

Handout #1 – FAA Airport Closure Response Letter



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

Handout #2 – Aviation Demand Forecast



Aviation Demand Forecast - Lake Tahoe Airport

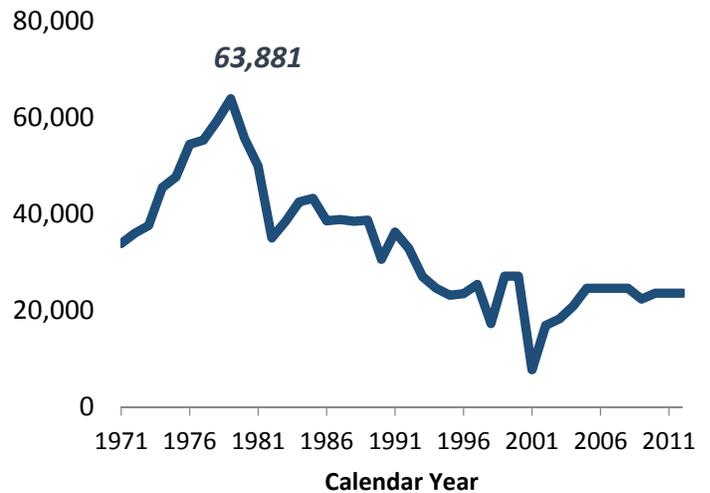
Historical Aviation Activity

An aircraft operation is a measure of activity that is defined as either a takeoff or a landing; a takeoff and a landing represent two operations.

Aircraft activity at Lake Tahoe Airport has declined since a peak was reached in 1978 of 63,881 annual operations. The change in the availability of air service at the airport contributed largely to this shift in activity.

General aviation activity makes up nearly all of the current flights to and from the airport and has remained mostly steady over the last several years at about 23,000 annual operations.

Annual Operations: 1971 - 2012
Lake Tahoe Airport



Mix of Activity: 2012
Lake Tahoe Airport



Existing Mix of Activity

Operations are categorized as local (originating at the airport by an aircraft based there) or itinerant operations by visiting aircraft. The region's popularity as a destination for tourism is reflected in the mix of activity with most (79 percent) of the operations attributed to itinerant aircraft—see the figure to the left. This is generally opposite of the experience of similar airports nationally.

Forecast Methodology

Several methodologies outlined in FAA Advisory Circular 150-5070-6B, *Airport Master Plans*, were evaluated in consideration of the information available and nature of the airport. A trend analysis and extrapolation methodology combined with regression analysis was selected for the forecast development.

This approach considers key historical data that may

affect future growth opportunities within South Lake Tahoe's leisure and tourism industry while addressing the unique and sometimes volatile nature of the aviation market. Currently, over 75 percent of all traffic at the Airport is associated with itinerant traffic or traffic originating elsewhere with Lake Tahoe Airport as a destination, thus supporting the selection of this methodology.

Visitor Spending – Millions of Dollars Annually El Dorado County



Visitor Economic Activity

For the purpose of this forecast, the period from 2000 to July 2013 was considered. From 2000 through 2010 occupancy declined every year when measured on a year-over-year basis. Declines ranged from a low of 2.1 percent in 2001 to 12.5 percent in 2002. The average decline in rooms rented during the period was slightly more than 7 percent. While the information gathered did not speculate about the contributors to this decline, it is likely driven by several variable including increased competition from similar destination markets and a general downturn in both economies of California and Nevada as well as the nation as a whole.

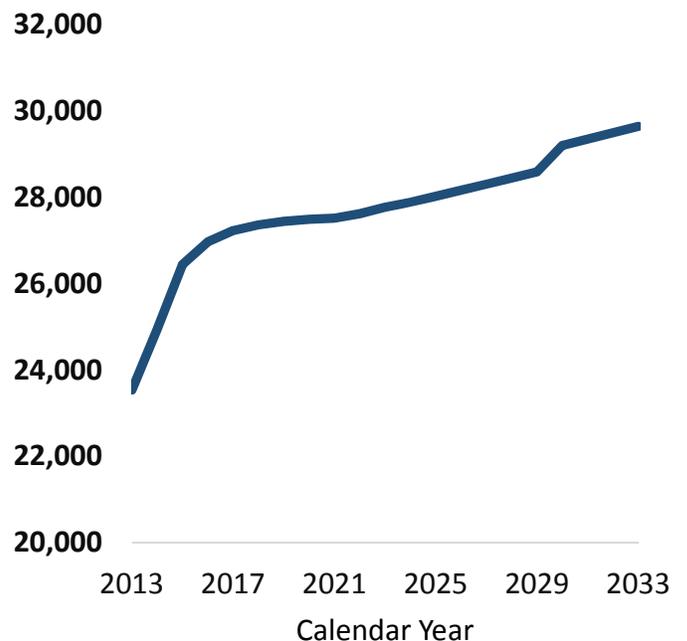
The period 2010 through mid-2013 reflects a different trend, however. Although 2011 again saw a decline in occupancy of 4.2%, the period showed a positive trend averaging a nearly 4.5% annual growth. It is believed this growth is stimulated by improving economic conditions as well as a continued, revitalized marketing effort on the part of the community and the State of California.

