



LAND DEVELOPMENT, USE AND DEVELOPMENT FOR AERONAUTICAL AND NON-AERONAUTICAL PURPOSES

STRATEGICALLY NAVIGATING THE MAZE OF FEDERAL RESTRICTIONS AND APPROVALS

National Airport Economic Development Conference

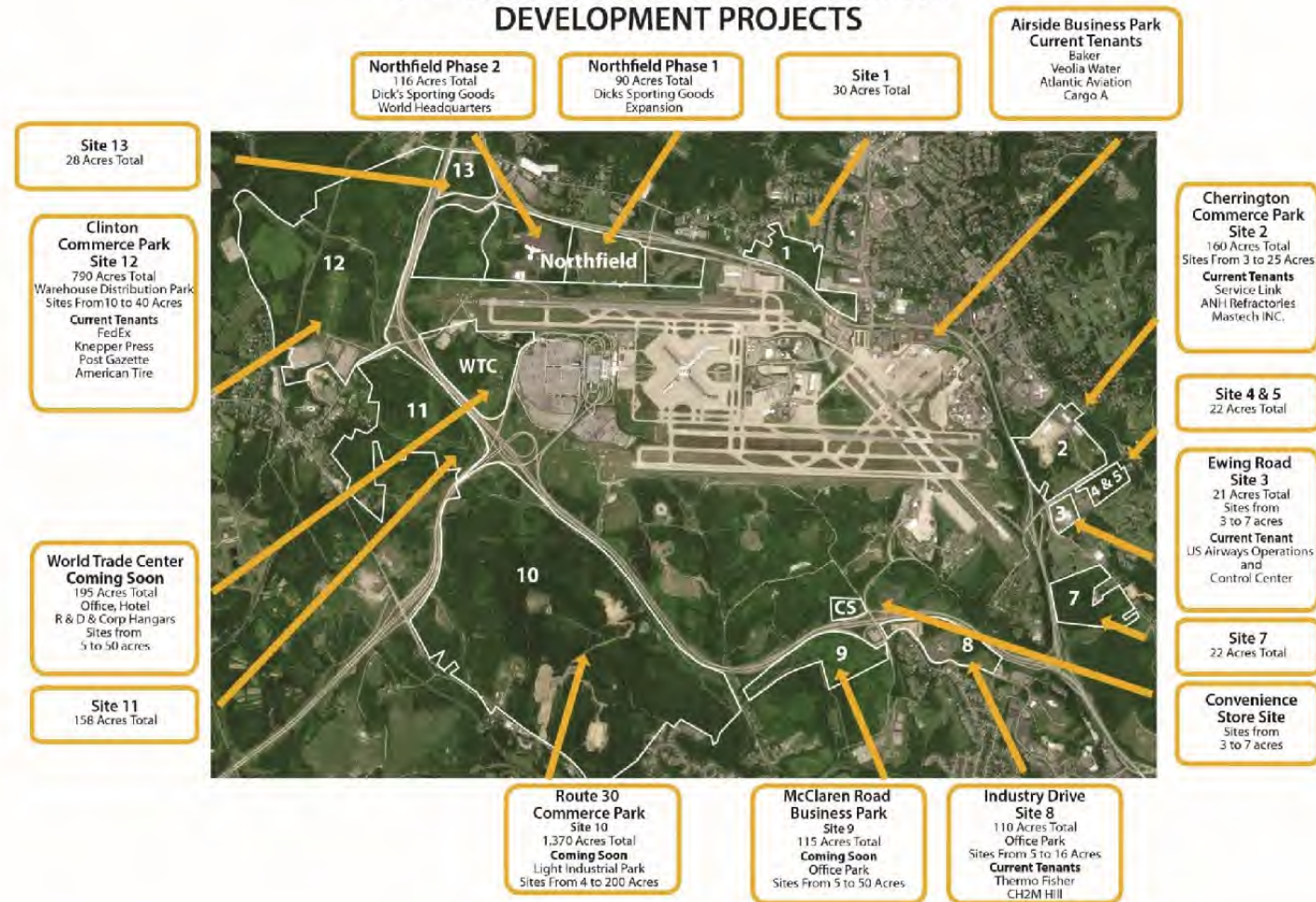
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What 15 years of planning can turn into...

PITTSBURGH INTERNATIONAL AIRPORT DEVELOPMENT PROJECTS



Planning for development. . .



In preparing for battle I have always found that plans are useless, but planning is indispensable.

