

## Leitner, Cindi (FAA)

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**From:** Pur, Richard (FAA)  
**Sent:** Thursday, March 08, 2018 7:52 AM  
**To:** Leitner, Cindi (FAA)  
**Subject:** FW: BMI/Soccer Fields

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**From:** Pur, Richard (FAA)  
**Sent:** Wednesday, March 29, 2017 11:46 AM  
**To:** Carl Olson <Carl@cira.com>  
**Cc:** Pur, Richard (FAA) <Richard.Pur@faa.gov>  
**Subject:** RE: BMI/Soccer Fields

Carl,

While the soccer fields have been in place for years now, the Bloomington-Normal Airport Authority (BNAA) still has grant assurances and obligations to maintain and comply with.

Here are my thoughts. The FAA does have sensitivity to non-aeronautical uses on obligated airport property (when an immediate aeronautical use is not present) to support the airport sponsor's other obligation to maintain financial self-sufficiency.

Our past discussions regarding this soccer facility centered around it being relocated off airport property in the not so distant future. And in our discussions, you most likely remember me using the term Interim Use. And Interim Use approval is typically a term up to 3 years, but sometimes up to 5 years, where a non-aeronautical use is allowed to be located on obligated airport property, provided there is no immediate aeronautical use. My verbal approval of a 5 year term at that time definitely took into consideration the desire and goal for the PCSL to relocate.

Once an aeronautical use demand arises for that property, the airport sponsor should be in a position to exercise a termination clause. If there are ANY options involved in such an agreement, it needs to be for the BNAA to terminate the lease contract. Absent such a clause, the BNAA could be putting itself in a position of non-compliance with its grant assurances should an aviation demand for the property not be allowed to utilize the property in a timely manner.

Should the Interim Use be allowed/approved to remain at BMI, BNAA also has a responsibility to obtain Fair Market Value (FMV) for said use. Up until now, we hadn't in detail discussed FMV. You mentioned that the BNAA has been using its agricultural lease rates for the soccer facility. In my opinion, that may not be the best case scenario for your FMV. FMV for a non-aeronautical use, is typically what that use would have to pay for a similar facility out in the real world. As an example, if a you have a vacant hangar at the airport that someone wants to use for general non-aeronautical storage, your minimum lease rate should be comparable to a storage facility off-airport (one of those self-storage places). And I say minimum. If that is less than the aeronautical hangar lease rate, the BNAA is well within its rights to charge the hangar lease rate. There is nothing prohibiting the BNAA from charging more than FMV. The proponent of the non-aeronautical use cannot claim economic discrimination against the BNAA, nor do they have a right or entitlement to be on the airport. BMI is an airport first.

So what can be considered FMV for the soccer facility? If there is no apples to apples comparison somewhere, ideally, you should use what it would cost to build a facility, amortized over a 20-30 year period, and that monthly or annual payment is your lease rate. If there is a striking difference in that versus what the PCSL is currently paying you, the BNAA needs to make an adjustment or that could be a strike against the BNAA in terms of its grant assurances. If that

FMV is less than the agricultural rate, then stick with the agricultural rate, as that is what all the other vacant airport property is being used for. And if there is no termination clause in the lease, the BNAA should seriously consider incorporating one in the future should a renewal be considered (and of course, reviewed by our office).

Every non-aeronautical proposal is reviewed on a case-by-case basis. And as mentioned above, an entity should have no right or obligation to be on-airport.

I have seen some local newspaper articles on this issue. Based on recent proposals/reviews/approvals in the Great Lakes Region, it is highly unlikely that we would approve a permanent or any temporary use beyond a 3 to 5-year timeframe for the PCSL. And as mentioned above, a termination clause for the BNAA will protect the BNAA to continue its ultimate goal and obligation of remaining a public use airport.

I hope this email addresses your immediate questions and concerns.

If you need any additional information or input, please contact me.

Thanks,

Rich Pur  
Chicago Airports District Office  
(847) 294-7527

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**From:** Carl Olson [<mailto:Carl@cira.com>]  
**Sent:** Tuesday, March 28, 2017 10:25 AM  
**To:** Pur, Richard (FAA)  
**Subject:** BMI/Soccer Fields

Good morning Rich,

As you know, the Prairie Cities Soccer League (PCSL) leases approximately 60 acres of land on the southeast corner of Airport Authority property, near the threshold for Runway 2. The land was acquired by the Authority for the construction of Runway 2/20 and has been reserved for future aeronautical use. In the interim (since 1992), PCSL has been using the property for youth soccer games and tournaments. As you may recall, in 2012 the Airport Authority negotiated an amendment to the PCSL lease that eliminated a 10-year option and, instead, replaced it with a 5-year extension that expires December 31, 2017.

As we move closer to this lease expiration date, conversation has started within the community about seeking another extension. As the Authority's Board of Commissioners begins to debate this request, it would be helpful if we could have the FAA's position regarding the possible continuing use of airport land as being requested.

Thank you for your consideration.

..... Carl