



April 17, 2014

Sherry Miller
Airport Manager
Lake Tahoe Airport
1901 Airport Road, Suite 100
South Lake Tahoe, CA 96150

Dear Ms. Miller:

Information on Airport Closure South Lake Tahoe Airport

The Federal Aviation Administration (FAA) will act on an airport sponsor's request for release and closure to the extent that such action will benefit the public interest in civil aviation. The FAA will not consider a release and closure for an airport: (a) if the airport in question serves a unique role and there is no comparable alternative within the immediate vicinity; (b) if the airport is part of a *system* of airports and the role it fulfills is important to the continued operation of the local airport system; (c) if the airport supports a level of activity that classifies it as either "National" or "Regional" in the NPIAS Report to Congress.

The FAA will take no public position either approving or denying a sponsor's request to close a federally obligated airport until the FAA has completed a thorough review and analysis of the sponsor's request. An airport sponsor has an obligation to conduct its own analysis and provide a justification for its request for closure. [For your reference, please see Attachment 1 for definitions relating to terms used in this letter and Attachment 2 listing the relevant FAA rules, policy, statutes, and regulations.]

RELEASE OF ENTIRE AIRPORT

In all cases, the benefit to civil aviation is the FAA's prime concern and is represented by various considerations. These include the future growth in operations; capacity of the airport; the interests of aeronautical users and service providers; the state aeronautical agency, and the local, regional, and national interests of the airport, and the impact on the airport system (state and national). It is the responsibility of the FAA airports district offices (ADOs) and regional airports divisions to review the release request and recommend a course of action for ACO-1. Major considerations in granting approval of a release request include:

1. The reasonableness and practicality of the sponsor's request.
2. The effect of the request on needed aeronautical facilities.
3. The net benefit to civil aviation.
4. The compatibility of the proposal with the needs of civil aviation.
5. The existing airport must be in a safe and operable condition, and not in disrepair.

The FAA granting a release depends on the type of obligating document, such as a property conveyance or grant agreement.

The FAA Associate Administrator for Airports (ARP-1) is the FAA approving official for a sponsor's request to be released from its federal obligations for the purpose of closing or disposing of an entire airport. Each request to release an entire airport shall be considered by ARP-1 on a case-by-case basis.

Release of Federal Obligations. Before any action is taken to close a federally obligated airport, FAA must determine whether to release a sponsor from its federal obligations. A release of federal obligations can result in a closure of the airport and disposal of the property. The use of the proceeds resulting from these actions will be determined by the FAA.

A release of federal obligations can also result in removal from the National Plan of Integrated Airport Systems (NPIAS), regardless of whether the airport continues to operate as an airport, without the benefit of future grant funding. A release of obligations associated with federally acquired land can eliminate the perpetual obligation to operate the airport. A release associated with grant funded improvements can be considered to reduce the useful life (administratively) associated with such grant improvements.

ALL DISPOSALS OF AIRPORT REAL PROPERTY

All land shown on an Exhibit "A" Property Map constitutes the airport's federally obligated property. A sponsor is federally obligated to obtain FAA consent to delete any land described and shown on the Exhibit "A" or the Airport Layout Plan (ALP) if no Exhibit "A" exists. All sale proceeds are treated as airport revenue and deposited in the airport account for eventual disbursement to a new sponsor or replacement airport. The airport sponsor must receive fair market value (FMV) compensation for the disposal of all airport real property even if the existing sponsor retains ownership of the land for a non-airport purpose.

Reinvestment of Federal Share. After the FAA has determined that a release of grant funded improvements is appropriate and that the release serves the interest of the public in civil aviation, the FAA may require the sponsor, as a condition of the release, to reimburse the federal government or reinvest in an approved AIP eligible project. The amount to be reimbursed or reinvested is an amount representing the unamortized portion of the useful life of the federal grant remaining at the time the facility will be removed from aeronautical use.

Release of Federal Obligations and Disposal of Airport Property. The airport sponsor must convince the FAA that its plans for the use, and possible disposal, of surplus property benefit civil aviation. A total release permitting the sale and disposal of airport real property shall not be granted unless it can be clearly shown that the disposal of such property will benefit civil aviation. An important factor of the justification of net benefit to civil aviation must include an

amount equal to the current fair market value (FMV) of the property is realized as a consequence of the release and such amount is committed to airport purposes.

