

CITY OF CORRY

**Resolution
23-13**

Presented by: Mrs. Lindstrom

RESOLUTION APPROVING THE FILING OF THE PETITION PERTAINING TO THE CORRY LAWRENCE AIRPORT WITH THE ERIE COUNTY COURT OF COMMON PLEAS AND THE SUBMISSION OF SPONSOR APPLICATION TO THE FEDERAL AVIATION ADMINISTRATION AND AUTHORIZATION OF ANY OTHER ACTION NEEDED TO EFFECTUATE THE RELIEF REQUESTED IN THE PETITION AND SPONSOR APPLICATION.

WHEREAS, the Airport Authority of the City of Corry was created by the City of Corry in 1955 (“1955 Airport Authority”); and

WHEREAS, the 1955 Airport Authority owned and/or operated assets used to run the Corry Lawrence Airport (“Airport”); and

WHEREAS, by operation of law, and unbeknownst to the 1955 Airport Authority at the time, its legal existence terminated in 2005 by operation of the relevant statutes; and

WHEREAS, the 1955 Airport Authority of the City of Corry no longer exists as a legal entity, but it does continue to own and/or operate assets associated with the Airport, and it continues to be obligated to comply with relevant federal guidelines, grant assurances and regulations based on its receipt of federal grant money that is managed by the Federal Aviation Administration (“FAA”); and

WHEREAS, in 2022, the City of Corry utilized the process established by Pennsylvania law of creating a new municipal authority – also entitled “Airport Authority of the City of Corry” (“2022 Airport Authority”) – with the intent that this new 2022 Airport Authority continue to operate and maintain the Airport just as the now-terminated 1955 Airport Authority would be doing if it was still in existence; and

WHEREAS, the City of Corry has drafted a “Petition In Re: Airport Authority of the City of Corry” (“Petition”) which it intends to file with the Erie County Court of Common Pleas which addresses this issue in a way that (i) maintains the intended operations of the Airport; (ii) is consistent with the FAA’s requirements regarding the transfer of a federally obligated airport to a new eligible airport sponsor; and (iii) protects the original Airport Authority’s customers, creditors and other constituents; and

WHEREAS, the Petition requests that the Court enter an order that (i) confirms the dissolution of the now-terminated Airport Authority of the City of Corry; and (ii) and,

upon such approval, transfers all of the assets used and or owned by the now-terminated Airport Authority of the City of Corry to the newly created and approved 2022 Airport Authority (subject to FAA approval relative to assets tied to pre-existing federal grants); and

WHEREAS, a copy of the Petition is attached to this Resolution and incorporated herein as if fully set forth; and

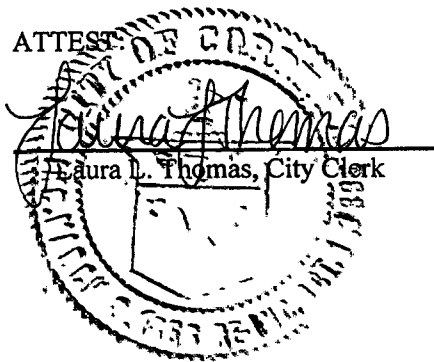
WHEREAS, the City of Corry is in the process of preparing and intends to file with the FAA an application ("Sponsor Application"), pursuant to FAA Compliance Guidance Letter 2021-1, in which the City requests the transfer of the federally obligated Airport from the 1955 Airport Authority to the new 2022 Airport Authority and have the 2022 Airport Authority designated as the "sponsor" of the Airport; and

WHEREAS, the purpose of this Resolution is to authorize the filing of the Petition with the Erie County Court of Common Pleas and the submission of the Sponsor Application to the FAA.

AND NOW, THEREFORE, BE IT RESOLVED on this 18th day of September, 2023, the following:

1. That City Officials, by and through the City of Corry's appointed legal counsel, may file the Petition with the Erie County Court of Common Pleas (or one substantially and materially similar to the attached Petition) and take all other actions necessary to effectuate that filing and appear on behalf of the City of Corry in any hearings or other proceedings related to the Petition. The Mayor of the City of Corry is authorized to sign the Verification attesting to the contents of the Petition on behalf of the City of Corry.
2. That City Officials, with the assistance of the City of Corry's appointed legal counsel, may submit to the FAA the Sponsor Application and take all actions necessary to effectuate the transfer of the designation of "sponsor" of the Airport from the 1955 Airport Authority to the 2022 Airport Authority.

