

Justin Elicker Mayor **City of New Haven** Office of the Economic Development Administrator

165 Church Street

New Haven, Connecticut 06510



Michael Piscitelli Economic Development Administrator

July 6, 2021

The Honorable Tyisha Walker-Myers President, New Haven Board of Alders City of New Haven 165 Church Street New Haven, CT 06510

RE: ORDER OF THE BOARD OF ALDERS OF THE CITY OF NEW HAVEN APPROVING AN AMENDED AND RESTATED LEASE AND OPERATING AGREEMENT BY AND BETWEEN THE CITY OF NEW HAVEN AND TWEED NEW HAVEN AIRPORT AUTHORITY and ORDINANCE AMENDMENT REPEALING SECTION 4-70 OF THE CODE OF GENERAL ORDINANCES

[Suspension Agenda Requested]

Dear President Walker-Myers:

Thank you for your time and thoughtful consideration of the future of Tweed New Haven Airport (the "Airport") in light of our shared goals for economic growth in a manner that is responsible to the surrounding community and the environment. The above-referenced communication represents a significant step towards implementation of these goals in light of the recent progress on an update to the Airport Master Plan together with new air service development and a proposed public/private partnership with the Airport's management contractor.

By way of background, the City of New Haven (the "City") is the owner of the land upon which Tweed New Haven Airport (the "Airport") is situated and that land is leased to the Tweed New Haven Airport Authority (the "Authority"). In turn, AvPorts, an airline management services provider, has operated the Airport under a management contract with the Authority for over 20 years.

Recent progress includes an agreement in principle whereby AvPorts would operate and manage the Airport via a long-term sub-lease agreement. The arrangement with AvPorts also relates to implementation of the updated Airport Master Plan, which recommends an extension of the main runway 2-20 to 6,635 linear feet and the construction of a new passenger terminal facility on the east side of the Airport.

The launch of a new commercial air service, Avelo Airlines, also was announced. Avelo will make the Airport its first East Coast base, stationing three 737-700 aircraft at the Airport by year end and hiring over 100 crewmembers.

To implement these initiatives, we respectfully request the Board of Alders approve an Order to amend and restate the existing lease (the "Amended and Restated Lease") between the City and the Authority as well as to address a provision of the City's Code of Ordinances related to the weight of aircraft. Weight restrictions fall under the regulatory purview of the Federal Aviation Administration and it has been determined that the City's Ordinance is outdated and not enforceable.

If approved, these actions will enable the Authority to enter into the long-term sub-lease agreement with AvPorts. AvPorts, in turn, will operate and manage the Airport as well as implement the updated Master Plan through a combination of on-airport revenue, new private equity and federal grants.

AvPorts will be responsible for monitoring airport noise, implementing a traffic calming plan and managing the Morris Creek tide gates. As per the Amended and Restated Lease and terms of the sub-lease, AvPorts has agreed to supplemental funding in the event the FAA does not cover certain mitigation measures. This commitment includes \$1.5 million for traffic, \$1.5 million for noise attenuation and an additional \$250,000 to address the specific concerns about noise related to general aviation traffic (eg- run ups and ground power units).

A number of other environmental initiatives will be undertaken, including a new stormwater management plan, wetland and coastal habitat restoration, upgrades to the Morris Creek tide gates. On an ongoing basis, AvPorts will develop a sustainable airport development plan and there will be a new Environmental Stewardship Advisory Council to work with Airport officials to maintain a high standard of environmental protection.

A significant jobs/economic and equity impact is expected including maximizing the participation of local business entities and meeting established City goals for SBE, M/WBEs, both in initial construction work, as well as in the ongoing operations of the Airport; development of a permanent job pipeline in partnership with New Haven Works; and the implementation a robust Diversity Equity Inclusion (DEI) program for the Authority and all entities operating out of the Airport.

From the City's financial perspective, the Amended and Restated Lease commits the City to its FY22 operating subsidy of \$325,000 and a FY23 subsidy of \$162,500, which would need to be appropriated by the Board of Alders as part of its regular FY23 budget process. For FY24 and beyond, the Authority shall not be entitled to operating subsidies from the City. By way of background, the City has contributed over \$12.0 million in total operating support to the Authority over the years.

Given the significance of a long-term public/private partnership, the City appreciates the thoughtful work of the Authority in developing the updated Master Plan. Residents of the surrounding area have commented on the Airport's future over many years, and we look forward to an ongoing collaboration, ensuring the Airport is a responsible neighbor throughout the term of this proposed agreement.

Thank you for your timely consideration of this matter, please do not hesitate to contact me with further questions or concerns.

Sincerely,

Michael Piscitelli, AICP Economic Development Administrator

enclosures

Order and Ordinance Amendment Amended and Restated Lease Background Information

cc: Justin Elicker, Mayor Taijah Anderson, Deputy Chief of Staff John Picard, Chair, Tweed-New Haven Airport Authority Sean Scanlon, Executive Director, Tweed-New Haven Airport Authority File