



May 5, 2020

Sean Collins  
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Mr. Collins,

Thank you for your letter dated February 26, 2020. Your letter was hand delivered by me to each of the Commissioners during their regular meeting in February. As a result of the public comment from that meeting, the Commission asked staff to conduct a General Aviation "Town Hall Meeting" and to brief the Real Estate Committee on the result. The PAC also asked staff to commission an independent General Aviation Hangar rent baseline study. Due to recent orders by the Governor of Virginia related to preventing the spread of COVID-19, specifically forbidding the assembly of large groups, the Town Hall has indefinitely been postponed. The baseline study is being performed by Explorer Solutions, Inc.

**Hangar Rate Baseline and Analysis.** As previously relayed to you on February 10, 2020 we are a federally obligated airport and must abide by our grant assurances. Grant Assurance 24 requires an airport sponsor to assure that it "will maintain a fee and rental structure for the facilities and services at the airport which will make the airport as self-sustaining as possible under the circumstances existing at the particular airport, taking into account such factors as the volume of traffic and economy of collection." In addition, Grant Assurance 22 regarding economic non-discrimination requires terms, rates and fees to be established without unjust discrimination and applied uniformly to same or similar users.

The preliminary findings of the baseline study align with the Peninsula Airport Commission's (PAC) original work from the past two years. It was that two-year effort that resulted in the Commission Approving and Adopting General Aviation Minimum Rental Rates and Charges on December 5, 2019. This is in alignment with the *Airport Compliance Manual Section 18.6b Consolation. DOT encourages adequate and timely consultation with users prior to implementing rate changes. As well as Section 18.8b Method. Sponsors may set fees by ordinance, statute, resolution, regulation, or agreement.* Furthermore, in addition to the second commission hangar rent baseline study, I have done my own informal (third) local hangar rent baseline analysis. I have visited neighboring airports and spoken with my colleagues in the area, around the Commonwealth and nationally. I am confident the rates established by the PAC in 2019 are proper and in compliance with FAA guidelines. All of these analyses will be presented to the commission and the public summarily afterwards when the COVID-19 restrictions have passed.

May 4, 2020

Page 2 of 2

The Commission has a total of 150 lease or operating agreements with tenants. Each agreement is tended to one-on-one with our staff and sometimes me. Every tenant is afforded the opportunity to discuss all facets of their lease or operating agreement and negotiate their own terms. It took two years to adjust the rates and the process was fully transparent in open public meetings of the Commission's Finance and Real Estates Committees and finally, the full Commission. Individual accommodations are made to leases and operating agreements based upon conditions and/or circumstance.

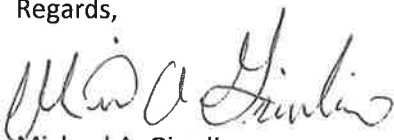
**Hangar Maintenance.** The PAC's lease does not obligate the lease for unspecified maintenance. However, we do acknowledge that some of the verbiage could be taken that way. The lease is being amended to clarify what the lease is obligated for.

**Fire Suppression.** The requirement for a tenant to provide adequate fire suppression in compliance with the PAC's General Provisions and Rules and Regulations will remain in effect.

**Aircraft Field Permit** The field permit requirement is a long-standing practice at airports around the country to include LAX. According to Mr. Timothy Wilson, a field permit has been in place at my former airport, the Greater Rochester International Airport since the early 1980s. It is used in lieu of landing fees and ensures airport sponsors are meeting in the spirit and intent of Grant Assurance 24 while providing the ancillary benefit of the sponsor knowing all based aircraft at the airport. PHF has had operating agreements with General Aviation tenants for many years. The field permit is an extension of those operating agreements to airport users who have never been accounted for in the past.

AOPA's advocacy is important for pilots and we appreciate your concern on behalf of members that consider Newport News/Williamsburg International Airport home. We look forward to holding the "Town Hall" meeting when emergency orders preventing large gatherings are rescinded. Hopefully, after that meeting you and your members agree that the PAC's actions align with your organization's stated goals of ensuring the long-term health of general aviation. General Aviation simply can't thrive in 2020 and beyond with 1970's pricing structures. Regardless of how the general aviation situation was allowed to arrive at its current state, you can rest assured that I intend to bring it current with where it should be, just as I am bringing the entire airport operation current. As always, feel free to reach out anytime. My email is [Mgiardino@flyphf.com](mailto:Mgiardino@flyphf.com).

Regards,



Michael A. Giardino

Executive Director

Peninsula Airport Commission