ATTEST:



A circular seal for the City of Corry, Pennsylvania, with the text "CITY OF CORRY, PENNSYLVANIA" around the perimeter. In the center is a shield with a plow and a sheaf of wheat. Overlaid on the seal is a handwritten signature in black ink that reads "Michael E. Baker". Below the signature, the text "Michael E. Baker, Mayor" is printed.

IN RE: Airport Authority of the City of
Corry

) IN THE COURT OF COMMON PLEAS
) ERIE COUNTY, PENNSYLVANIA
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) No. _____

TO: [SERVICE MATRIX]

NOTICE

You have been sued in court. If you wish to defend against the claims set forth in the following pages, you must take action within twenty (20) days after this complaint and notice are served, by entering a written appearance personally or by attorney and filing in writing with the court your defenses or objections to the claims set forth against you. You are warned that if you fail to do so the case may proceed without you and a judgment may be entered against you by the court without further notice for any money claimed in the complaint or for any other claim or relief requested by the plaintiff. You may lose money or property or other rights important to you.

YOU SHOULD TAKE THIS PAPER TO YOUR LAWYER AT ONCE. IF YOU DO NOT HAVE A LAWYER, GO TO OR TELEPHONE THE OFFICE SET FORTH BELOW. THIS OFFICE CAN PROVIDE YOU WITH INFORMATION ABOUT HIRING A LAWYER.

IF YOU CANNOT AFFORD TO HIRE A LAWYER, THIS OFFICE MAY BE ABLE TO PROVIDE YOU WITH INFORMATION ABOUT AGENCIES THAT MAY OFFER LEGAL SERVICES TO ELIGIBLE PERSONS AT A REDUCED FEE OR NO FEE.

**LAWYERS REFERRAL SERVICE
P.O. Box 1792
Erie, PA 16507
814/459-4411
Mon – Fri
8:30 a.m. – Noon, 1:15 p.m. -3:00 p.m.**

**KNOX McLAUGHLIN GORNALL &
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City of Corry**

IN RE: Airport Authority of the City of) IN THE COURT OF COMMON PLEAS
 Corry) OF ERIE COUNTY, PENNSYLVANIA
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) NO. _____
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**PETITION FOR DISSOLUTION OF AIRPORT AUTHORITY OF THE CITY OF
 CORRY AND TRANSFER OF ASSETS TO NEW AIRPORT AUTHORITY**

The City of Corry, by and through its counsel, Knox McLaughlin Gornall & Sennett, P.C., files the following Petition for Dissolution of the Airport Authority of the City of Corry:

Introduction

This matter involves the unintentional expiration of the Airport Authority of the City of Corry’s legal existence and the need to transfer its assets to a new authority to maintain airport services to the Corry region. As described below, the Airport Authority of the City of Corry owned and/or operated assets used to run the Corry Lawrence Airport (“Airport”). By operation of law, and unbeknownst to the Airport Authority at the time, its legal existence terminated in 2002 by operation of the relevant statutes. Because neither the Airport Authority nor the City of Corry was aware of this at the time, neither took steps to revive the Airport Authority within the statutorily permitted period. As a result, the Airport Authority of the City of Corry no longer exists as a legal entity, but it does continue to own and/or operate assets associated with the Airport, and it continues to be obligated to comply with relevant federal guidelines, grant assurances and regulations based on its receipt of federal grant money that is managed by the Federal Aviation Administration (“FAA”). The City of Corry has since gone through the process established by Pennsylvania law of creating a new municipal authority – also

entitled “Airport Authority of the City of Corry” – with the intent that this new airport authority continue to operate and maintain the Airport just as the now-terminated Airport Authority would be doing if it was still in existence.

This Petition seeks to address this issue in a way that (i) maintains the intended operations of the Airport; (ii) is consistent with the FAA’s requirements regarding the transfer of a federally obligated airport to a new eligible airport sponsor; and (iii) protects the original Airport Authority’s customers, creditors and other constituents. To accomplish this, the City of Corry is requesting that this Court enter an order that (i) confirms the dissolution of the now-terminated Airport Authority of the City of Corry; and (ii) upon such approval, transfers all of the assets used and or owned by the now-terminated Airport Authority of the City of Corry to the newly created airport authority.

Relevant Parties

1. The Petitioner is the City of Corry (the “City”), a Third Class City with a principal address of 100 S. Center Street, Corry, PA 16407.

2. The Airport Authority of the City of Corry (the “1955 Airport Authority”) was created by the City of Corry upon the City’s filing of Articles of Incorporation with the Pennsylvania Secretary of State on June 10, 1955. A true and correct copy of the 1955 Airport Authority’s formation and authorizing documents are attached hereto as Exhibit A.

