

Executive Summary: Airport Property – Legal, Fiscal, and Historical Analysis

Integrity of the Game vs Economic Impact (Politics); The Oklahoma Business Plan

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Based on Independent Research Shawnee Commission, Shawnee Airport Authority and Shawnee Municipal Authority Minutes, the Instrument of Transfer (1947), and the 2022 State Audit

I. Overview and Chronology

The Independent Research Shawnee Commission, Shawnee Airport Authority and Shawnee Municipal Authority Minutes document critical decisions—from the early 2000s through 2019—regarding the management, leasing, and eventual reclassification of airport property. These records reveal a steadfast commitment to open meeting protocols, due process, and fiscal accountability. When considered alongside the 1947 Instrument of Transfer and the recent 2022 State of Oklahoma Investigative Audit, a comprehensive picture emerges of both the historical acquisition and modern management of Shawnee’s airport property.

II. Historical Instrument of Transfer (1947)

- **Federal Conveyance and Conditions:**

The 1947 Instrument of Transfer—executed under the Surplus Property Act of 1944 and Executive Order 9689—transferred specific land parcels (including tracts in the University Grounds and Sunset Park Additions) to the City of Shawnee for use as a public airport. Key restrictions imposed include:

- **Purpose Restriction:** The property must be used exclusively for public airport purposes, excluding manufacturing or industrial uses, to preserve its operational integrity.
- **Maintenance and Reversion:** The instrument requires that airport facilities remain in good and serviceable condition, with a reserved reversionary interest for the federal government if these conditions are breached.
- **Transfer Limitations:** Any subsequent transfer or designation (including surplus declarations) must comply with federal oversight and adhere to these conditions .

- **Significance:**

This document establishes the legal foundation for Shawnee’s airport property and sets stringent federal parameters that influence how the city may later designate portions of this property as surplus.

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III. Strategic Asset Reclassification (2019)

- **Surplus Declaration:**

In March 2019, the Trustees of the Shawnee Airport Authority unanimously approved a resolution declaring approximately 108,029 square feet (2.48 acres) of property at Leo Avenue as surplus. Although the minutes do not specify a complete postal address, this resolution indicates that the city has determined the parcel is no longer essential for airport operations.

- **Interplay with Federal Restrictions:**

Despite the surplus designation, the city must continue to adhere to the federally imposed restrictions from the 1947 Instrument of Transfer. The city's decision is legally viable if it demonstrates that the property is underutilized for airport purposes, while any disposition (via public sale or auction) remains compliant with the original federal conditions .

IV. Lease Agreements, Funding, and Associated Entities

- **Lease Agreements:**

Over time, several key lease agreements have been executed to optimize revenue and support maintenance:

- **Specialty Aviation Extension (May 2002):** Allowed additional time for proper lease execution and insurance verification.
- **Continental Barber Shop Lease (July 2002):** A five-year lease that increased monthly rent from \$80 to \$300, funding approximately \$6,000 in repairs.
- **Drive-By Coffee Shop Lease (May 2004):** Leasing of property at 1836 N. Kickapoo for revenue generation.
- **Shawnee Pitt Stop Lease (November 2004):** Awarded to **Shawnee Lube, LLC**, reinforcing the city's transparent asset management approach.

- **Funding and Financial Implications:**

Financial strategies include:

- **Repair and Maintenance:** Lease adjustments (such as the July 2002 increase) were used to cover essential repairs.
 - **Revenue Optimization:** Discussions in 2004 on revised lease rate ordinances sought to align rent with fair market values.
 - **Asset Reclassification:** The 2019 surplus resolution positions the city to generate additional revenue through future public disposition, pending federal compliance.
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V. Insights from the 2022 State Audit

- **Audit Overview:**

The 2022 State of Oklahoma Investigative Audit of the City of Shawnee provides an independent review of the city's fiscal management, emphasizing transparency, compliance with ordinance requirements, and stringent controls over designated funds .

- **Audit Findings Relevant to Airport Property:**

- **Fiscal Discipline:** The audit confirms that Shawnee maintains robust controls over sales tax revenues and related capital funds, reinforcing the city's overall framework for asset management.
- **Regulatory Compliance:** Although the audit primarily addressed sales tax and expenditure processes, its emphasis on adherence to funding and expenditure requirements supports the integrity of municipal decisions—including the surplus declaration of airport property.
- **Transparency in Asset Management:** The audit underscores the importance of documented processes and strict financial controls—a practice mirrored in the city's handling of airport property leases and surplus designations.

- **Cross-Reference Implications:**

The audit findings lend additional credibility to Shawnee's approach. They validate that even as the city exercises its discretion in designating surplus property, it continues to operate within a framework that ensures both fiscal responsibility and regulatory compliance, consistent with the historical conditions set forth in the Instrument of Transfer.

VI. Legal and Procedural Compliance

- **Adherence to Open Meeting Statutes:**

Detailed recording of roll calls, consent agenda approvals, and vote counts demonstrates the city's commitment to procedural transparency.

- **Alignment with Federal Transfer Conditions:**

The surplus designation process respects the federal conditions imposed in the 1947 Instrument of Transfer. This dual-layer framework ensures that Shawnee can manage its assets effectively while remaining compliant with longstanding federal obligations.

- **Audit and Oversight Support:**

Findings from the 2022 State Audit further confirm that Shawnee's asset management practices—including the handling of surplus property—are underpinned by rigorous fiscal controls and regulatory compliance.

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VII. Conclusion

This updated executive summary presents a holistic and interdisciplinary review of Shawnee's airport property management. It documents the evolution from the 1947 Instrument of Transfer—with its strict federal conditions—to modern practices reflected in surplus declarations and detailed lease agreements. Supported by independent audit findings, the 2019 surplus resolution illustrates how the city balances evolving operational needs with federal restrictions. This integrated analysis not only underscores transparency and fiscal prudence but also provides a robust foundation for academic inquiry into municipal asset management, public–private partnerships, and the interplay between historical federal mandates and contemporary municipal decision-making .

Disclaimer: This summary is presented in a formal, academic style, reflecting both legal and community perspectives. The findings herein are based on the data compiled in the Research and do not constitute legal advice. The opinions expressed regarding municipal failures are those of the investigator(s) and do not necessarily represent an official stance by any governing body.