

**COLLECTED BOARD POLICIES**  
**OF THE**  
**BI-STATE DEVELOPMENT AGENCY**  
**OF THE**  
**MISSOURI-ILLINOIS METROPOLITAN DISTRICT**

**Chapter 130. Airport Operations**

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**Section 130.010      General**

In 1965 the Agency purchased the Parks Metropolitan Airport creating the St. Louis Downtown Airport (the "Airport"). Since 1965 the Airport has expanded with new runways capable of landing larger aircraft, new hangars capable of storing some of the largest aircraft in operation, and has become one of the busiest airports not just in the St. Louis Metropolitan Region but in the state of Illinois.

Today the Airport, either directly at the Airport or indirectly in the region, provides a significant and vital economic impact to the local economy and does so without the benefit of local taxpayer support. The Airport is one of the primary economic engines in Southwest Illinois and strives to continue to generate more business, more economic opportunities, and be the benchmark for successful airports in the nation.

**Section 130.020      Definitions**

1.     "Agency" means the Bi-State Development Agency, an interstate compact agency created by the States of Missouri and Illinois and approved by the United States Congress.
  
2.     "Airport" means the area described on Appendix A of the St. Louis Downtown Airport, Airport Layout Plan.

3. "Airport Director" means the employee of the Agency responsible for general supervision of the operation and development of the Airport.
4. "Airport Utility Easement" means a public utility easement for the provision of gas and electric service at the Airport.
5. "Consideration" means payment of money, or provision of goods or services of value.
6. "Consumer Price Index" means the Consumer Price Index of All Urban Consumers for all US cities on average for all items not seasonally adjusted with a base between 1982-1984 ("CPI"). May be recognized as series ID CUUR0000SA0.
7. "Easement" means a non-possessory interest right in real property.
8. "FAA" means Federal Aviation Administration.
9. "Hangar" means any structure built primarily to accommodate the in-door storage of aircraft.
10. "Infrastructure Lease" means a lease in which the Agency provides unimproved or improved Real Property for investment in the construction of hangars, business facilities, utilities, or other structures.
11. "Lease" means an agreement granting or receiving an exclusive right of possession of real or personal property for a certain limited period of time in exchange for consideration.
12. "Leasehold" means the holding of property under lease.
13. "Leasehold Improvements" means capital improvements to property under lease.
14. "License" means a privilege to use real or personal property by license or other similar agreement.
15. "Master Development Lease" means a controlling lease in which the Agency provides unimproved or improved real property under which the Lessee sub-leases the Leasehold, or a portion of the Leasehold, for a period not to exceed the existing term.
16. "Person" means an individual, a partnership, a corporation, an association, an unincorporated organization, or a government or political subdivision thereof.
17. "Personal Property" means property except land, buildings and structures.

18. "Real Property" means land, buildings and structures.
19. "Portable Hangar" means a Hangar for aircraft storage and maintenance that is not affixed to land and is personal property.
20. "Portable Hangar Agreement" means an agreement for rental of a Portable Hangar space at the Airport.
21. "Reversion" means the process by which title to private Leasehold Improvements are transferred from the private party to the Agency.
22. "Reversion Date" means the date when reversion takes place.
23. "Sponsor" means the person or entity recognized by the FAA that owns the airport. In the case of the Airport, the Agency is the Sponsor.
24. "T-Hangar" means a Hangar in a shape which resembles the letter "T".
25. "T-Hangar Agreement" means an agreement for rental of a T-Hangar space at the Airport.
26. "Tie-Down" means a dedicated space for an aircraft to park out-side on an apron/ramp.
27. "Tie-down Agreement" means an agreement for rental of an aircraft Tie-Down space at the Airport.
28. "Vesting" means the process by which title to private capital improvements is held by the private party which constructed or improved the capital improvements.

### **Section 130.030      Airport Rates, Fees and Charges**

A. Policy. It is the policy of the Agency, as Sponsor of the Airport, that the operations of the Airport be as self-sufficient as possible and that the rates, fees and charges be set to accomplish this goal to the extent feasible. In evaluating the rates, fees and charges, the Board shall consider the impact upon the attraction of new activities, the retention of existing activities, and the Airport's financial goals. The Board shall consider the impact of proposed changes on the regional environmental, economic, development, energy, conservation, and planning goals. The structure of the rates, fees and charges shall not have a disparate impact on racial and ethnic minorities, and shall not in any manner intentionally discriminate against any particular group of persons. The rates, fees and charges shall meet all applicable regulatory and legal requirements.

