



U.S. Department  
of Transportation  
**Federal Aviation  
Administration**

New England Region

1200 District Avenue  
Burlington, MA 01803

February 23, 2024

Iftikhar Ahmad  
Chief Executive Officer  
Rhode Island Airport Corporation  
2000 Post Rd  
Warwick, RI. 02886

Via Email

Dear Mr. Ahmad:

On September 18-19, 2023, the Federal Aviation Administration (FAA) conducted a land use inspection at Newport State Airport (UUU) in Middletown, RI. We would like to thank you and your employees for the time you committed to our visit. The inspection is attached.

The purpose of the inspection was to determine whether the airport sponsor, the Rhode Island Airport Corporation (RIAC) is in compliance with the terms of its Federal obligations dealing with airport property use, lease agreements and property releases. The inspection included a review of airport property use in accordance with the current Exhibit-A and approved Airport Layout Plan (ALP).

We are providing you with a Land Use Inspection Report documenting our observations during the inspection. The compliance action items noted require the airport sponsor to submit a corrective action plan to this office 30 days from the date of this letter and an enforcement mechanism to this office 60 days from the date of this letter. Please provide a completion date for each corrective action.

Should you have any questions please contact Luke Garrison, Manager, Safety and Standards or myself.

Sincerely,

Amy E. Quam, C.M.  
Airport Compliance Specialist

CC: Luke Garrison - FAA  
John Carli – FAA  
John Kirkendall – FAA  
Nikolas Persson - RIAC

**LAND USE INSPECTION REPORT**  
**Newport State Airport (UUU) Middletown, Rhode Island – September 18-19, 2023**  
**Federal Aviation Administration, New England Region, Airports Division**

**Inspection Site Location:**

Newport State Airport (UUU) Middletown, Rhode Island

**Date of Inspection:**

September 18-19, 2023

**Purpose:**

This inspection is part of the FAA’s compliance oversight of federally obligated Commercial Service and General Aviation Airports to assess if airport land uses comply with Federal requirements. The inspection was conducted as per Senate Report No. 106-55, dated May 1999, and per Compliance Guidance Letter 2002-01, dated May 15, 2002, *Regional Land Use Inspections*.

**Individuals Conducting Inspection:**

- Jorge Panteli, Regional Compliance and Land Use Specialist, New England Regional Office, ANE-600
- Samantha Smithies, Civil Engineer, New England Regional Office, ANE-620

**Airport Owner/Operator:**

- Owner/Operator – Rhode Island Airport Corporation
- Airport Manager – Iftikhar Ahmad

**Airport Master Record:**

<p>Based Aircraft: 10</p> <p style="padding-left: 40px;">Single Engine – 10</p> <p style="padding-left: 40px;">Multi Engine – 0</p> <p style="padding-left: 40px;">Jet – 0</p> <p style="padding-left: 40px;">Helicopter – 0</p>	<p>Operations:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 40px;">Air Carrier</td> <td style="text-align: right;">0</td> </tr> <tr> <td style="padding-left: 40px;">Air Taxi</td> <td style="text-align: right;">804</td> </tr> <tr> <td style="padding-left: 40px;">GA Local</td> <td style="text-align: right;">21,367</td> </tr> <tr> <td style="padding-left: 40px;">GA Itinerant</td> <td style="text-align: right;">899</td> </tr> <tr> <td style="padding-left: 40px;">Military</td> <td style="text-align: right;">111</td> </tr> <tr> <td style="padding-left: 40px;">Total</td> <td style="text-align: right;">23,181</td> </tr> </table>	Air Carrier	0	Air Taxi	804	GA Local	21,367	GA Itinerant	899	Military	111	Total	23,181
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As of 07/31/2023

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### Airport Federal Obligations:

- National Plan of Integrated Airports System (NPIAS)
- Grant Agreements under Airport Improvement Program (AIP), Federal-Aid Airport Program (FAAP), and Airport Development Aid Program (ADAP)
- Assurance pursuant to Title VI, Civil Rights Act of 1964