3. The City created the 1955 Airport Authority pursuant the Pennsylvania Municipality Authorities Act, at 53 Pa. C.S. § 5603.

4. The 1955 Airport Authority’s purpose, as articulated by the City in the Airport Authority’s Articles of Incorporation, was to undertake “such projects dealing with airport facilities in or about the City of Corry, Erie County, Pennsylvania, permitted and

authorized by the laws of the Commonwealth of Pennsylvania as the City of Corry may from time to time by resolution or ordinance specify.” Over the ensuing years, the 1955 Airport Authority has generally operated and managed airport facilities within the City.

Airport Authority’s Actions and Lapsing of Existence

5. Since its creation, the 1955 Airport Authority has owned and operated a general aviation airport, known as the “Corry Lawrence Airport,” to allow for air traffic in and out of the City and its surrounding areas (the “Airport”).

6. As with all operators of public airports within the United States of America, the 1955 Airport Authority was operated under the supervision of the Federal Aviation Administration (the “FAA”).

7. Throughout its existence, the 1955 Airport Authority received federal grants from the FAA and, as a result, is subject to additional oversight and requirements attendant to those grant funds.

8. The 1955 Airport Authority was governed by a board of directors, whose members were appointed by the City.

9. Pursuant to the Pennsylvania Municipality Authorities Act, at 53 Pa. C.S. §5605(a)(2), the 1955 Airport Authority’s initial term of existence was fifty (50) years.

10. That term expired on June 10, 2005.

11. For reasons unknown to the City, the term of the 1955 Airport Authority was not renewed at any time on or after June 10, 2005. However, even though the 1955 Airport

Authority technically ceased to exist from a legal perspective, the 1955 Airport Authority continued to act consistent with its authorizing purpose, namely, operating the Airport.

12. The Airport has continued operations for the approximately 18 years since the Authority technically cease to legally exist.

The 1955 Airport Authority's Continuing Actions and Current Status

13. During the period of time between June 10, 2005 and when the City became aware that the 1955 Airport Authority ceased to exist in the summer of 2020, the 1955 Airport Authority continued to incur debts and liabilities, accept and manage state and federal grants, and interact with the FAA and the public in a manner consistent with the proper operation of the Airport.

14. However, it has been doing so while being technically expired and out of existence.

15. Pursuant to 53 Pa.C.S.A. § 5623, the 1955 Airport Authority cannot be revived at this time because it expired more than five (5) years ago.

16. Since the summer of 2020, and after realizing that the 1955 Airport Authority's legal existence lapsed in 2005, several of the 1955 Airport Authority's board members began to resign.

17. At that time, it became clear to the City that, unless it intervened, the work performed by the 1955 Airport Authority might cease, resulting in the creation of a public health and safety risk and the harm to the entities to whom the 1955 Airport Authority had legal obligations, including the FAA, creditors, tenants and vendors.

18. Additionally, and as discussed in more detail below, some of the land on which the Airport operates was donated to the City via deeds that require it to be used as an Airport.

19. As a result, the City began providing interim management services for the Airport. Believing it to be in the best interest of the Corry region generally to maintain the Airport as a community asset, the City has explored how to best maintain the continued existence of airport services in the City.

20. The City ultimately took action under the Pennsylvania Municipality Authorities Act, at 53 Pa. C.S. §5603, to organize a new municipal authority, entitled “Airport Authority of the City of Corry” (“2022 Airport Authority”) by filing Articles of Incorporation with the Pennsylvania Secretary of State. The 2022 Airport Authority came into existence on June 6, 2022. A copy of the 2022 Airport Authority’s Articles of Incorporation and other creation documentation is attached hereto as Exhibit B.

21. The purpose of the 2022 Airport Authority is:

[To undertake] such projects dealing with the acquisition, holding, construction, improvement, maintenance, operation, ownership or lease of the airport known as the ‘Corry Lawrence Airport’ and other air-fields, landing fields, located in Erie County, Pennsylvania, and such airport projects permitted or authorized by the Municipality Authorities Act, to be devoted wholly or partially to public use for income producing purposes in connection with the exercise of ownership and operation of said airport, air-fields and landing fields and to exercise all powers necessary or incidental thereto as permitted and authorized by the laws of the Commonwealth of Pennsylvania and as the City of Corry may approve by resolution or ordinance.

22. The Board of Directors of the 2022 Airport Authority has completed a business plan to ensure the future viability of the Airport and is in the process of submitting an

application to the FAA, pursuant to FAA Compliance Guidance Letter 2021-1 – Guidance for Transfer of Federally Obligated Airports, requesting the “transfer” to the 2022 Airport Authority the status of “sponsor” of the federally-obligated Airport.