The airport owner requesting a release of airport land must identify and support the reason for which the release is requested. One justification of a release could be a showing that the expected net proceeds from the sale of the property at its current market value will be required to finance items of airport development and improvement in the local public airport system where that need has been confirmed with FAA concurrence. A sponsor's request must assure that the federal government shall be reimbursed or the federal share of the net proceeds will be reinvested in a replacement airport, or in another operating publicly-owned airport in the NPIAS.

Except where the grant agreement specifically provides otherwise (by special condition), the amount to be reimbursed shall be the unamortized amount of the federal share of the grant. Any release of airport land for sale or disposal shall be subject to a written commitment of the airport sponsor to receive a fair market value for the property. FAA shall not issue a release without this commitment. [A history of AIP grants and amounts is shown in Enclosure 3 for your reference.]

Airport Sponsor Request for Release. The sponsor must submit its request for release in writing and signed by a duly authorized official of the sponsor. Normally, the sponsor submits an original request and supporting material to the ADO or regional airports division. The sponsor must make its request specific with justification for a release and closure. If the FAA finds the request reasonable and practical, the FAA will request the sponsor to submit the plan justifying the Net Benefit to Civil Aviation, and the financial and implementation plan, for FAA approval.

FAA Determination on Sponsor Requests. The statutes, regulations, and policy applicable to the specific types of agreements involved must guide the decision to grant or deny the request based on the evaluation factors. In addition, the FAA must determine if FAA Order 5050.4B *National Environmental Policy Act (NEPA) Implementing Instructions for Airport Projects* requires an environmental review procedure.

Continuing restrictions may be required to be included in any deed, lease, or other conveyance of a property interest to others to protect the airspace.

As a matter of policy, the FAA will provide public notice of a proposed release of a sponsor from its federal obligations regarding the closure of a federally obligated airport. At least 30 days prior to the agency's determination of an airport sponsor's request to release aeronautical property or facilities, notice must be published in the *Federal Register* to afford the public an opportunity to comment. Public notice is also an opportunity for the FAA to obtain additional information as a part of its evaluation of the airport sponsor's request. It allows the FAA to take public comment into account in the agency's decision making. In addition, the airport sponsor is encouraged to provide local notice and notify tenants in a timely manner to ensure they are aware of the proposed action and have an opportunity to comment.

When the FAA determines that the request is contrary to the public interest and therefore cannot grant the request, ARP-1 will advise the airport sponsor in writing of the denial.

Please contact our office at (650) 827-7629 should you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Robert Lee". The signature is written in a cursive style with a large initial "R" and a long, sweeping underline.

Robert Lee
Airports Compliance Specialist

DEFINITIONS: The FAA Administrator's authority to grant a release depends on the type of obligating document, such as a property conveyance or grant agreement.

- Federally Obligated Airport Property – is all property identified on an airport’s Exhibit A property map. It is not limited to the airside property or that property purchased with Airport Improvement Program funds or donated under the Surplus Property Act of 1944, as amended. Most Federally Obligated Airport Property is listed in the National Plan of Integrated Airport System (NPIAS). However such property can also be excluded from the NPIAS and remain obligated by Surplus property conveyances and or grant agreements. Any property, when described as part of an airport in an agreement with the United States or defined by an airport layout plan (ALP) or listed in the Exhibit “A” property map, is considered to be “dedicated” or obligated property for airport purposes by the terms of the agreement.
- Release is defined as the formal, written authorization discharging and relinquishing the FAA’s right to enforce an airport’s contractual obligations. In some cases, the release is limited to releasing the sponsor from a particular assurance or federal obligation. In other cases, a release may permit disposal of certain airport property.
- Release Agreement - This document is the formal agreement used in cases where the sponsor of a closing airport is transferring assets to another sponsor of a NPIAS airport in the region facility
- Duration and Authority - When the duration of the physical useful life of all grant funded improvement ends, the sponsor can request a closure of the airport. The physical useful life of such a facility extends to the time it is serviceable and useable with ordinary day-to-day maintenance. However, airport land acquired with federal assistance under the Airport Improvement Program (AIP) and/or conveyed as surplus or nonsurplus property remains federally obligated until released by the FAA.