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**Background and History:**

UUU is an active General Aviation airport. The airport, owned and operated by the Rhode Island Airport Corporation, (RIAC) and is located in the Town of Middletown, RI. RIAC is a subsidiary of the Rhode Island Commerce Corporation, a public corporation, and is a governmental agency and public instrumentality of the State of Rhode Island. Specifically, through a Lease and Operating Agreement with the State of Rhode Island dated June 25, 1993, as amended, RIAC maintains and operates UUU. RIAC is identified by the Federal Aviation Administration (FAA) as the designated Sponsor of the airport and accepts federal grants and the associated grant assurances. The airport is identified in the National Plan of Integrated Airports System (NPIAS) with a service level of Primary and a role as Basic.

The airport has two runways. Runway 04/22 is 2,999' by 75' and is the primary runway. The runway has a non-precision instrument approach to Runway 22 and a visual approach to Runway 04. Runway 16/34, which is 2,623' by 75', is the crosswind runway. This runway has visual approaches to either runway end.

**Airport Sponsor's Compliance History with Federal Obligations:**

Historical records show issues related to obstructions at UUU. Those are discussed further in the airside inspection section (Item B).

**Inspection Findings:**

**A. Airport Land Use Analysis & ALP Review**

The current Airport Layout Plan (ALP) was updated in 2017 with a pen and ink change. The ALP on file is dated 2007.

The Exhibit A is in good order, with the most recent copy revised in 2019 for an easement acquisition. The Exhibit A conforms to all of the current requirements of the Exhibit A 3.0 Standard Operating Procedure guidelines.

The ALP and the Exhibit A meet the following Grant Assurances:

*4. Good Title*

*a. It, a public agency or the Federal government, holds good title, satisfactory to the Secretary, to the landing area of the airport or site thereof, or will give assurance satisfactory to the Secretary that good title will be acquired.*

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*b. For noise compatibility program projects to be carried out on the property of the sponsor, it holds good title satisfactory to the Secretary to that portion of the property upon which Federal funds will be expended or will give assurance to the Secretary that good title will be obtained.*

### *29. Airport Layout Plan*

*a. It will keep up to date at all times an airport layout plan of the airport showing*

*1) boundaries of the airport and all proposed additions thereto, together with the boundaries of all offsite areas owned or controlled by the sponsor for airport purposes and proposed additions thereto;*

*2) the location and nature of all existing and proposed airport facilities and structures (such as runways, taxiways, aprons, terminal buildings, hangars and roads), including all proposed extensions and reductions of existing airport facilities;*

*3) the location of all existing and proposed nonaviation areas and of all existing improvements thereon; and*

*4) all proposed and existing access points used to taxi aircraft across the airport's property boundary. Such airport layout plans and each amendment, revision, or modification thereof, shall be subject to the approval of the Secretary which approval shall be evidenced by the signature of a duly authorized representative of the Secretary on the face of the airport layout plan. The sponsor will not make or permit any changes or alterations in the airport or any of its facilities which are not in conformity with the airport layout plan as approved by the Secretary and which might, in the opinion of the Secretary, adversely affect the safety, utility or efficiency of the airport.*

*b. If a change or alteration in the airport or the facilities is made which the Secretary determines adversely affects the safety, utility, or efficiency of any federally owned, leased, or funded property on or off the airport and which is not in conformity with the airport layout plan as approved by the Secretary, the owner or operator will, if requested, by the Secretary (1) eliminate such adverse effect in a manner approved by the Secretary; or (2) bear all costs of relocating such property (or replacement thereof) to a site acceptable to the Secretary and all costs of restoring such property (or replacement thereof) to the level of safety, utility, efficiency, and cost of operation existing before the unapproved change in the airport or its facilities except in the case of a relocation or replacement of an existing airport facility due to a change in the Secretary's design standards beyond the control of the airport sponsor.*

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Action:

No action at this time.

