



TRUCKEE TAHOE AIRPORT DISTRICT BOARD OF DIRECTOR STAFF REPORT

AGENDA TITLE: Consideration of Approval of Resolution 2017-02 Authorizing the Submittal of an Application with the California Department of Transportation for the State Airport Loan Program.

MEETING DATE: February 22, 2017

PREPARED BY: Kevin Smith, General Manager

RECOMMENDED ACTION: Approve Resolution 2017-02 authorizing the District to submit an application to the California Department of Transportation, Division of Aeronautics, and State Airport Loan Program.

DISCUSSION: Per direction by the Board of Directors at the January 25, 2017 Board Meeting, the District has decided to seek bid estimates on the construction of 6 to 12 new executive hangars. As part of this decision and discussion, it was agreed by the Board to consider financing options to construct these hangars with revenue derived to be used to service the debt, cover expenses and provide a return on investment for the District. District staff is in process of seeking pre-approval and Term Sheets from various entities such as Cal Aero, CSDA Finance Corporation, as well as from private Bond financing brokers. It is our intent to have specific financing options for Board consideration at the April and/or May Board meetings. In order to receive pre-approval and a term sheet from the State of California, Division of Aeronautics, the State requires a resolution as attached permitting the District to apply and accept funds. We are in no way obligated to accept funds or move forward with a loan based on passing this resolution. The resolution as attached and reviewed by Airport District legal counsel is require for the loan application. It is up to the District at a future date to accept or reject the loan terms should it be approved by the State Loan Program.

WHAT'S NEXT: Once the full application is submitted, staff should hear back from Cal Aero in 60 days. It is staff's intent to conclude the finance and funding options discussion by the May 2017

Board Meeting. We should also have term sheets from CSDA Finance Corporation as well as various private Bond options from our Bond Broker, (Lewis, Young, Robertson and Burningham) no later than our May 2017 Board Meeting.

FISCAL IMPACT: Current cost estimate is \$3,500,000 for 6 hangars and \$6,750,000 for 12 hangars.

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

SAMPLE MOTION(S): I move to approve Resolution 2017-02 Authorizing the Submittal of an Application with the California Department of Transportation for the State Airport Loan Program and wave the reading.

ATTACHMENTS:

Resolution 2017-2