

## Real Estate Guidance - (7/2014)

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## **5.5 Real Property Disposal Actions** Added 10/2005

### **5.5.1 General** Added 10/2005

The FAA has been granted authority under Public Law 103-272, dated July 5, 1994, (replacing the Federal Aviation Act of 1958, as amended) to act as disposal agent for airway property. Airway property is defined as ". . . Any real property, or interest therein, used or useful, directly or indirectly in connection with the administration, operation, or maintenance of any ground installation or facility necessary or desirable for the orderly and safe operation of air traffic, including but not limited to air navigation, air traffic control, airway communications and meteorological facilities. . . .“The following policies and procedures govern the activities of FAA property managers when the FAA is acting as disposal agent.

### **5.5.2 Totally Decommissioned Sites** Added 10/2005

Real property disposal activity for totally decommissioned sites typically involves all categories of real property - land, buildings and structures. Such sites are being completely closed down, all FAA functions are being discontinued, and there are no plans to install any other FAA facility on the same site. Assets will not be left on a totally decommissioned site without written notification to the landowner that contains provisions to absolve the government from potential liabilities arising from the continued existence of such assets.

#### **5.5.2.1 Leased Land and Other Real Property Rights** Revised 4/2009

When it is determined that a particular facility sited on leased land is no longer needed to fulfill the NAS mission, the entity owning the facility must initiate disposal actions for any real property assets that have been installed during the life of the facility. Likewise, termination action must be initiated for all negotiated surface, sub-surface or aerial rights associated with the facility (e.g., landsite leases, rights-of-way, utility easements, clear zones, joint use agreements, etc.). The responsible RECO, working in concert with the RPC, SMO personnel, and Regional Technical Operations representatives must monitor site closure activities and, at the appropriate time, notify the lessor of final site closure. Such notification will be in writing and in accordance with the time constraints provided for by the terms of the lease. The RECO must ensure that all other lease terms regarding site closure have been satisfied, that the lessor does not have any outstanding issues regarding closure and that the site poses no risk to the general public. When the above conditions have been met, the RECO terminates the land lease, requests cessation of lease payments and advises all concerned parties (RPC, SMO, Regional Technical Operations, REMS property specialists, etc.) of the termination so that affected property, accounting and budgeting systems may be adjusted. In the case of no-cost leases, FAA property managers have a like obligation to act promptly and in accordance with the provisions of the lease and applicable government standards particularly regarding any potential environmental or safety considerations.

#### **5.5.2.2 Owned Land** Added 10/2005

As a rule, the FAA will not act as the disposal agent for Government-owned land inasmuch as the FAA's interests are better served by utilizing the disposal services offered by the General Services Administration (GSA). When the GSA acts as the disposal agent, the FAA fulfills the role of the holding agent and acts in conformance with provisions of paragraph 5.7, Reporting Excess Property for Interagency Screening. When land owned by other federal entities, e.g., the Bureau of Land Management and used by the FAA is no longer required, the land is made available for return to the owning agency. The decision to accept return of the land (along with any fixed improvements thereon) is discretionary and if rejected by the original owning entity, the property should then be reported to the GSA for disposal in the same manner as land owned in fee by the FAA. Property managers and facilities personnel must evaluate the assets installed on the site for potential FAA reutilization and take the necessary steps to facilitate transfer of those assets to other FAA facilities. In cases involving substantial buildings or structures that cannot be moved, the assets, along with the land upon which they are constructed, must be reported to the GSA.

#### **5.5.2.3 Permanent Buildings** Revised 1/2012

Permanent buildings are defined as buildings that cannot be removed from a site and transported without destroying their serviceability. Decisions on final disposition of such buildings are a cooperative effort involving property managers, Technical Operations personnel and the responsible Real Estate Contracting Officer (RECO). The handling of these buildings may vary. For example:

- A permanent building on a leased site may be conveyed by lease modification or other conveying document agreement to a lessor when doing so is more advantageous to the government than demolition and when environmental and safety considerations do not preclude transfer (see paragraph 5.4.8).
- A permanent building on a site owned by the FAA may be reported to GSA for disposal along with the land upon which it is constructed. Excess facilities may be disposed of by public bid or full removal from the site prior to excessing the land either through GSA or in accordance with AMS, leases, MOAs, etc.