**B. Airside and Landside Inspection Findings**

There were multiple discrepancies found as part of the airside and landside inspection. A summary is provided below:

**1. Site Inspection**

Pavements

The pavement on RWY 04 is in poor condition with significant pavement damage and cracking at each paving lane joint. There is large cracking at the paving lane joints on RWY 22, while the markings are extremely faded. The runway designation marking numbers are significantly faded and difficult to read.

There is a large dip in grade on RWY 16, with some cracking at joints. The runway markings on RWYs 16 and 34 meet old FAA standards and need to be updated to current FAA standards when repainted. There is also some cracking in the pavement on RWY 34.

The apron pavement is in fair condition overall but requires routine maintenance with crack repairs. The tiedowns are heaving up and out of pavement and need repair. There is also some significant cracking outside FlightLevel, but that is maintained with crackseal.

A review of the Airside Pavement Management Plan (APMP) compiled in 2019 shows that the 53% of UUU runway pavement is in Satisfactory condition while 20% is in fair condition, and the remaining 27% is in poor condition.

The taxiways are listed as 34% in good or satisfactory condition, while the remaining 66% is in fair condition. The APMP describes the apron pavement as 20% in good or satisfactory condition, 31% in fair condition with the remaining 49% in very poor condition.

RIAC's CIP shows a reconstruction of Runway 04-22 planned for UUU in 2026 and an apron expansion in 2027.

All of the GA airports inspected, UUU's pavements weren't as bad as WST's but were worse than SFZ's.

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Action:

The airport should review the pavement items noted above and correct those findings. Some of those findings can be done in the short term while others can be incorporated into current pavement maintenance plans or future pavement rehabilitation or reconstruction. RIAC is requested to provide a plan to address the pavement findings above.

A program needs to be developed to ensure airfield markings are maintained on an annual basis. RIAC has the marking painting machines to refresh all airfield markings. This program is to be submitted to ANE compliance on an annual basis.

RIAC should continue to plan the Runway reconstruction for RWY 04/22 as noted on their CIP.

The condition of airside facilities is directly related to Grant Assurance 19 Operation and Maintenance.

*a. The airport and all facilities which are necessary to serve the aeronautical users of the airport, other than facilities owned or controlled by the United States, shall be operated at all times in a safe and serviceable condition and in accordance with the minimum standards as may be required or prescribed by applicable Federal, state, and local agencies for maintenance and operation. It will not cause or permit any activity or action thereon which would interfere with its use for airport purposes. It will suitably operate and maintain the airport and all facilities thereon or connected therewith, with due regard to climatic and flood conditions. Any proposal to temporarily close the airport for non-aeronautical purposes must first be approved by the Secretary. In furtherance of this assurance, the sponsor will have in effect arrangements for:*

- 1. Operating the airport's aeronautical facilities whenever required;*
- 2. Promptly marking and lighting hazards resulting from airport conditions, including temporary conditions; and*
- 3. Promptly notifying pilots of any condition affecting aeronautical use of the airport. Nothing contained herein shall be construed to require that the airport be operated for aeronautical use during temporary periods when snow, flood, or other climatic conditions interfere with such operation and maintenance. Further, nothing herein shall be construed as requiring the maintenance, repair, restoration, or replacement of any structure or facility which is substantially damaged or destroyed due to an act of God or other condition or circumstance beyond the control of the sponsor.*

*b. It will suitably operate and maintain noise compatibility program items that it owns or controls upon which Federal funds have been expended.*

Approach Obstructions

Historical records show a 2020 Part 13 complaint that stated RIAC failed to clear obstructions in the vicinity of UUU and WST. As neither RIAC nor RIDOT have zoning authority under Rhode Island Law,

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their ability to acquire easements to clear obstructions is limited. Municipalities are required by Rhode Island law to adopt zoning which adequately protects Part 77 surfaces, however most of the municipalities with zoning authority over property in the vicinity of UUU and WST have failed to enact appropriate airport zoning overlay for more than 20 years.

In 2020, a Part 13 complaint was filed against RIAC regarding obstructions at UUU due to trees that the complainant alleged were not being properly cleared. The Part 13 investigation found that RIAC has continued to work towards gaining easements that allow for clear approaches at UUU and WST and was not in violation of any Grant Assurances.

