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Rock Airport sale, bankruptcy reorganization may proceed, judge says



Eric Felack | Valley News Dispatch

A vintage airplane serves as a decoration at the entrance to Rock Airport and Business Park in West Deer on Thursday, April 24, 2014.

By **Jodi Weigand**

Published: Wednesday, May 28, 2014 1:01 a.m.
Updated 3 hours ago

The proposed sale of Rock Airport and Business Park and the facility's bankruptcy reorganization plan will move forward simultaneously, a federal judge said Tuesday.

Rock Airport's plan would keep the airport open and rely on proceeds from a gas lease with Huntley & Huntley to repay creditors, as well as have two outside parties acquire the three major creditor claims in the case.

In March, Alaskan Property Management, a subsidiary of Management Science Associates (MSA), offered to buy the 268-acre property for \$6 million. MSA is a tenant of the business park.

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"If the plan ends up being the best result for all creditors, then it will be upheld by the court," said Kirk Burkley, attorney for the bankruptcy trustee. "We shouldn't hold up the sale based on things that are outside of the trustee's control," such as the reorganization plan.

Rock Airport and Business Park in West Deer filed for bankruptcy in 2009. Claims total about \$6 million.

The plan proposes that Trib Total Real Estate, a subsidiary of Trib Total Media, the Valley News Dispatch's parent company, buy Huntington National Bank's \$3.3 million mortgage lien and claim. The Trib and Huntington are reviewing the proposal, said Joseph Lawrence, an attorney with Strassburger McKenna Gutnick & Gefsky, who is representing Trib Total Media.

The Trib has a printing facility at the business park and got involved in the case to ensure park tenants continued to have access to the power grid at the site. Under the reorganization plan, the Trib would acquire five acres next to its building that could be used for expansion, Lawrence said.

Blairsville Holdings, owned by businessman Clifford Wise, would acquire the \$535,000 owed to First Commonwealth Bank and \$250,000 owed to Bruno Family Trust.

Wise owns several companies that specialize in steel recycling, fly ash disposal and the sale and storage of coal.

He has an option to dispose of fly ash at the airport, according to the plan.

Wise said he got involved because he believes the airport is a good business opportunity.

"(Airport president) Rock Ferrone's idea of a business park centered around an airport, I think it's a great idea," Wise said. "I think potentially these smaller feeder airports, with the new size business jet (coming in) when they extend the runway, there's going to be an opportunity to develop high-tech companies around airports like that."

The airport would use proceeds from the gas lease to repay Trib Real Estate and Blairsville Holdings and satisfy tax liens and administrative claims.

The gas lease would provide \$800,000 up front, with royalty payments totaling an estimated \$12 million over 15 years, the plan states.

Income from the ongoing business operations at the airport and park and possible real estate sales can pay third-party claims, the document states.

Attorneys representing Alaskan/MSA expressed skepticism about the plan. They said Huntley & Huntley is not obligated to drill and if the company doesn't, there is no basis for a reorganization plan.

Rock Airport's financial disclosures about the plan will be the subject of a June 16 court hearing. A separate hearing will be held on the plan itself.

In order for the reorganization plan to be approved, the creditors must sign off on it.

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