

The following is a condensed version of the TRUCKEE TAHOE AIRPORT DISTRICT BOARD OF DIRECTORS regular meeting held Wednesday, August 27, 2014 at the Truckee Tahoe Airport District Community Room, 10356 Truckee Airport Road, Truckee, California at 5:30 p.m.

CLOSED SESSION

At 4:00 p.m., the Board entered closed session pursuant to government code section:

- GOVERNMENT CODE SECTION 54957 – GENERAL MANAGER QUARTERLY PERFORMANCE REVIEW

PUBLIC COMMENT: None

At 4:55 p.m., the Board recessed out of closed session and reported the following actions:

- GOVERNMENT CODE SECTION 54957 – GENERAL MANAGER QUARTERLY PERFORMANCE REVIEW

Direction was given to Mr. Smith.

PUBLIC COMMENT: None

CALL MEETING TO ORDER: 5:30 p.m.

DIRECTORS PRESENT: President John B. Jones Jr.
Director Mary Hetherington
Director Tom Van Berkem
Director Lisa Wallace

DIRECTORS ABSENT: Vice President James W. Morrison

STAFF PRESENT: Mr. Kevin Smith, General Manager
Mr. Phred Stoner, Director of Operations & Maintenance
Ms. Sally Lyon, Director of Finance and Administration
Mr. Hardy Bullock, Director of Aviation and Community Services
Mr. Mike Cooke, Aviation and Community Services Manager
Mr. Brent Collinson, District Legal Counsel
Mr. Marc Lamb, Aviation and Community Services Associate
Mr. Mike Barrett, Safety Coordinator
Ms. Lauren Tapia, Administrative Clerk

VISITORS PRESENT: 18

SPECIAL ORDERS OF BUSINESS

Mr. Kevin Smith introduced Mr. Don Honigman to the Board. Mr. Honigman is with ACE Insurance and is involved with the McKenzie litigation case. Mr. Smith informed the Board that the District was able to secure additional funding from the FAA. The FAA was able to give the District \$466,000 in extra funding. Mr. Smith would like to take approximately \$300,000 to do a project that was approved in the Pavement Maintenance Plan; the pavement in front of Hangar One and between Taxiway R and the Ramp. District Counsel Collinson stated that since the project is in the approved Pavement Maintenance Plan, there is no need to get Board approval to move forward with this project. Board consensus was to complete the project.

PUBLIC COMMENT: None.

District Counsel Collinson informed the Board that the District received an offer to pay in the sum of \$500,000 principle plus interest in return for the release of security interest in the PC3 property from the Joerger family. District Counsel Collinson stated that this offer is only good until September 5th. The offer came in after the agenda was posted and because of the September 5th deadline it is therefore necessary to take action on the matter prior to the regular September board meeting.

PUBLIC COMMENT: none

MOTION #1 AUGUST-27-14: Director Hetherington moved to add the litigation offer to the September 3rd agenda. Director Van Berkem seconded the motion. President Jones, Directors Hetherington, Van Berkem and Wallace voted in favor of the motion. The motion passed.

District Counsel Collinson stated that if the Board would wish to approve the offer, the Board can approve it tonight. President Jones clarified to the public audience that the Joergers owe the District \$500,000 and approximately \$50,000 in interest for the road the District built five years ago. If the offer is accepted the Joergers and the District each bear their own attorney fees.

PUBLIC COMMENT: none

MOTION #2 AUGUST-27-14: Director Van Berkem moved to accept the offer from PC3 assuming the District receive payment by September 2, 2014 at 5:00 p.m. If the District does not receive payment, they will incur additional legal costs for prep for pretrial on September 5, 2014. Director Wallace seconded the motion. President Jones, Directors Hetherington, Van Berkem and Wallace voted in favor of the motion. The motion passed.