In 2021, RIAC received a court ruling in their favor allowing them to take aviation easements on private property that surrounds WST airport. PAPI is currently out of service due to the obstructions.

Maintaining existing approaches and ensuring they are clear is outlined in Grant Assurance 20. Hazard Removal and Mitigation.

*It will take appropriate action to assure that such terminal airspace as is required to protect instrument and visual operations to the airport (including established minimum flight altitudes) will be adequately cleared and protected by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards.*

Action:

RIAC is in the process of identifying and addressing easements to be acquired as well as removing those obstructions. RIAC is requested to provide an update for UUU noting the schedule to acquire easements as well as when obstructions will be removed.

RIAC will provide and update a memorandum outlining the actions to identify and acquire easements necessary to maintain the approaches to all airports under RIAC control and a schedule to remove the temporary displacements. This analysis will be updated and submitted to ANE Compliance biannually until the easements have been acquired and displacements removed.

Hangar Inspection

Hangars at UUU are managed by RIAC and Flightlevel. As with SFZ and WST, Flightlevel did not have keys to the hangars they manage. As a result, the hangars were not inspected at the site visit. A second visit was done mid December in which FAA was able to inspect the Flightlevel managed hangars. No discrepancies were found.

RIAC manages a T-hangar facility. There were two violations of the hangar policy found:

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### Clare's hangar

- 1 motorcycle in hangar appears to be stored

### Largest hangar end of building

- 2 vehicles stored inside hangar, kept in a “showcase car capsule”

### Action

RIAC will develop a hangar inspection program that includes RIAC and non-RIAC hangars. Keys will be collected and be available at any time to properly inspect all hangars to ensure they are used according to the FAA hangar policy. RIAC will provide letters and a recheck for hangars found in non-compliance during the hangar inspections. RIAC will be required to submit an annual report to ANE compliance once the program has been reviewed and approved by ANE compliance.

## **2. Management Structure**

The airport is owned by the State of Rhode Island and operated by the Rhode Island Airport Corporation. RIAC is a subsidiary of the Rhode Island Commerce Corporation, a public corporation, is a governmental agency and public instrumentality of the State of Rhode Island. Specifically, through a certain Lease and Operating Agreement with the State of Rhode Island dated June 25, 1993, as amended, RIAC maintains and operates WST as well as the other four General Aviation (GA) airports in Rhode Island.

FlightLevel Rhode Island LLC serves as the Fixed Base Operator (FBO) and provides parking, hangar storage and fuel (only 100LL) to the public. With the current wording of the Fixed Based Operator agreement, dated 7.1.18, Exhibit B, it is unclear if FlightLevel is also providing airport management services to RIAC for UUU.

### Action:

RIAC needs to provide clarification on who is performing airport management services for SFZ and a new stand alone management agreement developed if FlightLevel Rhode Island will be providing those services. This needs to be submitted to ANE compliance for review.

## **3. Leases**

All of the leases were provided for review. The FAA does not approve leases, but when requested, will review leases for a variety of clauses. The clauses that are reviewed are outlined in FAA Order 5190.6B. Chapter 12, Section 12.3.

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As part of the land use inspection, leases are reviewed to determine if they meet the recommendations of FAA Order 5190.6B. The following leases were reviewed:

Lease	Premises	Term	CPI Adjustments	Reversion	Subordination	Assignment
1. SkyDive Newport	“Described on Exhibit B” – Exhibit B is blank	30 years	Yes	Yes	Yes	Upon RIAC approval
2. Newport Hangars, LLC	Shown on Exhibit 2	30 years  With 5 year extension option – amended for 9 year option	No	Yes	Yes	Upon RIAC approval
3. Hangars4 Planes Newport, LLC	UUU-1	30 years	Yes	Yes	Yes	Upon RIAC approval
4. Robert Potter League for Animals, Inc.	Oliphant Lane – Middletown, RI (Located in RPZ of 16?)	50 years – commencing on 01/01/2004	No	Yes	Yes	Upon written approval from RIAC
5. FlightLevel Rhode Island	OOQ(building and ground)  SFZ (building, cold storage and ground)  UUU (Building and ground)  WST (Building and ground)	Initial 5 year period  -option for additional 5 years (through 2028)	Yes	Yes	No	With prior written consent of RIAC