#### **5.5.2.4 Non-permanent Buildings** Revised 1/2012

Non-permanent buildings are defined as buildings that can be removed from a site and transported without destroying their serviceability. When a facility is totally decommissioned, such buildings are eligible for the full range of disposal options. They may be conveyed by transfer agreement, demolished, or relocated at the discretion of property managers, Technical Operations personnel, and the responsible RECO. Relocation and reutilization is, however, the first option to be considered. A decision to relocate and reutilize a non-permanent building must be mission-based and economically sound; e.g., an immediate need exists, the asset remains serviceable, and relocation costs are less than the cost of new construction. A decision to convey or sell a non-permanent building is contingent on a determination that environmental and safety considerations do not preclude transfer (see paragraph 5.4.8).

#### **5.5.2.5 Structures** Revised 1/2012

Structures are real property assets other than land or buildings and include such items as roads, fences, external power and control systems, parking lots, fuel storage systems, communications towers, etc. Again, decisions on disposition of such assets involve property managers, Technical Operations personnel, and the responsible RECO. Reutilization is the first option to be considered. Some structures such as roads, parking areas, underground power or water systems and concrete slabs on grade have more permanence than others and are conveyed by transfer agreement to new ownership either in "as is" condition or after they have been rendered innocuous. Other structures lack real permanence and may be candidates for relocation depending on age, condition, need, and relocation costs. A decision to convey or sell a structure is contingent on a determination that environmental and safety considerations do not preclude transfer (see paragraph 5.4.8).

#### **5.5.2.6 Other Real Property Rights** Added 10/2005

Other real property rights include easements, restrictions and other real property interests owned or leased in perpetuity or for a specified period of time. Easements may be disposed of to the owner of the land that is subject to the easement when the continued use, occupancy or control of the easement is not needed for the operation, production, use or maintenance of property owned or controlled by the Government. Such disposals may be made with or without consideration to the Government in accordance with a negotiated transfer agreement between the FAA and the property owner or in accordance with reversionary language contained in the document by which the FAA originally acquired the rights.

#### **5.5.3 Partially Decommissioned Sites** Added 10/2005

Land, buildings and structures associated with partially decommissioned sites are evaluated for retention or disposal according to circumstances existing at the time or to meet an anticipated need. Property managers, Technical Operations personnel and the responsible RECO must consider the implications of the partial decommissioning and the impact the action has on that portion of the site which contains facilities remaining in operation. For example

- As a portion of a site is decommissioned, land requirements (whether leased or owned) may diminish and allow the RECO to relinquish the excess acreage.
- Buildings or structures associated with the decommissioned facility may be useful assets for a co-located facility that will remain in operation and such property should be evaluated for transfer to the operational facility's property account.
- Buildings or structures associated with a decommissioned facility may, if left in place, impede the operation of other facilities on the site and should be considered for demolition or transfer off-site.

#### **5.5.4 Miscellaneous Real Property and Component Items** Revised 4/2009

Ancillary items installed to support operation of a facility being decommissioned but which were not recorded as stand-alone real property assets will be considered for disposition in the same way as recorded assets. In many instances, such items as electrical transformers, utility poles, external HVAC units and concrete piers or pads were considered to be integral components of larger systems and are not visible as individual line items in the automated property accounting system. Local property managers and Technical Operations personnel must evaluate these assets for reuse, demolition, or conveyance by transfer agreement (as either real or personal property) using the same standards applied to recorded real property assets. Transportable items should be reported using the USD system to ensure that their availability is made known over the widest possible area. RPCs are cautioned to check personal property systems to verify that any such items were listed as personal property when they were originally installed. Non-transportable items should be reported using Real Property Disposition Report with the "Remarks" section being used to identify the real property asset with which the item was originally associated.

#### **5.5.5 Preparation and Routing of FAST Form, Real Property Disposition Report (Version 12/08)** Revised 4/2009

The form, preparation instructions and routing procedures described below, and in Appendix C, are intended to facilitate the disposition of assets being removed from service at their original locations. These assets may be demolished, relocated, or conveyed by transfer agreement depending on circumstances and mission requirements.

