

ACI-NA Spring Legal 2019

General Aviation & Areas of Concern to Airports

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Grant Assurances of Particular Interest



GA 5 – Rights & Powers

- Through-the-Fence Agreements
 - Commercial airports
 - General Aviation airports

GA 22 – Economic Nondiscrimination

- Similarly-situated parties
- Airport as FBO
- Aircraft owner rights

GA 23 – Exclusive Rights

- Aeronautical services
- Single FBOs

FAA Grant Assurances

GA 24 – Fee & Rental Structure

- Self-sustainability
- Rate-making and grants

GA 25 – Airport Revenues

No revenue diversion

GA 38 Hangar Construction
Aircraft owner construction lease term



FBO Environment in Houston – Ten FBO Leases









- 2 at IAH Atlantic and Standard Aero, a UAE company (Signature is the FBO fueling operator for Standard Aero).
- 2 at EFD originally there were 2 leases with local companies; one sold four times (currently Signature). The second sold twice (currently Signature).
- 6 at HOU Atlantic, Signature, Wilson Air, Jet Aviation, Million Air and newest local FBO under development (Black Forest).



Case Study – Six HOU FBOs: Different Lease Terms do not prove discrimination



- All FBO leases requires CapEx investment
- \$100K/year of term, 40-yr limit
- HAS Corporate Objective "Restore facilities to Opening Day Fresh condition"
- Buyout cap for Master Plan take-back needs
 - limited to the CapEx amount promised by FBO in lease
- Most of the FBOs proposed well above the minimum, and expended well above their lease commitments; \$100MM in new investment



Lease Term Examples



- Excerpts available electronically with course materials
- Includes:
 - Buyout language with buyout cap
 - Termination for Master Plan needs

Questions?

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