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Generally, the leases were in good shape. RIAC has a leasing policy that was approved October 08, 2020. The leasing policy requires lessees to adhere to the minimum standards, and specifically calls out the prohibition of violating Grant Assurances 22 and 23. The leasing policy also requires any lease assignment, or subletting be approved by RIAC, includes a reversion clause and includes the FAA required lease provisions.

The reviewed leases all had prohibitions against non-aeronautical use of aeronautical facilities, as well as stipulations that aircraft must be airworthy. Lease extensions generally are required in writing by both parties.

In reviewing the leases, there are a number of grant assurances that are considered in the review. They include Grant Assurance 5 - Rights and Powers, Grant Assurance 22 - Economic Nondiscrimination, Grant Assurance 23 - Exclusive Rights, Grant Assurance 24 - Fee and Rental Structure, and Grant Assurance 25 - Airport Revenues.

As presented in the above table, there are 5 leases. In the review, the FAA looks a several aspects of the leases as presented in FAA Order 5190.6B, Chapter 12, Section 12.3 and include the purpose of the lease, the term, the rates, reversion at lease end, subordination, fee adjustments and assignment.

For the most part, the leases include most elements noted in Section 12.3 as noted in the table.

The monthly hangar leases were all redone in 2022. There were some monthly hangar leases that did not have the Lessee information included in the lease, other than the signature block. One monthly lease did not include an Exhibit A which shows the monthly rent due. The lease with the Town of Westerly (Westerly Police) did not describe or show the parcel included in the lease.

There were two leases in particular that requires additional clarification to the FAA.

### Robert Potter League for Animals, Inc.

The lease provided dated March 8, 2004 was an agreement superseding the “prior lease” dated March 16, 1976. The new term was for 50 years, after the previous term of 28 years for a total of 78 years. As stated in Chapter 12 – Leases, Section 12.3, b., (3):

*(3). Term. Does the term exceed a period of years that is reasonably necessary to amortize a tenant’s investment? Does the lease provide for multiple options to the term with no increased compensation to the sponsor? Most tenant ground leases of 30 to 35 years are sufficient to retire a tenant’s initial financing and provide a reasonable return*

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*for the tenant's development of major facilities. Leases that exceed 50 years may be considered a disposal of the property in that the term of the lease will likely exceed the useful life of the structures erected on the property. FAA offices should not consent to proposed lease terms that exceed 50 years.*

The airport will have to determine what rights the airport has and does not have in this lease regarding the term.

Section 3.1 lists the annual rent at \$1.00. The use of the facility is clearly non-aeronautical which should be based on Fair Market Value. The facility is a non-profit facility for animals and was assumedly given a cheaper rate based on their not for profit status. However, the Airport Revenue policy defines those not for profit institutions that are able to receive reduced rental rates as:

- Aviation museums
- Aeronautical secondary and post secondary education programs conducted by accredited education institutions
- Civil Air Patrol units operating at the airport

Additionally, the reduced rental rates must be reasonable and still enable the airport to be self sustaining. Unfortunately, this lease meets neither of those allowances/requirements.

There are also no records that this land has been authorized to be used in a non-aeronautical manner as it has been since 1976.

### FlightLevel Rhode Island LLC

A Full Service Fixed Base Operator Agreement was entered into with FlightLevel Rhode Island LLC ("FlightLevel") on July 01, 2018.

#### Article 3 – Premises

Section 3.1 Discusses the Lease of Premises and states, "RIAC hereby leases to Company, for Company's exclusive use, with certain exceptions, for the purposes described in this Agreement, the following premises located at the Airports and more particularly identified in Exhibit A."