B. Authorization. The Board of Commissioners shall annually establish and revise rates, fees and charges for operations and activities at the Airport.

### **Section 130.040      Airport Leasing Standards**

A. Policy. The Agency shall ensure that the proposed lease of Airport real property satisfies the requirements of the Airport Compliance Manual, Order 5190.6B (effective date September 30, 2009), and Chapter 12, Review of Aeronautical Lease Agreements, issued by the Federal Aviation Administration ("FAA"); federal, state and local law; and Agency policies and regulations.

B. The Board of Commissioners shall establish and revise Leasing Standards for the Airport.

### **Section 130.050      Airport Real Property Leasing**

A. Policy.

1. Rate of Return. The Agency shall obtain a fair market rate of return on any Agency-owned Real Property that is subject to an Airport Lease, and shall negotiate terms and conditions that will continue to sustain a fair rate of return by means of rent review, Consumer Price Index adjustments, appraisals, or the application of percentage rents to grow income. The rate of return shall be based upon the highest rate commensurate with the designated public use. Rental rates shall be established based upon a current appraisal, comparative studies, or past rents received.

2. Selection of Lessee. Lease proposals shall be evaluated in terms of the Leasing Standards approved by the Board of Commissioners, the consideration offered in the form of rent, or in the form of value provided through goods or services; Lessee's financial capability; Lessee's expertise regarding the development and operation of the proposed Leasehold; the nature of the proposed development; and any special public benefits to be derived. Under no circumstances shall a Lessee's proposed Leasehold involve the conduct of activities or operations adverse to the interests or operation of the Airport or the Agency.

3. Infrastructure Lease. An Infrastructure Lease, including a Master Development Lease, must satisfy the following conditions:

(a) an obligation of the Lessee to construct or improve at its own expense Leasehold Improvements which are specifically described;

(b) an agreement that title to the Leasehold Improvements would vest in the Lessee for the term of the Lease which would not exceed the period required to amortize the investment of the Lessee in the Leasehold Improvements and secure a fair and reasonable rate of return;

(c) an obligation of Lessee to secure prior written consent of the Agency before undertaking any Leasehold Improvements, including alterations, additions, and improvements to any structure or the Leasehold;

(d) an agreement that at the end of the term of the Lease, title to any such Leasehold Improvement shall revert to the Agency;

(e) an obligation of the Lessee to operate the Leasehold for the use and benefit of the public;

(f) an agreement that any such Leasehold Improvement will be used only for aeronautical activities as defined by the FAA;

(g) a requirement for two independent appraisals of the Leasehold Improvement near the end of the Lease term for determination of a fair market value rental for any extension of the Lease term; and

(h) an option of the Lessee to (a) extend the Lease term upon the payment of a newly determined land and improvements rent or (b) an extension of the date upon which title reverts to the Agency in consideration of additional Leasehold Improvements at the expense of the Lessee.

B. Authorization.

1. The Board of Commissioners shall approve (a) the grant or extension of Infrastructure Leases; and (b) the grant or extension of Leases in which (i) the Agency is the lessor or landlord and the consideration for the Lease is estimated to exceed \$250,000 in any year during the term of the Lease; or (ii) the Agency is the lessee or tenant and the consideration for the Lease is estimated to exceed \$250,000 in any year during the term of the lease.

2. The President & CEO is authorized to approve Leases in which (a) the Agency is the lessor or landlord and the consideration for the Lease is estimated to be up to \$250,000 in any year during the term of the lease; or (b) the Agency is the lessee or tenant and the consideration for the lease is estimated to be up to \$250,000 in any year during the term of the lease.

3. The Vice President of Economic Development is authorized to approve the grant or extension of Leases in which (a) the Agency is the lessor or landlord and the consideration for the lease is estimated to be a maximum of \$100,000 or less in any year during the term of the Lease; or (b) the Agency is the lessee or tenant and the consideration for the lease is estimated to be a maximum of \$100,000 or less in any year during the term of the lease.

4. (a) The Board of Commissioners shall approve all Airport Utility Easements and Airport Temporary Construction Easements and any Airport Easement or License where the consideration for such Easement or License is estimated to exceed \$250,000.

