



## TRUCKEE TAHOE AIRPORT DISTRICT STAFF REPORT

**AGENDA TITLE:** FAA AIP & AIG Funding – Apron A2

**MEETING DATE:** September 9, 2025

**PREPARED BY:** Robb Etnyre, General Manager

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### **RECOMMENDED ACTION:**

Board authorizes the General Manager, on behalf of the Airport District, to accept or decline the Airport Improvement Program grant and the Airport Infrastructure Grant and their associated terms in support of the Apron A2 reconstruction project.

### **BACKGROUND:**

The FAA has offered the Airport District two grants in support of the Apron A2 reconstruction project: an Airport Infrastructure Grant (AIG) of \$1,163,000 (FY25 entitlements) and an Airport Improvement Program (AIP) grant of \$249,100 (FY25 entitlements). These funds would offset a significant portion of Apron A2's approximately \$5.6M reconstruction cost.

Accepting either grant binds the Airport District to the terms of the grant agreement and the standard set of AIP airport sponsor assurances for a twenty-year period. The Airport District last accepted similar grants in FY23; accordingly, accepting these grants would effectively extend the Airport District's existing federal compliance obligations by an additional two years. However, the FAA's grant agreement and assurances were updated earlier this year to include several new terms:

1. The Airport District is required to certify that it does not operate any programs promoting diversity, equity, and inclusion (DEI) initiatives that violate applicable Federal anti-discrimination laws and acknowledge that this certification is material to the government's funding decision for purposes of the False Claims Act.

2. The Airport District is required to cooperate with federal officials in the enforcement of Federal law, including cooperation with the U.S. Immigration and Customs Enforcement and other agencies with respect to the enforcement of immigration laws.
3. The Airport District is required to cooperate, by waiving permitting requirements and other restrictions, with the FAA's activities in installing, maintaining, improving, or operating equipment and facilities supporting the National Airspace System.
4. The Airport District is prohibited from restricting or prohibiting the sale of 100-octane low lead aviation gasoline until the earlier of December 31, 2030, or the date the FAA that an unleaded aviation gasoline authorized for use in "nearly all" piston aircraft and meeting FAA-approved standards becomes available at the Airport.

The first two of these new terms have been challenged in court. Currently, the FAA is preliminarily enjoined from enforcing the "immigration cooperation" provision against the State of California and its governmental subdivisions, including the Airport District. The FAA is preliminarily enjoined for enforcing the "DEI provision" against a few dozen individual airport sponsors, which airports do *not* include the Airport District.

### **DISCUSSION:**

The AIP and AIG grants would extend the Airport District's existing federal obligations by an additional two years. These obligations include that the airport remain open to public use on reasonable and not unjustly discriminatory terms, that all revenue be reinvested in the airport, the requirement for annual audits, pavement management and quality testing programs, "But American" and "Build America, Buy America" rules, and myriad other operating and economic restrictions. Certain obligations continue indefinitely, such as civil rights-related provisions, the restrictions on the use of airport revenue, and the prohibition on granting exclusive rights. As discussed above, the AIP and AIG grants would also add new compliance obligations.

### **Pros & Cons of Accepting FAA AIP/AIG Funding**

#### **Pros**

- Significant outside funding: >\$1.4M in federal support for Apron A2.
- Preserves TTAD's entitlement funding eligibility in future years.
- Reinforces FAA partnership and compliance with national airport standards.

#### **Cons**

- Long-term federal obligations restrict local autonomy (e.g., land use, airport access, fuel availability).
- Ongoing compliance & reporting burdens (audits, quarterly reports, civil rights programs, pavement management).
- Potential exposure to federal enforcement if obligations are not met.

Limits flexibility in choosing financing or project delivery methods compared with using 100% local financing.

### **Bottom Line**

The trade-off is between \$1.4M in near-term cost relief versus 20+ years of regulatory obligations. The Board must weigh whether the funding benefit outweighs the long-term compliance, monitoring, and reduced local control.

### **FISCAL IMPACT**

Potentially reducing the amount of funds being borrowed from the Apron A2 Installment Sale Agreement. The current Annual Payment is ~\$523,111.23.

#### **BOND SUMMARY STATISTICS**

##### **Truckee Tahoe Airport District 2025 Installment Sale Agreement (Apron A2 Project)**

Dated Date	07/09/2025
Delivery Date	07/09/2025
Last Maturity	08/08/2040
Arbitrage Yield	4.719259%
True Interest Cost (TIC)	4.719259%
Net Interest Cost (NIC)	4.720000%
All-In TIC	4.953513%
Average Coupon	4.720000%
Average Life (years)	8.723
Duration of Issue (years)	6.961
Par Amount	5,588,000.00
Bond Proceeds	5,588,000.00
Total Interest	2,300,807.98
Net Interest	2,300,807.98
Total Debt Service	7,888,807.98
Maximum Annual Debt Service	525,920.54
Average Annual Debt Service	523,111.23

### **SAMPLE MOTION(S)**

**1:** “I move to approve authorizing the General Manager, on behalf of the Truckee Tahoe Airport District, to accept the terms and conditions of the Grant Agreements presented by the FAA.”

**2:** “I move to approve authorizing the General Manager, on behalf of the Truckee Tahoe Airport District, to decline the offer of funds by the FAA due to the lack of clearly definable federal obligations outlined in the Grant Agreements presented by the FAA.”

## **ATTACHMENTS**

Grant Offer for Infrastructure Investment and Jobs Act (IIJA) Airport Infrastructure Grant (AIG)  
Project No. 3-06-0262-047-2025

Grant Offer for Airport Improvement Program (AIP) Project No. 3-06-0262-048-2025