#### Article 5 – Permitted Uses

Section 5.1 discusses the Company's ability to provide full and complete FBO service. This section goes on to state: "In furtherance of the foregoing, RIAC and Company have entered into an assignment and assumption of contract rights..."

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### Exhibit B – Assignment and Assumption of Contract Rights

Section 3 states: “RIAC does hereby assign, transfer and convey to Company all of RIAC’s right and interest in, and does hereby delegate to Company each of its duties of performance under, each of the agreements (and subject to stipulations) identified at Exhibit A...(collectively the contracts), except that RIAC shall not transfer or convey to Company its rights to collect any fees due and owing to RIAC under said Contracts prior to July 01, 2018.”

Attached to the FlightLevel FBO agreement is the First amendment of the agreement, which stipulates that FlightLevel will provide “aviation related services” at Block Island (BID). Exhibit A to the amendment, Section 1.7 states that RIAC will pay FlightLevel a management fee monthly.

This lease is the only lease reviewed that did not have a subordination clause. Consideration of including a subordination clause into a lease template would strengthen the lease.

Lastly, in 2020, RIAC received Federal Funding to reconstruction a portion of their ramp area. According to the FlightLevel lease, the portion of the ramp that was reconstructed with Federal Funding was under lease with FlightLevel at the time and labeled as exclusive use. This is not allowable under Airport Improvement Program funding requirements.

#### Action:

RIAC needs to review these two leases and provide remedies to ensure these leases and activities are in compliance with Grant Assurance 5 - Rights and Powers, the Airport Revenue Policy, and other noted concerns. RIAC also needs to provide documentation that the land being used by the Animal League has received concurrence from the FAA and if not, to submit documentation requesting that concurrence.

RIAC needs to clarify the rights and responsibilities of FlightLevel under the FBO agreement. It is not clear what rights and obligations Flightlevel has in terms of managing RIAC’s General Aviation Airports. In addition, the management contract for BID needs to be broken out from the FBO agreement and become a stand alone document.

RIAC is encouraged to review their leases to ensure all required information is included. In addition, ensure lease violations are documented and any approvals/extensions required in writing by the lease are documented in writing.

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All leases should be reviewed and any references to 5190.6B updated to ensure the most recent copy of the document is being referenced.

RIAC needs to clarify if the portion of ramp reconstructed with Federal Funding in 2020 was under the FlightLevel leasehold at that time. RIAC also needs to develop a plan to ensure they notify the FAA if any future Federally Funded Project will be taking place on a leased area and if so, RIAC will need to properly amend the lease to eliminate the leasehold from the area receiving the funds.

#### 4. Minimum Standards

The airport has both Minimum Standards as well as Rules and Regulations. Both documents were reviewed.

##### Minimum Standards

Although minimum standards are optional, the FAA highly recommends their use and implementation as a means to minimize the potential for violations of Federal obligations at federally obligated airports. The Minimum Standards for Commercial Operations outlines the requirements for aeronautical services provided on the airport. It outlines the facilities required to offer the services, licenses, staffing, and insurance requirements among others.

FlightLevel Rhode Island does not provide Jet A at WST as required by the minimum standards. In addition, the minimum standards required 100% of General Aviation landing fees to be paid to RIAC, while the FlightLevel lease only requires 90% to be paid.

RIAC has a minimum standards document that became effective on July 01, 2021. A portion of the document states, "All existing Operators shall become subject to the then-current Minimum Standards upon the modification, amendment, extension, or renewal of an existing agreement."

Attached to the FlightLevel agreement dated July 01, 2018 is Exhibit C, "Minimum Required Standards of Service Full Service Fixed Based Operators". These minimum standards differ from the minimum standards document dated July 01, 2018. As the FlightLevel agreement has been amended since the July 01, 2021 date of the most recent minimum standards, it is assumed that FlightLevel is now required to adhere to the most recent minimum standards document, however the previous standards have not been removed from their lease.

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### Rules and Regulations

Advisory Circular 5190.6B Airport Compliance Handbook provides guidance on the development of Rules and Regulations in Chapter 11, Section 11.6. Reasonable Rules and Regulations. Rules and Regulations are developed to ensure safe operations, preservation of facilities, and the protection of the public interest.

