



**TRUCKEE TAHOE AIRPORT DISTRICT
BOARD OF DIRECTOR STAFF REPORT**

AGENDA TITLE: Review Truckee Tahoe Sanitation Agency (TTSA)/Truckee Tahoe Airport District (TTAD) Real Property Exchange Agreement

MEETING DATE: July 28, 2021

PREPARED BY: Kevin Smith, General Manager

OBJECTIVE: Provide direction to Staff regarding Board of Director interest in continuing to pursue objectives of the TTSA/TTAD Real Property Exchange Agreement terms and conditions for the future exchange of real property.

DISCUSSION: Since the late 1990s, the District and TTSA have been in discussions regarding the possible exchange of properties held by each agency north of the airfield. Both agencies have properties desirable by the other. After much discussion and negotiations, TTSA and TTAD signed a Letter of Agreement (LOA) in October 2018 and a formal Real Property Exchange Agreement in May 2019. Attached to this staff report is the finalized Real Property Exchange Agreement between TTSA and TTAD. Agreement highlights are as follows:

1. Establishes a 50%/50% cost share agreement on appraisal, subdivision, and land survey expenses.
2. Establishes intent to exchange real property with no exchange of cash.
3. Outlines pre-closing actions such as easement preparation, lot line adjustments, etc.
4. Request TTUSD consent on a portion of the exchange on TTSA property.
5. Requires FAA approval of transaction.
6. Outlines requirements for title review and condition of property.
7. Escrow and closing requirements are detailed.

Since signing the Agreement in 2019, the General Managers of both agencies have been working on appraisals, conveyance alignments, and other details of the transition. Most recently staff has

been working on archeological requirements under NEPA necessary to comply with FAA land release requirements. In December 2020 Staff asked the consultants to cease work on this project until further guidance and clarifications can be received by the Board. We are now approaching some of the final FAA submittals related to NEPA and the Land Release application. Before we proceed, we felt it important to have this discussion.

The original discussion regarding pros and cons of the transfer were as follows:

Pros:

- District would have full control of Parcel A which gives us more control over northern edge of Runway Protection Zone and Part 77 Obstruction Surfaces.
- Parcel A would provide an access point for future use of properties on north side of airport.
- Parcel B has limited development potential with no direct Road Access. All property surrounding Parcel B is owned by TTSA. TTAD has access rights to this property for aeronautical use only limiting usability of property. Parcel A has more utility to the airport than parcel B for aeronautical purposes.
- The District would receive an easement essentially gaining control of the land within the Runway Protection Zone off Runway 2/20 (Area C).

Cons:

- Concern has been expressed that the transfer of Parcel A could facilitating more aviation land use on north side of airport. Growth of airport activity and operations is a concern of various constituents.
- Parcel B may have future development potential or public use potential that likely would be precluded, or out of District control with the transfer.

There may be more items individual Board members may recall regarding the public discussion regarding the decision-making process to move forward with the transfer. We can discuss these at the meeting.

The Board initially discussed this item at their February 24, 2021 Board of Directors meeting. It was decided to continue this item to a future meeting where all members of the Board of Directors could be present.

STAFF RECOMMENDATION: It is staff recommendation to continue with the land transfer process as staff feels in their view the pros outweigh the cons on this endeavor. Staff also feels the likelihood that the District will be successful in long term non-aviation development of Parcel B is small. Receiving Parcel A provides the best option and future flexibility to address District needs into the future. That said, staff is 100% ready to support any decision the Board makes on this decision.

WHAT'S NEXT: If the Board chooses to continue with implementation of the Land Exchange agreement with TTSA, we will finish all applicable NEPA work and advance the FAA land release

request at FAA. We will also finalize all required land conveyance and transfer documents and return later this year to the Board for final approval of the transfer. If the Board chooses not to proceed with the transfer, we will notify TTSA regarding our decision and cease permanently staff and consultant work on this project.

ATTACHMENTS:

TTSA/TTAD Real Property Exchange Agreement

(Land exchange map is attached to the Agreement)