STATUTORY AND REGULATORY REQUIREMENTS

A. Statutes

1. Title 49 U.S.C. §46319 *Permanent Closure of An Airport without providing sufficient notice*
2. Title 49 U.S.C. §47107(c)(2)(B) *Written Assurances on Acquiring(Disposal) of federally acquired land.*
3. Title 49 U.S.C. §47107(h) *Modifying Assurances and Requiring Compliance with Additional Assurances.*
4. Title 49 U.S.C. §47107(h)(2) *Public Notice Before Waiver of Aeronautical Land Use Assurance.*- the Secretary must provide notice to the public not less than 30 days before making such modification.
5. Title 49 U.S.C. §47133 *Restriction on use of revenues*
6. Title 49 U.S.C. §47153 *Federal Surplus Property*

(Also see Surplus Property Act of 1944 [P.L. 80-289])

B. Code of Federal Regulations

1. 49 CFR 18.31: *Uniform Grants/Real Property (c) Disposition. (1) Retention of title.(2) Sale of property.(3) Transfer of title.*
2. 49 CFR Part 157 *Notice of Construction, Alteration, Activation, and Deactivation of Airports*
3. 49 CFR Part 155 *Federal Surplus Property*

C. Grant Assurances, Airport Compliance Manual, 5190.6B

1. Grant Assurance 19. *Maintenance and Operations*
2. Grant Assurance 20. *Hazard Removal and Mitigation*
3. Chapter 22, *Releases from Federal Obligations*

D. Policy – *Policy and Procedures Concerning the Use of Airport Revenue (64 FR 7697), February 16, 1999.*

Airport Improvement Grants Summary 1994 – 2014

PAST 20 YEARS

Row Labels	Sum of Entitlement	Sum of Discretionary	Sum of Total
3-06-0249-012-1994	\$ 251,737.00	\$ 341,206.00	\$ 592,943.00
3-06-0249-013-1994	\$ 236,362.00	\$ 685,926.00	\$ 922,288.00
3-06-0249-014-1995	\$ 193,424.00	\$ 378,246.00	\$ 571,670.00
3-06-0249-015-1996	\$ -	\$ 896,844.00	\$ 896,844.00
3-06-0249-016-1997	\$ 338,550.00	\$ -	\$ 338,550.00
3-06-0249-017-1998	\$ 397,662.00	\$ -	\$ 397,662.00
3-06-0249-018-1999	\$ 156,086.00	\$ -	\$ 156,086.00
3-06-0249-019-2000	\$ 4,059.00	\$ -	\$ 4,059.00
3-06-0249-020-2001	\$ 189,613.00	\$ -	\$ 189,613.00
3-06-0249-022-2003	\$ 104,252.00	\$ -	\$ 104,252.00
3-06-0249-023-2004	\$ 223,872.00	\$ -	\$ 223,872.00
3-06-0249-024-2005	\$ 495,748.00	\$ 9,406.00	\$ 505,154.00
3-06-0249-025-2006	\$ 150,000.00	\$ -	\$ 150,000.00
3-06-0249-026-2007	\$ 150,000.00	\$ -	\$ 150,000.00
3-06-0249-027-2008	\$ 256,445.00	\$ -	\$ 256,445.00
3-06-0249-028-2008	\$ -	\$ 6,624,366.00	\$ 6,624,366.00
3-06-0249-030-2009	\$ 2,440,672.00	\$ 298,765.00	\$ 2,739,437.00
3-06-0249-031-2010	\$ 1,450,303.00	\$ -	\$ 1,450,303.00
3-06-0249-032-2012	\$ 288,000.00	\$ -	\$ 288,000.00
3-06-0249-033-2012	\$ 315,000.00	\$ -	\$ 315,000.00
3-06-0249-034-2013	\$ 108,000.00	\$ -	\$ 108,000.00
3-06-0249-035-2013	\$ 1,080,711.00	\$ -	\$ 1,080,711.00
Grand Total	\$ 8,830,496.00	\$ 9,234,759.00	\$ 18,065,255.00

LAND ACQUISITION

Row Labels	Sum of Entitlement	Sum of Discretionary	Sum of Total
Acquire Land For Approaches	\$ -	\$ 882,747.00	\$ 882,747.00
3-06-0249-015-1996	\$ -	\$ 882,747.00	\$ 882,747.00
Acquire Miscellaneous Land	\$ 286,290.00	\$ -	\$ 286,290.00
3-06-0249-011-1993	\$ 286,290.00	\$ -	\$ 286,290.00
Grand Total	\$ 286,290.00	\$ 882,747.00	\$ 1,169,037.00