The review of the Rules and Regulations did not find any issues.

### Action:

The clause referring to existing operators to be subject to then-current minimum standards is confusing. Under what circumstances would updated minimum standards be applied. Please provide clarification regarding the application of then-current and current minimum standards.

### Financial Review

The financial records were reviewed for the past five years. The records showed an access fee, however there were no through the fence operator agreements provided and none of the leases provided discussed an access fee. The rental income shown also exceeded what was found in the leases provided. The website for SFZ states, “there are 23 privately owned airport-based tenants located on property...” however only five leases were provided for review.

The airport meets the following Grant Assurance in regard to maintaining a separate account and detailed documentation of revenues and expenses specific to the airport:

#### 25. Airport Revenues

- a. *All revenues generated by the airport and any local taxes on aviation fuel established after December 30, 1987, will be expended by it for the capital or operating costs of the airport; the local airport system; or other local facilities which are owned or operated by the owner or operator of the airport, and which are directly and substantially related to the actual air transportation of passengers or property; or for noise mitigation purposes on or off the airport. The following exceptions apply to this paragraph:*
  - 1) *If covenants or assurances in debt obligations issued before September 3, 1982, by the owner or operator of the airport, or provisions enacted before September 3, 1982, in governing statutes controlling the owner or operator's financing, provide for the use of the revenues from any of the airport owner or operator's facilities, including the airport, to support not only the airport but also the airport owner or operator's general debt obligations or other facilities, then this limitation on the use of all revenues generated by the airport (and, in the case of a public airport, local taxes on aviation fuel) shall not apply.*
  - 2) *If the Secretary approves the sale of a privately owned airport to a public sponsor and provides funding for any portion of the public sponsor's acquisition*

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*of land, this limitation on the use of all revenues generated by the sale shall not apply to certain proceeds from the sale. This is conditioned on repayment to the Secretary by the private owner of an amount equal to the remaining unamortized portion (amortized over a 20-year period) of any airport improvement grant made to the private owner for any purpose other than land acquisition on or after October 1, 1996, plus an amount equal to the federal share of the current fair market value of any land acquired with an airport improvement grant made to that airport on or after October 1, 1996.*

- 3) *Certain revenue derived from or generated by mineral extraction, production, 3) lease, or other means at a general aviation airport (as defined at Section 47102 of title 49 United States Code), if the FAA determines the airport sponsor meets the requirements set forth in Sec. 813 of Public Law 112-95.*
- b. *As part of the annual audit required under the Single Audit Act of 1984, the sponsor will direct that the audit will review, and the resulting audit report will provide an opinion concerning, the use of airport revenue and taxes in paragraph (a), and indicating whether funds paid or transferred to the owner or operator are paid or transferred in a manner consistent with Title 49, United States Code and any other applicable provision of law, including any regulation promulgated by the Secretary or Administrator.*
- c. *Any civil penalties or other sanctions will be imposed for violation of this assurance in accordance with the provisions of Section 47107 of Title 49, United States Code.*

### Action

RIAC will clarify the discrepancy between the number of leases submitted for review, those shown on the website, as well as the financials.

### Conclusion:

The summary of the Land Use Inspection is that the Sponsor does not entirely meet grant obligations. The physical aspect of the aprons and pavement markings are not well maintained. While the majority of the leases are in good shape, there were obvious violations of tenant leases that do not seem to be enforced. RIAC has no enforcement mechanisms that ensures problems and safety issues are documented and addressed. There were several items noted in this land use inspection that require further follow-up with the FAA. As such, the Sponsor is requested to provide a Corrective Action Plan that details actions and schedules to address FAA's findings. The Sponsor is asked to provide the Corrective Action Plan within 30 days of the transmittal letter date. As part of the Correction Action Plan, the Sponsor must also develop an enforcement mechanism with which it will ensure any safety issues are documented and addressed. This document must be provided to the FAA within 60 days of the transmittal letter date.