUND:

On June 9, 2015, City council granted an interim approval to Hunziker Development to operate a Small Unmanned Aerial Systems drone (sUAS) within the airspace surrounding Ames Municipal Airport. The airport's airspace authority is defined by a 5-nautical mile boundary from the Airport's location. Since that time, Hunziker has conducted several flights to record video and take photos of its various properties for marketing purposes. Hunziker's previous annual agreement was approved on December 8, 2015 for Calendar year 2016. **This approval will renew the agreement through calendar year 2017.**

Hunziker will again be subjected to all applicable State and Federal rules. The current standards for sUAS (drones) is the new FAA Part 107 rule effective August 29, 2016. The approval documents refer to these standards so that, as they continue to be updated by the FAA, it will allow flexibility within for Hunziker's existing agreements without requiring them to enter into amended agreements.

ALTERNATIVES:

1. Approve the agreements with Hunziker Development to operate a sUAS within Ames airspace for calendar year 2017.
2. Reject any requests to operate UAS's within Ames airspace until the Ames administrative policy and minimum operating standards are adopted.

MANAGER'S RECOMMENDED ACTION:

By approving this agreement, the City will continue to support aviation innovation in the Ames area while complying with best safety practices in sUAS operation. Ultimately, the experience gained by working with these operators will help staff develop a complete sUAS policy for Ames.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as described 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 _____, 2017, 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 January ____, 2017, to December 31, 2017, 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 _____, 2017, 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 _____, 2017, 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 _____, 2017, 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