



METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

RFP No. 1-17-C057 Real Estate Broker Services

April 21, 2017

Questions and Answers

Notice: Questions may have been edited for clarity and relevance.

1. **Question:** Can the Airports Authority's federal lease be extended beyond June 6, 2067? With respect to each of the Properties, can the Airports Authority enter into a ground lease with an expiration date beyond June 6, 2067?

Answer: The Airports Authority's lease can be extended beyond June 2067 by mutual agreement of the Airports Authority and U.S. Department of Transportation (USDOT). Under current law, USDOT has the authority to amend the federal lease, including by extending its term. Since its execution, the lease has been extended on one occasion by such an agreement; a 2003 lease amendment extended the original lease term of 50 years to 80 years.

The Metro-606 Property and the 606-Frontage Property are leased by the Airports Authority from the federal government and are subject to the Airports Authority's federal lease which expires on June 6, 2067. The Airports Authority is unable to enter a ground lease for either of these Properties with an expiration date which is later than the expiration date of the federal lease. However, the Airports Authority will consider including an option in ground leases for these Properties which have a June 2067 expiration date that would allow the lessee to extend the lease beyond June 2067 should the federal lease be extended.

The Western Lands are owned by the Airports Authority in fee simple. Under the federal lease, if the Airports Authority still owns these lands at the time the federal lease expires, the lands and title to them transfer automatically to the federal government. Thus, a Western Lands ground lease can have an expiration date beyond the expiration date of the federal lease. And, in that case, if the federal lease were not extended beyond June 2067, ownership of the lands would transfer to the federal government in June 2067 *subject to* the ground lease and its beyond-2067 expiration date.