The Necessary Dissolution of the Airport Authority

23. The City, in coordination with the 2022 Airport Authority, has concluded that it is in the best interest of the City and surrounding area for there to be continued airport services located within the City.

24. In order to accomplish that, the City seeks to have the 1955 Airport Authority’s assets transferred to the 2022 Airport Authority (subject to FAA approval relative to assets tied to pre-existing federal grants).

25. Pursuant 53 Pa. C.S. § 5622(a), the City would have the right to dissolve the 1955 Airport Authority so long as the project that it managed:

is of the character that a municipality has the power to establish, maintain or operate and the municipality desires to acquire the project, it may by appropriate resolution or ordinance . . . signify its desire to do so, and the authorities shall convey by appropriate instrument the project to the municipality upon the assumption by the municipality of all the obligations incurred by the authorities with respect to the project.

26. Here, the Airport is a project that is of the character that the City may establish, maintain and operate.

27. However, because the 1955 Authority expired in 2005, and cannot be revived, there is no established structure or procedure to dissolve.

28. Further, based on the City's research, there is no provision for reversion or other automatic transfer of assets or liabilities from an expired Authority.

29. Finally, because the Authority has expired, it is not able to take any legal steps on its own to attempt to transfer assets.

30. In order to resolve this situation, the City is seeking an order from this Court that will allow for the continued operation of the Airport, allow that operation to be managed by the 2022 Airport Authority, provide for the transfer of all assets of the 1955 Airport Authority to the 2022 Airport Authority (subject to FAA approval relative to assets tied to pre-existing federal grants), provide that the 2022 Airport Authority takes on responsibilities for any and all liabilities and obligations for the 1955 Airport Authority; and provide that the 2022 Airport Authority is permitted to take any and all steps that could have been taken by the 1955 Airport Authority to effectuate a requested transfer from the FAA of the status of "sponsor" of the Airport to the 2022 Airport Authority.

31. Concurrent with the filing of this Petition, the 2022 Airport Authority is submitting an application seeking approval from the FAA to be the Sponsor of the Airport consistent with the FAA's July 28, 2021 Guidance Letter 2021-1 for Transfer of Federally Obligated Airports. If the FAA approves the transfer of this sponsorship, then the 2022 Airport Authority will be permitted to proceed with managing the Airport in the same manner as had the 1955 Airport Authority and will be subject to the same grant assurances as was the 1955 Airport Authority.

32. As a result of these actions, no creditors or contractors of the 1955 Airport Authority will be damaged because all of the 1955 Airport Authority's assets will be transferred

to the 2022 Airport Authority, and the 2022 Airport Authority will, by virtue of this Court's order (and upon FAA approval of the request to transfer Sponsor status), be liable for all of the 1955 Airport Authorities existing obligations.

Relief Under the Donated and Dedicated Property Act

33. The City is the owner of property that is approximately 35.61 acres in size that is part of the Airport (the "Donated Property").¹

34. That property was donated to the City in in 1954. That original transfer of property is recorded in the Erie County Recorder of Deeds Office at Book 676, page 475.

35. The 1954 Deed included the following restriction related to this property:

The City of Corry shall use the above-described land, or such part of such land as may be necessary, as an airport and as long as any part of such land is used as an airport, the entire property shall remain the property of the City of Corry, subject, however, to the provisions of condition 4 hereinafter stated.

[Condition 4.] If, at any time, the City Council decides that any portion of the above land laying North of the South line of Tract No. 51 is not needed for airport purposes then the City Council may sell any or all of such land North of such Tract line and the proceeds thereof shall be given to such local charity as may be determined by the City Council of the City of Corry.

36. In 1961, the donors of the property recorded a second deed to modify certain restrictions associated with the donated property (the "1961 Deed"). That deed is recorded at Book 834, Page 958 in the Erie County Recorder of Deeds office.

¹ The Airport is approximately 115-acres in size and is comprised of what was originally at least twenty separate parcels that were acquired by the City between 1954 and 2002. The Donated Property is one of the parcels acquired by the City. Upon approval of the relief requested in this Petition and upon the FAA's approval of the sponsor transfer application, the City intends to transfer the remaining City-owned parcels to the 2022 Airport Authority.