##### **5.5.5.1 The FAST Form, Real Property Disposition Report (Version 01/09)** Revised 4/2009

This form is used to request RPDO approval of real property disposal actions and to serve as a report of completed real property disposal actions. It is similar to the old FAA Form 4800-1, however, a number of features have been added to allow for greater precision in identifying assets, describing asset condition and specifying actions taken or planned. Status codes have been included that will allow this form to be used to support removal of assets from property inventory and accounting systems. Provisions have also been made to include explanatory remarks from the initiator as well as from the approving official and a signature block is provided to indicate final RPDO approval. Detailed preparation instructions are contained in Appendix C.

##### **5.5.5.2 Initiator Responsibilities** Revised 4/2009

The initiator of the action, usually the RPC or a designee, can have a significant impact on the quality of the disposal process by careful preparation of the Real Property Disposition Report. The initiator must

- Ensure that the affected facility and the individual assets listed are identified correctly and that the information is consistent with data recorded in the property accounting system.

- Assign the appropriate condition and action codes to each asset. These codes in combination constitute a recommendation to the RPDO, based on direct knowledge that a particular course of action is in the government's best interests.
- When reporting non-transportable component items, the "Remarks" section will be used to identify the real property asset with which the items were originally associated.
- Add appropriate remarks to explain situations or conditions to help the RPDO determine the most appropriate disposition option.
- Attach support documentation in those instances when it is required (e.g. Transfer Agreements) and when doing so serves to clarify or otherwise support the action.

A sample of a properly completed FAST Form, Real Property Disposition Report, is included in Appendix C.

#### **5.5.5.3 Routing and Review of the FAST Form, Real Property Disposition Report (Version 1/09)** Revised 4/2009

The initiator of the FAST Form, Real Property Disposition Report, may or may not be required to route the prepared form through the SMO LPC depending on the review policies established by the SMO Manager. If the SMO Manager directs LPC involvement, the precise nature and degree of that involvement will be as directed by the SMO Manager.

#### **5.5.5.4 RPDO Decision Factors** Added 10/2005

The RPDO must ensure that final decisions regarding the disposition of individual real property assets are made with due consideration for the overall circumstances existing at the place and time actions are to be carried out. The evaluation process described above addresses many of the factors that bear on RPDO decisions in the larger sense; however, the RPDO must also be aware of the following

- Technical Operations field personnel have the technical expertise to accurately assess the potential impact of property actions on the NAS mission.
- Technical Operations field personnel are in the best position to judge the condition of property in terms of its serviceability and suitability for current operations.
- If necessary, input can be solicited from the field to support a disposition request; e.g., if a relatively new asset is characterized as a safety hazard, the RPDO may ask for an evaluation from the local Safety Officer.
- Asset age and net book value are legitimate considerations in making decisions as to demolition, salvage, repair or transfer of individual items.

#### **5.5.5.5 RPDO Actions** Revised 4/2009

After considering all relevant information the RPDO will take the following actions

- Review the Real Property Disposition Report facility information for completeness and accuracy.
- Review the asset descriptive information contained on the form against information recorded in automated property accounting systems.
- Ensure that Condition Codes and Actions Codes are entered for each asset listed.
- Ensure that Remarks are included when required by circumstances.
- Determine Net Book Value for each capital asset listed and enter that information on the form. NOTE: Capital assets are assets having an acquisition cost greater than \$100,000.
- Approve or reject the form. If rejected, the form will be returned to the initiator with remarks added by the RPDO to explain the reason for the rejection.

After determining the appropriate disposition for each listed asset, the RPDO will return a signed copy to the originator, place a signed copy in the facility real property file and retain a signed copy for his/her own files. The RPDO will also route copies of approved forms to the Regional REMS point of contact, ensure that appropriate action is taken to record the asset disposition or change in status and a copy to accounting, AMZ. If the action includes the termination of real property rights (such as easements or restrictions) or a lease (cost or no-cost), the RPDO must ensure that the REMS property specialist provides appropriate termination documentation to accounting, AMZ.