



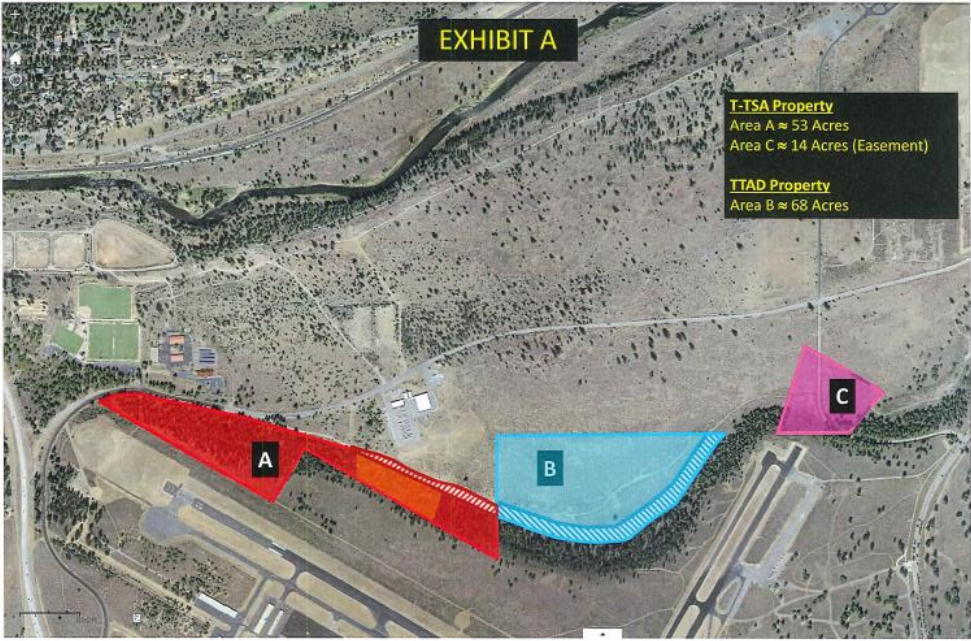
**TRUCKEE TAHOE AIRPORT DISTRICT
BOARD OF DIRECTORS STAFF REPORT**

AGENDA TITLE: Truckee Tahoe Sanitation Agency – Truckee Tahoe Airport District – Real Property Exchange Section 163 Determination by FAA

MEETING DATE: Wednesday, April 26, 2023

PRESENTED BY: Robb Etnyre, General Manager

DISCUSSION: On June 7, 2022, following District Board direction and the agreement between Truckee Tahoe Sanitation Agency (TTSA) and the District dated May 15, 2019, the District requested the FAA review a real property exchanged between the District and TTSA. Exhibit A map of the May 15, 2019, agreement is depicted below, with Area B (District) and Areas A & B (TTSA).



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. 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.

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 the northern edge of Runway Protection Zone and Part 77 Obstruction Surfaces.
- Parcel A would provide an access point for future use of properties on the north side of the 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 for 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 facilitate more aviation land use on the north side of the 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.

FAA Section 163 Determination: The FAA issued an initial ruling on Section 163 Determination dated January 25, 2023 – Attached. Subsequently, the FAA has updated their ruling with respect to this matter, dated March 28, 2023.

This letter supersedes and replaces the FAA Section 163 determination letter dated January 25, 2023. The San Francisco Airports District Office (SFO-ADO) has reevaluated its determination for Section 163 decision-making authority of the Truckee Tahoe Airport's (TRK) proposed property exchange project.

Recent changes in federal law have required the FAA to revisit whether FAA approval is needed for certain types of airport projects throughout the nation. On October 5, 2018, HR 302, the “FAA Reauthorization Act of 2018” (the Act) was signed into law (P.L. 115-254). In general, Section 163(a) limits the FAA’s authority to directly or indirectly regulate an airport operator’s transfer or disposal of certain types of airport land.

Parcel	Parcel Ownership and Acquisition Form	Exchange Acres
B	Owned by TRK/TTAD (located on Parcel 12a; APN-49-004-11; 106.9 acres); proposed disposal of a portion (35.63 acres) to TTSA – Fee Simple	35.63
A	Owned by TTSA proposed for exchange – TRK Fee Simple acquisition	28.24
A1	Owned by TTSA proposed for exchange – TRK Fee Simple acquisition	2.28
C	Owned by TTSA proposed for exchange – TRK Avigation Easement acquisition	10.34

TRK Parcel B is a 35.63-acre portion of dedicated airport property, reflected as located within Exhibit “A” Airport Property Map parcel #12a (APN-49-004-11; 106.9 acres). TRK Parcel B was acquired with local funding, without federal assistance, and the proposed project will not impact the safe and efficient operation of aircraft or safety of people and property on the ground related to aircraft operations. Therefore, the FAA lacks the authority to regulate the use of the land associated with this project.

WHAT’S NEXT: District Board discusses next steps in a potential land exchange as outlined in the May 15, 2019, agreement.

FISCAL IMPACT: TBD

PUBLIC COMMUNICATIONS : TBD

ATTACHMENT(S):

- TTAD Supplemental Justification letter to FAA, with attachments, dated June 7, 2022
- Truckee Tahoe Airport (TRK); Section 163 Review of Proposed Release and Land Exchange letter from FAA, dated January 25, 2023
- Truckee Tahoe Airport (TRK); Updated Section 163 Determination; Proposed Property Exchange, dated March 28, 2023
- TTSA – TTAD Agreement, dated May 15, 2019
- TTAD Special Meeting Minutes, August 10, 2021
- TTAD Staff Report, dated July 28, 2021