



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

Airports Division
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October 30, 2014

Mr. David Austin, Chairman
Paulding County Board of Commissioners
240 Constitution Boulevard
Dallas, Georgia 30132

Mr. Blake Swafford, Airport Director
730 Airport Parkway
Dallas, Georgia 30157

Dear Messrs. Austin and Swafford:

We are in receipt of Mr. Austin's letter and the Paulding County Board of Commissioners' (County) Resolution No. 14-29 dated September 23, 2014. The Resolution requests that the Federal Aviation Administration (FAA) add the Paulding County Airport Authority (Authority) as a sponsor for Airport Improvement Program (AIP) grants for the Paulding Northwest Atlanta Airport (PUJ). We have reviewed this request and are prepared to conditionally accept the Airport Authority as a co-sponsor under the terms described below.

The FAA defines an airport sponsor as "a public agency that submits to the Secretary under this subchapter an application for financial assistance."¹ A public agency includes "a State or political subdivision of a State."² Airport Sponsors must be authorized to own and operate an airport, to obtain property interests, to obtain funds, and be able to meet all applicable requirements of current laws and regulations both legally and financially.³ Included in these requirements are Federal obligations pertaining to the operation and use of the airport, which airport sponsors accept as a condition precedent to receiving AIP grants. These contractual federal obligations, commonly referred to as the AIP Grant Assurances, serve to protect the public's interest in civil aviation and achieve compliance with federal statutes.

Legal counsel for the County and the Authority have provided the FAA with an opinion, dated October 10, 2014, in support of the Authority's ability to serve as an airport sponsor and to satisfy its obligations under the Grant Assurances. This opinion concludes that the rights and powers conferred on the Authority by the Georgia General Assembly through the 1972 Paulding County Airport Authority Act⁴ (Act) are sufficient to meet the Authority's obligations as an airport sponsor.

¹ 49 USCA 47102(26)(a).

² 49 USCA 47102(20)(a).

³ See FAA Order 5190.6B, *FAA Airport Compliance Manual*, Appendix Z.

⁴ 1972 Ga. Laws, p. 3645, *et seq.*

The Act created the Paulding County Airport Authority as a political subdivision of the State of Georgia existing in perpetuity.⁵ Under the Act, the Authority's purpose is

that of acquiring, constructing, equipping, maintaining, improving and operating airports and landing fields for the use of aircraft, including any related buildings and the usual and convenient facilities appertaining to such undertakings and extensions and improvements of such facilities, acquiring the necessary property, and to do any and all things deemed by the Authority to be necessary, convenient or desirable for, and incident to, the efficient and proper development and operation of such types of undertakings.⁶

The Authority has the power to acquire real property for such purposes,⁷ including through the exercise of the power of eminent domain;⁸ enter into contracts and leases;⁹ accept loans and grants from the United States and the State of Georgia;¹⁰ borrow money; and issue tax-exempt negotiable revenue bonds.¹¹

In addition to the Act, the County and the Authority have approved an Intergovernmental Agreement (IGA) designed to clarify the roles and responsibilities each party will undertake to exercise its authority as an airport sponsor. Under the terms of the Agreement, the Authority will be responsible for the day-to-day operation of the airport. The County will provide public safety and firefighting services and will be responsible for making certain payments to the Authority for the cost of airport operations and capital projects. The term of the IGA is ten years. We encourage the parties to again document their respective roles and responsibilities when the current IGA expires.

Federal law requires that sponsors of federal airport development projects "hold good title to the areas of the airport used or intended to be used for the landing, taking off, or surface maneuvering of aircraft, or that good title will be acquired," for the airport being developed.¹² Grant Assurance 4, *Good Title*, contractually binds airport sponsors to comply with this requirement. A sponsor's title to airport property must be free and clear of any reversionary interest, lien, easement, lease, or other encumbrance that would create undue risk that might deprive the sponsor of control or possession, interfere with its use for public airport purposes, and make it possible for the sponsor to carry out their grant obligations and covenants. Currently, the county holds good title to approximately 163 acres of airport property, and the Authority holds title to the remaining airport land, approximately 460 acres. The County and Authority, as co-sponsors, satisfy the requirements of Grant Assurance 4. The IGA contemplates that at some future time the County will transfer its 163 acres of airport property to the Authority. Any such transfer will be subject to FAA review and approval to ensure continued compliance with the Grant Assurances.

⁵ See the Act, at § 2.

⁶ See the Act, at § 27.

⁷ See the Act, at § 7(b-c).

⁸ See the Act, at § 32.

⁹ See the Act, at § 7(e).

¹⁰ See the Act, at § 7(g-h).

¹¹ See the Act, at § 7(i).

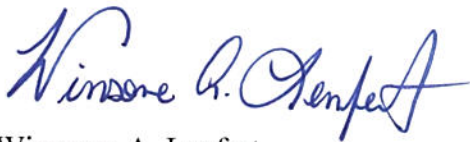
¹² 49 U.S.C. § 47106(b)(1).

This letter represents a decision by the FAA to recognize the Paulding County Airport Authority as a legal co-sponsor of the Paulding Northwest Atlanta Airport upon the co-sponsors' concurrence with the following conditions:

- (1) As a co-sponsor, the Authority must comply with the federal grant assurances (see enclosure) and associated FAA policies as well as all applicable laws and regulations.
- (2) The Authority will assume all existing grant obligations of the County. To memorialize this, the Authority will be required to execute the attached assumption agreement after which all such obligations will be joint obligations of the County and the Authority.
- (3) Going forward, both sponsors must co-sign all grant agreements for federal airport development and planning funding.
- (4) The co-sponsors will amend the IGA to include a provision making the IGA subordinate to the co-sponsors' federal obligations.
- (5) Any proposal to modify this co-sponsorship arrangement in the future will require the County and the Authority, as co-sponsors, to seek FAA approval.

Therefore, upon agreement with and adherence to the above-mentioned conditions, the FAA agrees to recognize the Paulding County Airport Authority as a legal co-sponsor of the Paulding Northwest Atlanta Airport. This co-sponsorship is effective on the date the acknowledgement below and the attached assumption agreement are fully executed and returned to the FAA and the IGA is duly amended to include the subordination provision described in paragraph 4, above.

Sincerely,



Winsome A. Lenfert
Manager, Airports Division Southern Region

My signature below indicates that I am duly authorized to execute this document on behalf of the Paulding County Board of Commissioners and that Paulding County accepts and agrees to abide by the conditions stated above in their entirety.

By: _____

Title: _____

Date: _____

My signature below indicates that I am duly authorized to execute this document on behalf of the Paulding County Airport Authority and that the Paulding County Airport Authority accepts and agrees to abide by the conditions stated above in their entirety.

By: _____

Title: _____

Date: _____

Enclosures

cc: Mr. Larry Clark, Atlanta Airports District Office
Ms. Carol Comer, GDOT