



## TRUCKEE TAHOE AIRPORT DISTRICT STAFF REPORT

**AGENDA TITLE:** Consideration of Cessna 172 JTA N5901G Program and Possible Sale of Aircraft

**MEETING DATE:** 03/23/2022

**PREPARED BY:** Hardy Bullock, Director of Aviation & Community Services

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**RECOMMENDED ACTION:** Authorize the General Manager per Board Policy Instruction 319, to surplus sale personal property, a Cessna JTA Aircraft, registration number N5901G.

**DISCUSSION:** In the Spring of 2018 the District purchased a C-172 Skyhawk JTA aircraft for the purposes of reducing community noise and annoyance, reducing green house gas emissions, and removing an older aircraft from the rental fleet. A comprehensive report of the rationale associated with the final decision to purchase the aircraft is located here: <https://truckee-tahoe-airport.com/board-meetings/171/attachments>. Items 14A-E depict every aspect of the program and the financial analysis known at that time.

Since its inception the aircraft has been successful at reducing community noise and annoyance associated with overflight and repetitive training operations. Comments on traditional training aircraft outpaced the JTA aircraft by 50%. Staff and the flight instructor and student community feel the program worked by directly reducing annoyance.

On Sunday March 6<sup>th</sup>, 2022 N5901G experienced an engine anomaly which resulted in low oil pressure and a successful emergency landing at KTRK. At the time of landing the aircraft engine was making horsepower and the aircraft made an uneventful landing without incident. The aircraft engine was inspected and found to have a failed cylinder which requires an engine overhaul. This engine is just about at its "To Be Overhauled" or TBO meaning is in need of replacement independent of the failed cylinder. The aircraft is currently not flyable.

Based on the ongoing cost of ownership, it is Staff’s recommendation that the aircraft be sold prior to rebuilding or replacing the current engine. Having talked with an aircraft broker Staff expects to receive between \$300,000 to \$400,000 in sale proceeds from the aircraft in “as-is” condition.

The following table outlines the current financial performance of the program since 2018 when aircraft was purchased:

Total Operations and Maintenance Expenses	(\$136,254)
Total Revenue	\$177,635
<b>Net Revenue</b>	<b>\$41,381</b>
Capital Acquisition Cost and Upfit	(\$512,293)
Anticipated Sales Revenue	\$350,000*
Total Capital Costs	(\$162,293)
Add Net Revenue	\$41,381
<b>Net 4 Year Estimated Program Cost</b>	<b>\$120,912 or \$30,228 per year of operation.</b>

\* Broker estimates are between \$300,000 and \$400,000 in as is condition.

**WHAT’S NEXT:** Staff will use Policy 319 to guide the sale process and return with proceeds from such sale and report back to the Board. At that time the Board may choose to discuss future options for this money such as electric aircraft technologies. Most local flight instructors and vendors with electric aircraft knowledge do not believe this technology is currently viable at KTRK.

**FISCAL IMPACT:** (See chart)

**PUBLIC COMMUNICATIONS:** Covered through the public meeting notification system. Additional outreach efforts will be conducted to advertise the sale of the aircraft.

**SAMPLE MOTION(S):** I move to authorize staff to declare N5901G as surplus property, engage with an aircraft broker, and sell aircraft for best offer subject to Policy Instruction 319 – Surplus Property Disposal.

**ATTACHMENTS:**

PI 319 – Surplus Property Disposal