- (b) The President & CEO is authorized to approve all Airport Utility Easements and Airport Temporary Construction Easements and any Airport Easement or a License where the consideration for such easement or license is estimated at up to \$250,000.
- (c) The Vice President of Economic Development is authorized to approve all Airport Utility Easements and Airport Temporary Construction Easements and any Airport Easement or a License where the consideration for such easement or license is estimated to be \$100,000 or less.

5. The Airport Director is authorized to approve all T-Hangar and Tie Down Agreements.

### **Section 130.060 Regulation of Conduct at the Airport**

A. Policy. It is the policy of the Board of Commissioners that consistent with federal, state and local law, the conduct of persons at the Airport shall be regulated to ensure the safety of persons and the protection of Agency property. Consistent with the laws of the State of Illinois, the Agency may employ security personnel to enforce state laws, local ordinances, and Agency regulations pertaining to the regulation of conduct upon the Airport.

B. Adoption of Rules and Regulations. The Airport Director is authorized to establish, revise and enforce rules and regulations for the use and operation of the Airport with the approval of the President and CEO.

C. Annual Inspection. The Airport Director, or his or her designee, shall make an annual inspection of all Leasehold Improvements, including hangars, buildings and structures and submit a report to the President and CEO.

***THE BI-STATE DEVELOPMENT AGENCY OF THE  
MISSOURI-ILLINOIS METROPOLITAN DISTRICT***

**LEASING STANDARDS FOR ST. LOUIS DOWNTOWN AIRPORT**

1. All leases will contain the following clauses:
  - a. Lessee agrees to operate the premises leased for the use and benefit of the public.
    - (i) To furnish good, prompt and efficient services adequate to meet all the demands for its service at the Airport.
    - (ii) To furnish said service on a fair, equal and non-discriminatory basis to all users thereof.
    - (iii) To charge fair, reasonable, and non-discriminatory prices for each unit of sale or service, provided that the Lessee may be allowed to make reasonable and non-discriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.
    - (iv) The Lessee, his or her agents, and employees will not discriminate against any person or class of persons by reason of race, color, creed or national origin in providing any services or in the use of any of its facilities provided for the public, in any manner prohibited by Part 21 of the Regulations of the Office of the Secretary of Transportation which implements Title VI of the Civil Rights Act of 1964. The Lessee further agrees to comply with such enforcement procedures as the United States might demand that the Lessor take in order to comply with the Sponsor's Grant Assurances.
    - (v) It is clearly understood by the Lessee that no right or privilege has been granted which would operate to prevent any person, firm, or corporation operating aircraft on the Airport from performing any services on its own aircraft with its own regular employees (including, but not limited to, maintenance, repair, and fueling) that it may choose to perform.
    - (vi) The Lessee, his agents and employees will not conduct operations or activities adverse to the interests or operation of the Airport or the Agency.
    - (vii) It is to be specifically understood and agreed that nothing herein contained shall be construed as granting or authorizing the granting of an exclusive right within the meaning of Title 49 USC Subtitle VII, as amended.
    - (viii) Lessor reserves the right to further develop or improve the landing area and all other publicly owned properties and facilities of the Airport as it sees fit, regardless of the desires or views of the Lessee, and without interference or hindrance.

(ix) Lessor reserves the right, but shall not be obligated to Lessee, to maintain and keep in repair the landing area of the Airport and all publicly owned facilities of the Airport, together with the right to direct and control all activities of Lessee in this regard.

(x) During the time of war or national emergency Lessor shall have the right to lease the landing area or any part thereof to the United States Government for military, naval, or disaster use and, if such lease is executed, the provisions of this instrument insofar as they are inconsistent with the provisions of the lease to the Government, shall be suspended.

(xi) Lessor reserves the right to take any action it considers necessary to protect the aerial approaches of the Airport against obstruction, together with the right to prevent Lessee from erecting, or permitting to be erected, any building or other structure on or adjacent to the Airport which, in the opinion of the Lessor, would limit the usefulness of the Airport or constitute a hazard to aircraft or Airport operations.

(xii) Any executed lease shall be subordinate to the provisions of any existing or future agreement between Lessor and the United States, relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal funds for the development of the Airport.

2. All Lessees shall furnish satisfactory evidence of insurance coverage and conditions using the Airport provided "*Insurance Requirements Form*".

Adopted by the Board of Commissioners  
February 23, 2018