RESOLUTION TO CLARIFY A PREVIOUS BOARD ACTION REGARDING THE VIRGINIA TECH/MONTGOMERY REGIONAL AIRPORT AUTHORITY

Virginia Polytechnic Institute and State University ("Virginia Tech"), the Virginia Tech/Montgomery Regional Airport Authority ("Airport Authority"), and the U.S. Department of Transportation Federal Aviation Administration ("FAA") have entered into agreements relative to the expansion of, and improvements to, the Virginia Tech/Montgomery Executive Airport. There is a discrepancy between what the Virginia Tech Board of Visitors authorized and approved and the FAA documents. Virginia Tech wants to make the Board of Visitors aware of the discrepancy and secure approval to proceed in the continued support of the Virginia Tech/Montgomery Executive Airport improvements and expansion.
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WHEREAS, the Virginia Polytechnic Institute and State University (“Virginia Tech”) Board of Visitors approved a resolution on November 18, 2013 authorizing the transfer of approximately 26.361 acres in fee simple, 17.920 acres in a permanent easement for the Runway Protection Zone (RPZ), and 3.549 acres for a storm water easement (collectively known as the “Property”), to the Virginia Tech/Montgomery Regional Airport Authority (the “Airport Authority”) in order to allow the expansion of the airport facility (the “Resolution”); and

WHEREAS, the purchase and sale of the Property was in consideration for the receipt by Virginia Tech of a Grant Anticipation Note in the amount of $9,400,000 from the Airport Authority (the “GAN”); and

WHEREAS, the GAN is paid over time from a series of grants from the U.S. Department of Transportation and Federal Aviation Administration (“FAA”) and the Virginia Department of Aviation to the Airport Authority; and

WHEREAS, a portion of such funds from grants from the FAA have been approved for disbursement from the FAA to the Airport Authority, and in turn, payment to Virginia Tech during this calendar year; and

WHEREAS, the draft Agreement for Purchase and Sale of Real Estate for the Property to be conveyed for the project was attached to the said November 18, 2013 Resolution authorized by the Board of Visitors, and the intent was for the Resolution to mirror the language in the Agreement for Purchase and Sale of Real Estate; and

WHEREAS, a review of the Resolution and the Agreement for Purchase and Sale of Real Estate revealed a discrepancy between the two documents; and

WHEREAS, the Virginia Tech Board of Visitors approved a resolution on November 10, 2014 entitled Resolution to Clarify Virginia Tech/Montgomery Regional Airport Authority Board of Visitors November 18, 2013 Resolution, in part, to clarify and affirm the Board of Visitors was in agreement with Article VI Reversion Clause as stated in the Agreement For Purchase and Sale of Real Estate dated November 2013; and

WHEREAS, on or about November 1, 2019, the Airport Authority received the grant assurance documents from the FAA. As a condition of the Airport Authority receiving funds, the grant assurance documents must be recorded. Upon review, Virginia Tech discovered a discrepancy in the grant assurance documents and the Agreement for Purchase and Sale of Real Estate; and

WHEREAS, the grant assurance documents provided by the FAA to the Airport Authority contain language that states:
For land purchased under a grant for airport development purpose (other than noise compatibility), it will, when the land is no longer needed for airport purposes, dispose of such land at fair market value or make available to the Secretary an amount equal to the United States’ proportionate share of the fair market value of the land.

WHEREAS, the above language in the grant assurance documents conflicts with the language in the Agreement for Purchase and Sale of Real Estate that stated:

If the GAN has not been fully paid by the Purchaser by July 1, 2044, then the Property shall revert back to the Seller for a purchase price equal to the total amount of payments made to the Seller pursuant to the GAN from grant monies.

WHEREAS, once the grant assurance documents are recorded, as required for the Airport Authority to receive the funds, the language in the grant assurance documents will supersede the language in the Agreement for Purchase and Sale of Real Estate; and

NOW, THEREFORE BE IT RESOLVED, that the Board of Visitors affirms proceeding with recording the grant assurance documents as described herein and affirms the new terms and conditions, as repeated here:

For land purchased under a grant for airport development purpose (other than noise compatibility), the Airport Authority will, when the land is no longer needed for airport purposes, dispose of such land at fair market value or make available to the Secretary an amount equal to the United States’ proportionate share of the fair market value of the land.

RECOMMENDATION:

That the above resolution affirming that the grant assurance documents will supersede the language in the Agreement for Purchase and Sale of Real Estate be approved.

May 14, 2020