| STATE OF ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES |                                      | POLICY AND PROCEDURE NUMBER 01.03.030 | PAGE<br>1 of 2 |
|--|--------------------------------------|---------------------------------------|----------------|
| Policy and Procedure   |                                      | EFFECTIVE DATE May 26, 1998           |                |
| SUBJECT  |                                      | SUPERSEDES                            | DATED          |
| DOT&PF/FAA Joint Use of DOT&PF Rural<br>Airport Buildings          |                                      | New                                   |                |
| TITLE  | CHAPTER                              | APPROVED BY                           |                |
| Office of the Commissioner   | Interagency/Intra-<br>agency Actions | Signature on File                     |                |

## **PURPOSE**

To state the policy for granting non-temporary use of space in existing or proposed DOT&PF-occupied buildings on rural airports.

## **POLICY**

- I. When the Department receives a request from the Federal Aviation Administration (FAA) for a non-temporary use of space in an existing or proposed DOT&PF-occupied building on a rural airport, it is the Department's policy to approve the request <u>only</u> if there is a written finding that:
  - A. The FAA has established the space needed is directly related to airport operational needs;
  - B. The FAA has determined that the private sector cannot adequately provide for their need, including an analysis of how they reached that conclusion;
  - C. The DOT&PF Regional Director determines that the requested space is not needed by DOT&PF for the Department's own use or for leasing to a private sector tenant;
  - D. The DOT&PF Regional Director determines that allowing the FAA to occupy the space will not unreasonably compete with available private sector facilities or services;
  - E. The DOT&PF Regional Director and the Director of Statewide Aviation concur that approval of the FAA's request is in the best interest of the State;
  - F. The FAA agrees to reimburse the Department for any DOT&PF maintenance, repair, utility, and operational costs attributable to the space occupied by the FAA; and
  - G. In the case of a building to be constructed by DOT&PF, the FAA agrees to pay the costs of design and construction attributable to the construction of the space to be occupied by the FAA.

- II. The lease agreement covering the space to be occupied by the FAA must:
  - A. Include the specifics of cost allocation, billing, and payment for DOT&PF's maintenance, repair, operation, and utility costs attributable to the FAA occupied space;
  - B. Prohibit the FAA from subleasing to other parties, including other federal government agencies; and
  - C. Provide that DOT&PF may use the space for any purpose after the FAA vacates, including leasing the space to others.

The Regional Leasing office is responsible for preparing and administering the lease, with review by the Department of Law as needed.

- III. When DOT&PF performs the design or construction of building space paid for by the FAA, the specifics for cost allocation, billing, and payment, and design and construction coordination, decision making, and liability must be in a written agreement between DOT&PF and the FAA. The agreement must stipulate that:
  - A. DOT&PF will have the final decision in any disagreement between the FAA and the Department regarding the design or construction of the FAA space; and
  - B. Title to the space constructed for the FAA will vest in the State.

Regional Directors are responsible for preparing and administering the project design and construction agreement, with review by the Department of Law as needed.

IV. In the appropriate budget cycle, DOT&PF will request an increase in federal receipt authority to allow Maintenance and Operations to pay the building maintenance, repair, operation, and utility costs using the money paid by the FAA under the lease.

## **AUTHORITY**

17 AAC 40.340

## IMPLEMENTATION RESPONSIBILITY

Regional Directors Director, Statewide Aviation Regional Leasing Offices