AGENDA ITEM: <u>01</u>



TRUCKEE TAHOE AIRPORT DISTRICT BOARD OF DIRECTORS STAFF REPORT

AGENDA TITLE: Discontinue TTAD Fly Quiet Hangar Rent

MEETING DATE: November 13, 2024

PREPARED BY: Jeff Menasco, Director of Aviation

RECOMMENDED ACTION: Board approve removal of Fly Quiet (FQ) rental discount, per the direction of the FAA, however all other elements of FQ would remain.

BACKGROUND: The FAA has taken the position that TTAD's FQ rental discount is in violation FAA policy. After numerous conversations and correspondence with the FAA over the past 5 months, they have taken the firm position that TTAD's FQ is prohibited by FAA Policy. The Western Region Airport Compliance Offices stated on October 9, 2024.

"The District's Fly Quiet Aviation Incentive Program violates Grant Assurance 22, Economic nondiscrimination, and/or should be considered an access restriction under Section 161.5 of Title 14 of the Code of Federal Regulations [14 C.F.R. Section 161.5]. Specifically, it is still our determination that the District's use of non-airport revenue to pay a \$30 per month incentive to airport tenants who participate in the FQ Program, as advertised on its website, is prohibited."

The FAA has asked TTAD to provide a Corrective Action Plan.

<u>DISCUSSION</u>: While Staff believes our FQ discount program is not in violation of FAA Grant Assurances or CFRs, we recommend discontinuing the \$30 monthly FQ discount vice challenge this finding in court. The discount would be removed starting Jan 1, 2025.

FISCAL IMPACT: Net positive approximately \$80K annually.

<u>PUBLIC COMMUNICATIONS</u>: Communicate directly with Hangar Tenants signed up for the FQ program that the FQ discount is being discontinued per the FAA's mandate.

RECOMMENDED MOTION: I move to (approve via consent) removal of the Fly Quiet monthly rental discount with all other aspects of the FQ program remaining.

ATTACHMENTS:

1. FAA Letter dated October 9, 2024