- Dwight D. Eisenhower



Preliminary Statement

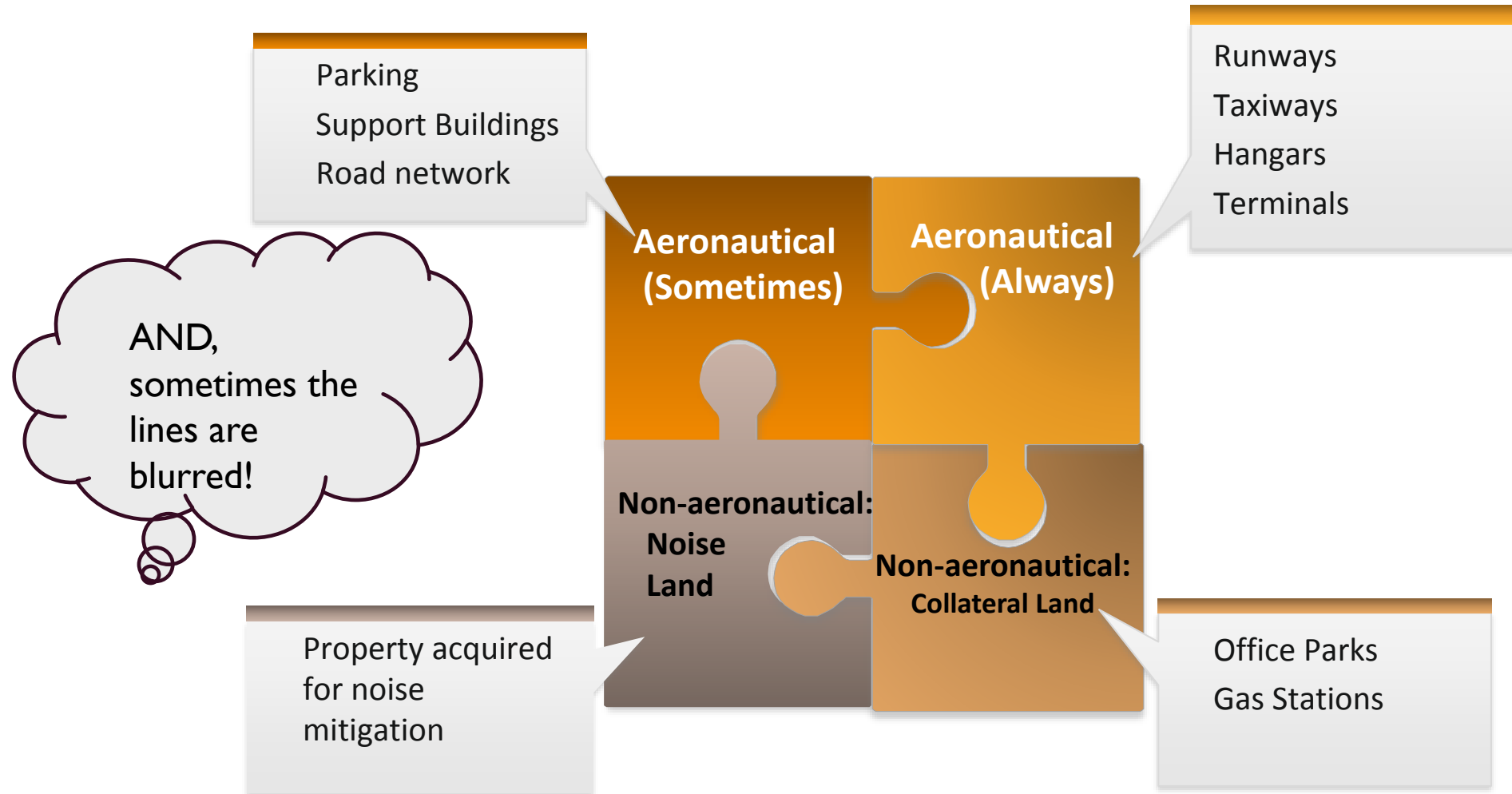
- Extraordinarily complex, interrelated, and sometimes contradictory area of airport law
- Goal is to sensitize you to potential issues and need to plan
- “Can do”
 - Obstacles can be overcome
 - Partnering with your ADO
- Timing, questions, and the rest of the day
- Buckle up!

What type of land?

