



**TRUCKEE TAHOE AIRPORT DISTRICT
BOARD OF DIRECTOR STAFF REPORT**

AGENDA TITLE: Design Review of 6 Executive Box Hangars prior to project bidding. Consideration of Bid Alternate to include 6 additional Executive Hangars in Project Bidding.

MEETING DATE: January 25, 2017

PREPARED BY: Kevin Smith, General Manager

OBJECTIVE: Review and consider final draft of project design for 6 new Executive Hangars (Red area in Exhibit A) prior to project bidding. Ask questions of staff and provide design comments in preparation of bidding project in February 2017.

ACTION ITEM: Provide direction to staff regarding Director Jones request at the January 6, 2017 Board Meeting to include 6 additional Executive hangars in the Bid package (Purple Area in Exhibit A). The request is to include a Bid Alternate for 6 additional hangars for a total of 12. The intent would be to lease 9 hangars to potential tenants on the Executive Hangar Waitlist (34 total on list), and set aside 3 hangars for heated overnight and/or short term storage.

DISCUSSION: The intent of this agenda item is to assure the Board of Directors is informed and up-to-date regarding project design, the location of the project on the airfield, and the number of hangars to include in project bidding. In fiscal year 2016, the Board of Directors budgeted funds to study and gain understanding regarding the feasibility and operational impacts of constructing additional executive box hangars. The Study was presented at the March 23, 2016 Board Meeting. After much discussion the item was continued to the June 22, 2016 Board Meeting (prior Staff Reports are attached). At the June meeting the Board considered all information available and made the following motion:

MOTION #4 JUNE-22-2016: Director Jones motioned to authorize staff to move forward with design and hard bidding for six metal Executive Hangars with a \$160,000 budget. Director Van

Berkem seconded the motion. President Wallace, Vice President Morrison, Directors Van Berkem, Jones and Hetherington voted in favor of the motion. The motion passed.

Staff has been working with Reinard Brandley, Airport Engineer and Bill Quesnel, Local Resident Engineer to prepare the attached plans and specifications for 6 executive hangars. As a point of reference, the new hangars will be similar size and appearance of our current Lima Row Hangars. (See attached Photo) Staff seeks Board review of these plans and specifications prior to project bidding.

WHATS HAPPENED AND WHAT'S NEXT: Pending design review and comments from Board, the follow tasks have been and/or will be completed:

1. Staff will advertise project mid to late February 2017 with bids due by mid to late March 2017. It is staff's intent to bring final project with all pertinent information, pro-formas, pre-lease agreements, and financing details to Board April 2017 Board Meeting for final project approval.
2. Once District receives final bid costs, final pro formas and detailed fascial analysis will be provided to Board including pre-lease confirmation from first 6 tenants.
3. Staff will have preliminary financing application into Cal Aeronautics *Airport Revenue Generating Loan Program* to seek preliminary assessment of Loan feasibility and probability of approval by the end of January. Staff has also received preliminary Revenue Bond assessments of Executive Hangar Financing options from Lewis, Young, Roberts, and Burningham. While additional information is necessary for them to finalize funding options, they indicate multiple possibilities are available for financing but none can be finalized or approved until final Bids are received. Staff will confirm hangar financing and loan approval prior to the Board's consideration of final project approval at the April Board Meeting. Staff should have a preliminary application response from Cal Aeronautics prior to March.
4. Based on work recently completed with Master Plan, the District can act as lead agency and comply with all CEQA requirements per the Mitigated Negative Declaration approved as part of Master Plan. Staff will prepare applicable CEQA documents for Board approval at the March or April Board Meeting.
5. Staff has had preliminary meetings with the Town of Truckee and will be submitting a development application to the Town in February. The Town estimates a 3 to 4 month approval process.
6. Staff has received required approval from FAA to construct hangars.
7. Should the Board decide to Bid the additional six hangars, staff can prepare a traffic impact analysis including what aircraft would occupy the additional hangars, staffs opinion of impact on repositioning and de-icing, revenue modeling and pro formas for the additional hangars and other information requested by the Board. This would be made available before the Board makes a final decision on construction of hangars.

Considering information above staff is interested in understanding and receiving input regarding information the Board desires to receive prior to making a final decision to construct the project. It is anticipated that this will come before the Board at the April 2017 Board of Director Meeting.

FISCAL IMPACT: This is yet to be determined. The Executive Hangar Study estimate which is now one year old is \$2,750,000 for 6 hangars. Based on preliminary design work and engineer estimates the cost ranges from \$2,750,000 to \$3,900,000 with various additive alternatives. The largest unknown is the cost of the steel building. Until we complete the competitive bid process we will not be able to confirm a final project costs. Pro formas have been completed at the \$2,750,000 and \$3,900,000. Lease rates are still competitive and attractive to potential tenants with a reasonable Internal Rate of Return for the District even if project cost reach \$4,000,000. It is the intent and recommendation of staff to finance project costs and pass on costs to future hangar tenants.

PUBLIC COMMUNICATIONS: Executive Hangars have been discussed in various public meetings and throughout the Master Plan process. Staff has noticed this discussion on the District Website, sent an e-blast to everyone in the system, and notified individuals on the hangar waitlist.

ATTACHMENTS:

Overall Layout Plan, Site Plan with Phases, Grading Plan, and Elevations

Staff Reports from March and June 2016.