37. The 1961 Deed contains the following relevant restriction:

The City of Corry may from time to time sell such portions of the above-described land, or exchange airport of the above land for other land adjoin the Airport property if, in the opinion of the Council of the City of Corry, the portion of land deeded from the City is not needed for Airport use, but in such event any proceeds received from any such sale shall be used for the purchase of other land for Airport use, or shall be used for improvements to the Airport, provided, however, that the decision of the Council of the City of Corry as to whether or not the land conveyed by the City is needed for Airport purposes shall be final and controlling, and provided further that no purchaser of any portion of the above land shall be required to inquire into the application of the purchase price or question the decision of the Council of the City of Corry as to whether or not land being sold or exchanged is needed for Airport purposes.

38. Since 1954 the City has continued to own the Donated Property and has allowed the 1955 Airport Authority to use it for Airport purposes.

39. The City desires that the Donated Property continue to be used for Airport purposes under the control of the 2022 Airport Authority.

40. However, it is presently in the best interest of both the City and the 2022 Airport Authority for the 2022 Airport Authority to own the Donated Property, rather than simply use property owned by the City.

41. By owning the Donated Property, the 2022 Airport Authority can better meet its grant assurances and obligations to the FAA. Further, allowing the 2022 Airport Authority to own the Donated Property will allow it to exercise full dominion and control over the property that is essential for the Airport's operation and to better ensure compliance with federal grant assurances.

42. It is also in the City's best interest not to own the Donated Property to insulate the City, and its assets, from potential third party liabilities arising out of the Airport's operation.

43. Based on the above, the City desires an order from this Court permitting the City to sell the Donated Property to the 2022 Airport Authority for the sum of one-dollar, and a requirement that the transferring deed include a provision that the property shall revert to the City in the event the 2022 Airport Authority ceases to exist or ceases to utilize the Donated Property for the operation of an airport.

44. Pursuant to 53 P.S. § 3384(1) and (2), this relief is permissible and in the public's interest.

Service and Requested Relief

45. Since approximately 2020, the City has been managing the Airport's operations.

46. As a result, it has been coordinating the receipt of services for the Airport and paying all liabilities and expenses of the Airport.

47. As a result of engaging in this activity for nearly two years, the City is aware of the Airport's vendors and creditors.

48. Attached hereto as Exhibit C is a list of all known creditors and vendors of the 1955 Airport Authority and/or entities who provide service to the Airport. This list includes both vendors and parties who lease space from or otherwise contract with the Airport.

49. The City will serve each of these entities with a copy of this Petition.

50. Contemporaneous with the filing of this Petition, the City is also filing a motion for service by publication and posting in which it is seeking permission to publish the filing of this Petition in the Erie Times News and The Corry Journal for two consecutive weeks. The purpose of this service by publication is to give the public notice of this Petition so that, if there are interested parties unknown to the City, they will have the opportunity to participate in this matter. The City will also post notice of this filing in conspicuous places on the Airport including in and near the leased hangers, to provide notice to individuals who operate on the Airport's property. The City will also post notice of this filing in City Hall.

51. The 2022 Airport Authority has passed a resolution, attached hereto as Exhibit D, in which it consents to the filing of this Petition and to the relief requested herein.

52. Upon completion of service, the City is requesting that the Court schedule an evidentiary hearing to address this Petition.

53. Ultimately, the City is requesting the Court enter the following relief:

- (a) Ordering that all assets that were previously owned by the 1955 Airport Authority are transferred to the 2022 Airport Authority (subject to FAA approval relative to assets tied to pre-existing federal grants);
- (b) Ordering that the 2022 Airport Authority shall be liable for any and all obligations, liabilities and expenses incurred by the 1955 Airport Authority;
- (c) Ordering that the 2022 Airport Authority may take any and all action that the 1955 Airport Authority could have taken (had it not expired) to accept Sponsor status for the Airport including, but not limited to, execution of those agreements identified in FAA Compliance Guidance Letter 2021-1 – Guidance for Transfer of Federally Obligated Airports or otherwise required by the FAA; and

- (d) Ordering that, pursuant to the Donated and Dedicated Property Act doctrine, the City is permitted to transfer to the 2022 Airport Authority the Donated Property for the sum of one-dollar and a restriction that ensures that the property will revert to the City in the event the 2022 Airport Authority ceases to exist or ceases to use the Donated Property for an airport.

WHEREFORE, The City of Corry respectfully requests that, upon complete service of this Petition, the Court schedule a hearing to address the City's requested relief and, thereafter, enter an ordered granting this Petition and the relief requested in Paragraph 52 hereof. A proposed order reflecting this requested relief is attached hereto.

Respectfully submitted,

KNOX McLAUGHLIN GORNALL &
SENNETT, P.C.

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