- Two broad categories – simple, right??
- Well... It may not be that simple



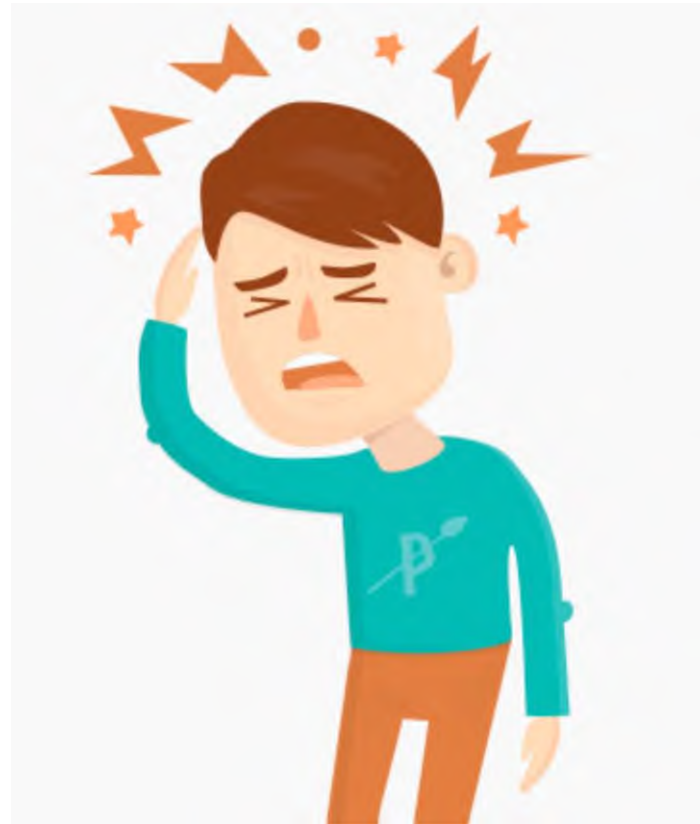
Four types of airport property



Over-arching Concept

- **How** you acquired the land is important – VERY important
- Surplus property?
- Part 150 program?
- Related to broader Master Plan?
- Sub-issue. . . **Source of Funds**: VERY important too
 - Can be complex
 - AIP, AIP Part 150, PFCs, General Airport Revenue, Non-Airport Revenue
 - All have substantial implications

Have a headache yet?



Non-Aeronautical Development on Aeronautical Land

- No, no, no! Can't do that!
- Well...



Non-Aeronautical Development on Aeronautical Land

- Interim uses
- Concurrent uses
- Conversion to other airport use (including non-aeronautical use)



*Requires
FAA
approval*

Non-Aeronautical Development on Aeronautical Land

- Default for airport land is aeronautical unless specified otherwise
- Reclassification of land – ALP Modifications
 - Analysis
 - Process
- Concurrent use?
- Interim use?
 - Can get sticky
 - Ways to handle – sometimes an art

Non-Aeronautical Land

- Back to how you acquired it – it is that important.
- Surplus Property Act
- Part 150 & Your ReUse Plan
- Expansion land
- Noise compatibility
- Money money money!
 - 150 program
 - AIP
 - PFC
 - General airport revenues
 - Non-airport revenue



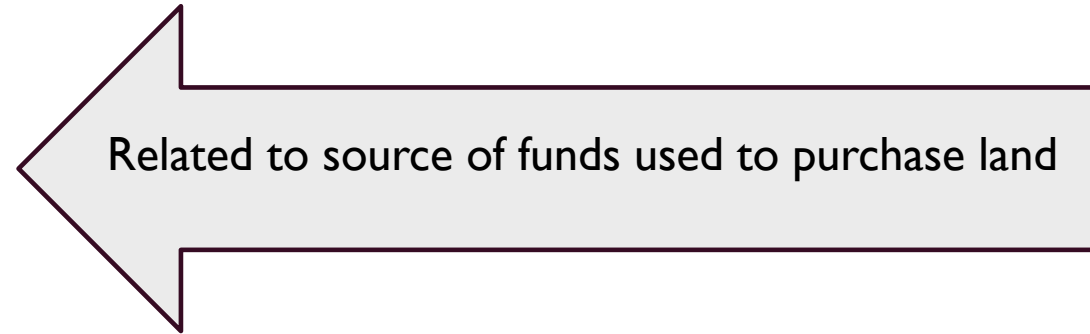
I may not be an environmental lawyer, but...

- NEPA
- Be careful, thoughtful, and get experienced input
- Planning, timing, and cost



What are your intentions???

- What are your goals?
 - Supplement rate base
 - Cash for big project
 - Short term or long term
- What do you want to be?
- What level of control do you want? (Note: with control comes responsibility)





Challenges/Hurdles/Issues

- Access to capital
- Risk tolerance
- Philosophical
- Staffing
- Political

The Deal

- Define the airport's goals and get institutional, regional, and political buy-in
- How do you want to approach this?
 - Landlord
 - Developer
 - Partner (Discussion later)
 - Other

The “lease” & the uptight airport lawyer



“That’s one hell of a lawyer.”

Grant Assurance 5

- Control, approval, consultation
- Leasehold mortgages – airport beware!
- SPEs, rights to transfer property, etc.

... will not take or permit any action which would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms, conditions, and assurances in this grant agreement without the written approval of the Secretary, and will act promptly to acquire, extinguish or modify any outstanding rights or claims of right of others which would interfere with such performance by the sponsor.