Draft Aviation Demand Forecast

Based on the improving economy, continued marketing efforts of the South Lake Tahoe community, and the forecasted growth of the aviation industry, the number of operations at Lake Tahoe Airport is projected to increase by approximately 17 percent by 2018. It is anticipated that growth will continue but at a slower rate through the mid- and long-term planning periods after the initial surge subsides.

A closer examination of the aircraft operations forecast reveals the growth will be led primarily by strong itinerant traffic and air taxi activity. It is believed that the Lake Tahoe market will parallel the broader national general aviation market. The strength of the market will be found in its ability to attract larger general aviation aircraft to support visitors to the areas' many winter activities and summer eco-tourism.

Draft Annual Operations Forecast Lake Tahoe Airport



Handout #3 – Airports 101 Terminology



Airports 101 - Terminology

Airport Layout Plan (ALP)

- A scaled drawing (or set of drawings) of current and future airport facilities.
- Provides a graphic representation of existing and long-term development plans for the airport.
- Demonstrates the preservation and continuity of safety, utility, and efficiency of the airport to the satisfaction of the FAA.

Runway Safety Area (RSA)

- Defined surface surrounding the runway prepared or suitable for reducing the risk of damage to aircraft in the event of an undershoot, overshoot, or excursion from the runway.

Runway Protection Zone (RPZ)

- An area at ground level prior to the threshold or beyond the runway end to enhance the safety and protection of people and property on the ground.

Object Free Area (OFA)

- An area centered on the ground on a runway, taxiway, or taxilane centerline provided to enhance the safety of aircraft operations by remaining clear of objects, except for objects that need to be located in the OFA for air navigation or aircraft ground maneuvering purposes.

Building Restriction Line (BRL)

- A line defined by specifications and displayed on an airport layout plan beyond which airport buildings must not be located to limit building proximity to aircraft movement areas.

Displaced Threshold

- A threshold that is located at a point on the runway beyond the beginning of the runway.

Declared Distances

- The distances the airport owner declares available for a turbine powered aircraft's takeoff run, takeoff distance, accelerate-stop distance, and landing distance requirements. The distances are:
 - *Takeoff Run Available (TORA)*
 - *Takeoff Distance Available (TODA)*
 - *Accelerate-Stop Distance Available (ASDA)*
 - *Landing Distance Available (LDA)*

Instrument Approach Procedure (IAP)

- A series of predetermined maneuvers for the orderly transfer of an aircraft under instrument flight conditions from the beginning of the initial approach to a landing or to a point from which a landing may be made visually. It is prescribed and approved for a specific airport by competent authority.

Imaginary Surfaces

- Described in Federal Aviation Regulations (FAR) Part 77 as established surfaces based on the runway that are used to identify objects that may impact airport plans or aircraft departure/arrival procedures or routes. There are five types of imaginary surfaces: horizontal, conical, primary, approach and transitional.

Design Aircraft

- An aircraft with characteristics that determine the application of airport design standards for a specific runway, taxiway, taxilane, apron, or other facility. This aircraft can be a specific aircraft model or a composite of several aircraft using, expected, or intended to use the airport or part of the airport. (Also called “critical aircraft” or “critical design aircraft.”)

Airport Reference Code (ARC)

- An ARC is a combination of the design aircraft's Aircraft Approach Category and Airplane Design Group. The ARC is used for planning and design only and does not limit the aircraft that may be able to operate safely on the airport.

Aircraft Approach Category

- An alphabetic classification of aircraft based upon its approach speed in a landing configuration at their maximum certified landing weight.

Airplane Design Group

- A Roman numerical classification of aircraft based upon wingspan and tail height.

Based Aircraft

- The general aviation aircraft that use a specific airport as a home base.

Aircraft Operation

- The landing, takeoff or touch-and-go procedure by an aircraft on a runway at an airport.

Enplanement

- The boarding of a passenger, cargo, freight or mail on an aircraft at an airport.

Fixed Base Operator

- A business enterprise located at on airport that provides services to pilots including aircraft rental, training, fueling, maintenance, parking, and the sale of pilot supplies.

General Aviation

- The segment of aviation that encompasses all aspects of civil aviation except certified air carriers and other commercial operators such as airfreight carriers.