Required Federal Provisions

- The list and the art of the deal
- “Run with the land” and other issues we will never solve here
- The reversionary clause
 - Connected to term
 - Reasonable, realistic, and business-based decisions
 - Cash, loan, other
 - ROI and Grant Assurance 5 conflict

The Term (duration) of the Lease

- Back to Grant Assurance 5
- Airport interests
- Finessing the term
- It's your airport, don't hesitate to stand up for those who will be there after you are gone
- I'm your ADO and I'm here to help – yes, really!

Working with the FAA




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FAA MISSION STATEMENT:

**We're not happy
Until you're not happy**





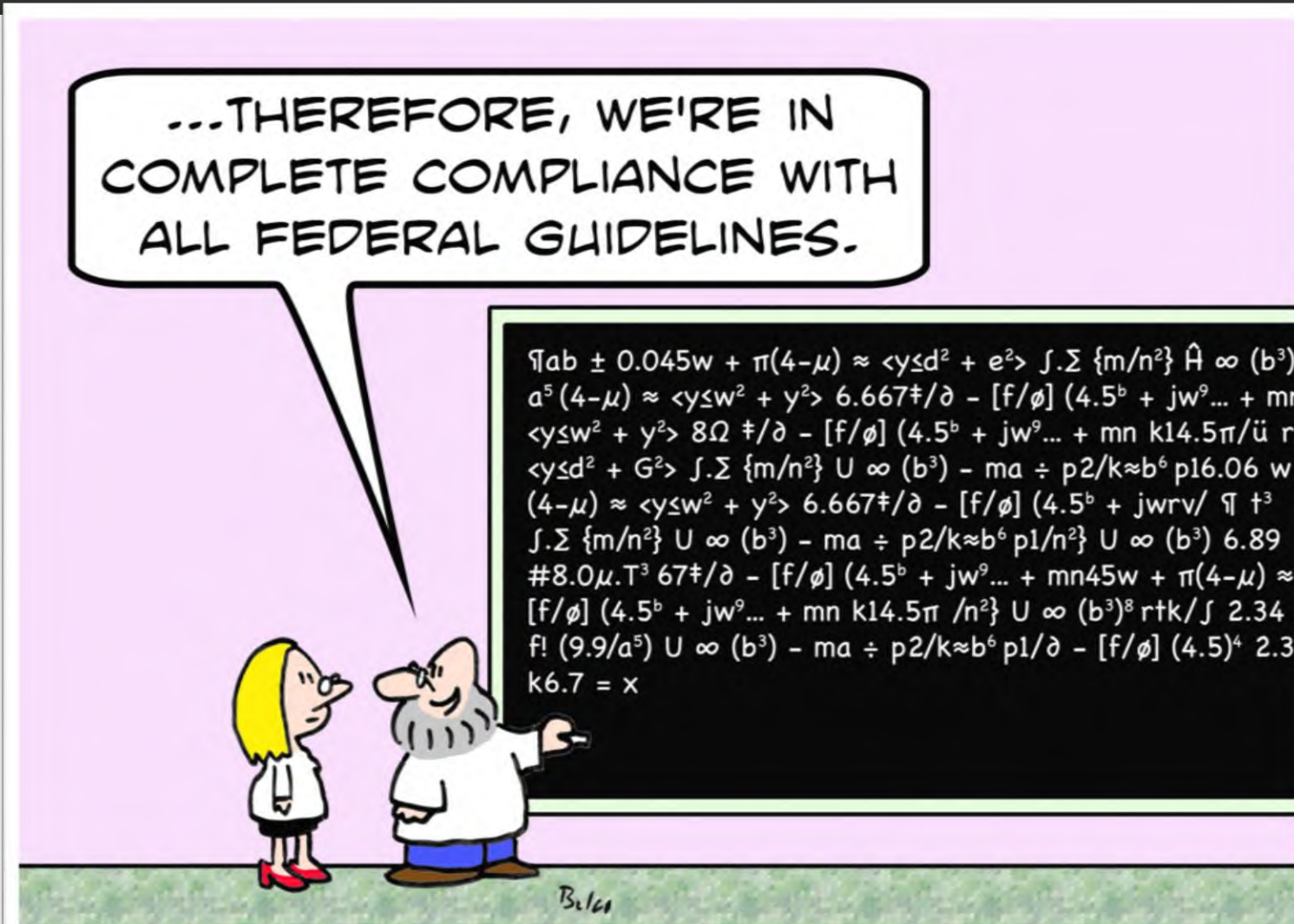
FAA Involvement

- The great release vs. permission debate
- FAA assistance and partnering with your ADO

Teaming with a Developer or Investor

- P3s are a newer buzz word, but the concept is not new
- Almost infinite iterations
- Be careful, thoughtful, and informed
- Access to capital
- Risk mitigation for airport
- Staffing concerns
- The process of assessing what is best for YOUR airport

So, you've got all that, right??



Questions