Itinerant Operations

- Operations by aircraft that leaves the local airspace.

Local Operations

- Aircraft operations performed by aircraft that are based at the airport and that operate in the local traffic pattern or within sight of the airport, that are known to be departing for or arriving from flights in local practice areas within a prescribed distance from the airport, or that execute simulated instrument approaches at the airport.

National Plan of Integrated Airport Systems

- The national airport system plan developed by the Secretary of Transportation on a biannual basis for the development of public use airports to meet national air transportation needs.

Terminal Area Forecast

- The official forecast of aviation activity, both aircraft and enplanements, at FAA facilities. This includes FAA-towered airports, federally contracted towered airports, non-federal towered airports, and many non-towered airports.

Federal Aviation Regulations (FAR)

- FAA rules that govern all aviation activities within the US.

Orders

- Provide specific rules and regulations that airport sponsors must follow.

Advisory Circulars (AC)

- Provides recommended airport planning guidance.

Standard Operating Procedures (SOPs)

- Provide standardized procedures for high-value activities.

Handout #4 – Airport Master Plan FAQs



Airport Master Plan Frequently Asked Questions (FAQs)

1. What is an Airport Master Plan?

An Airport Master Plan presents the community and airport's vision for a 20-year strategic development plan based on the forecast of activity. It is used as a decision-making tool and is intended to complement other local and regional plans. The Airport Master Plan consists of a report documenting existing conditions of the Airport, a forecast of activity, facility requirements (the airport's needs based on the forecast and compliance with FAA Design Standards for airports), development and evaluation of alternatives to meet those needs, and a funding plan for that development. The Airport Master Plan also includes an Airport Layout Plan (ALP), described below.

2. What is an Airport Layout Plan and why do we need one?

An Airport Layout Plan (ALP) graphically depicts all planned development at the airport within the 20-year planning period as determined in the Airport Master Plan. This drawing requires approval by the Federal Aviation Administration (FAA), which makes the airport eligible to receive federal funding for airport improvements and maintenance under the FAA's Airport Improvement Program.

3. How often are Airport Master Plans undertaken?

Based on FAA guidance Airport Master Plans are recommended to be completed every five to 10 years based on the development needs of the airport.

4. Why are you doing this Airport Master Plan?

As mentioned above, the FAA requires an updated and approved ALP for an airport to be eligible for federal funding. In the years since the Airport's previous ALP and Airport Master Plan were prepared, there have been several changes that necessitate an update. These include updated FAA Design standards for airport design, transformational changes in aviation, and shifts in the types and levels of activity at the Airport.

5. How much input will the community have in the planning process?

The City of South Lake Tahoe welcomes community input at all stages of the Airport Master Plan process. Feedback can be provided to Ralph Redman of the C&S Companies at (619) 819-2264, toll-free at (877) 277-6583, or at rredman@cscos.com. Additionally, the planning process will include three public meetings to invite the community to share their opinions and concerns regarding the future of Lake Tahoe Airport. To receive notification of future public meetings please contact Ralph Redman (contact information provided above). Updates on the progress of the Airport Master Plan process will be posted on the City's website (www.cityofslt.us).



6. Will the Airport Master Plan report be made available to the public?

The Airport Master Plan will be divided into three draft reports: the first will include documentation of the existing conditions, forecast of activity, and facility requirements (needs); the second will include development and evaluation of alternatives to meet those needs, and selection of the preferred alternative; the third report will include the project phasing and funding plan with the draft ALP drawing set. Once complete, the report and ALP drawings will be finalized. All draft reports and the final submission will be posted on the city's website for public review (www.cityofslt.us). To receive notification of when documents will be made available for review please contact Ralph Redman of the C&S Companies at (619) 819-2264, toll-free at (877) 277-6583, or at rredman@cscos.com.

7. What is the cost to prepare the Airport Master Plan study?

The cost to prepare the Airport Master Plan study is \$350,000. Ninety percent of the cost is covered by the FAA with a 10-percent (\$35,000) local match by the City of South Lake Tahoe.

8. What level of environmental analysis will be conducted as part of the study?

The Airport Master Plan will include an Environmental Overview section that will outline the environmental resources surrounding the airport. A separate environmental analysis to address state and local requirements will be prepared once the Airport Master Plan process has progressed to a point where in-depth environmental analysis can be prepared.

9. Will there be a noise study as part of the Master Plan?

The Airport Master Plan report will include a figure that graphically depicts the existing noise footprint that is generated from aircraft flights.

10. What does airport sustainability mean?

Airport sustainability is defined by the Airports Council International – North America as “A holistic approach to managing an airport so as to ensure the integrity of the Economic viability, Operational efficiency, Natural resource conservation, and Social Responsibility (EONS) of the airport.”