CONSENT CALENDAR

- Minutes: July 23, 2014 Regular Meeting
- Monthly Service Bills and Fees
- Financial Report
- Trail Easement, Right of Entry, and Construction Agreement
- Quarterly Revenue Report
- COLA Approval
- Green Bucks Proposal Update
- Funding Request Truckee Wetlands Restoration Project

President Jones requested to pull the Financial Report, COLA Approval, Green Bucks Proposal Update and the Funding Request Truckee Wetlands Restoration Project from the consent calendar.

PUBLIC COMMENT: None

MOTION #3 AUGUST-27-14: Director Van Berkem moved to approve the July 23 Regular Meeting minutes, Monthly Service Bills and Fees, Trail Easement, Right of Entry and Construction Agreement, and the Quarterly Revenue Report. Director Wallace seconded the motion. President Jones, Directors Hetherington, Van Berkem and Wallace voted in favor of the motion. The motion passed.

President Jones pulled the Financial Report for clarification on the waitlist numbers for box/executive hangars. President Jones asked Ms. Lyon if there are indeed 23 individuals on the box/executive hangar wait list. Ms. Lyon confirmed.

Director Van Berkem requested clarification regarding the COLA increase. Mr. Smith informed the Board that the COLA adjusts employee's pay scale. President Jones inquired to Mr. Smith as to what the District has done in the past. Mr. Smith stated that last year a COLA increase of 1% was implemented and in 2014 the COLA was 1.9%. Ms. Lyon confirmed these percentages to the Board. President Jones requested that the District inquire as to what

other agencies have done, and Director Hetherington stated that she would like the Archer Wage study to be reviewed prior to the Budget Workshop.

PUBLIC COMMENT: None

MOTION #4 AUGUST-27-14: Director Wallace motioned to approve the Financial Report and the COLA Wage Increase. Director Hetherington seconded the motion. President Jones, Directors Hetherington, Van Berkem and Wallace voted in favor of the motion. The motion passed.

District Counsel Collinson stated that Board Member, Director Wallace, is the Executive Director of the Truckee River Watershed Council. TRWC is a 501 (c)(3) organization and plays a role in the administration of the Green Bucks Program. Mr. Collinson then continued that although Government Code section 1090 prohibits Directors from contracting with the Agency she represents, there are exceptions set out in section 1091 for remote interests. The first exception is if the Board Member is an officer or director of a 501 (c)(3) non-profit organization. Therefore, section 1090 does not prohibit the District and Director Wallace from any such contract. However, the Political Reform Act also applies as Director Wallace has a financial interest in that possible contract. Accordingly, she must recuse herself and leave the room, but may make comment during public comment as it relates to her personally. Director Wallace recused herself from the Board room. Mr. Collinson also stated that Board Member, Director Van Berkem, is a non-salaried Director of the Truckee Donner Land Trust. Director Van Berkem does not violate the Government Code 1090 violation, due to not having a financial interest. However, Director Van Berkem's vote does not count. Due to Vice President Morrison not being in attendance, the Funding Request for the Truckee Wetlands Restoration Project will be put on the agenda for the September 3rd Budget Workshop Meeting.

President Jones stated that the Green Bucks Program was pulled due to Director Wallace's involvement and potential benefit from the program. Directors Van Berkem and Hetherington did not have additional comments to make regarding the Green Bucks Program.

PUBLIC COMMENT: None

MOTION #5 AUGUST-27-14: Director Hetherington motioned to approve the Green Bucks Proposal. Director Van Berkem seconded the motion. President Jones, Directors Hetherington, and Van Berkem voted in favor of the motion. The motion passed.

AIRSHOW RECAP

Ms. Margaret Skillicorn, with Paragon PR, presented to the Board a recap of the survey that was conducted at the 2014 Truckee Tahoe AirShow. The AirShow survey was conducted the day of the event, it was offered at the information booth and in conjunction with a team of four individuals in two shifts walking around the event. The amount of AirShow attendees was estimated at 13,000 people. Ms. Skillicorn stated that 466 surveys were completed which equaled 3.46% response rate (margin of error of +/- 4.46 points). Non-Profit awareness is greater than last year and that she is encouraged by this increase in awareness. The survey found that most of the attendees were aware of the event via friends (42%) followed by internet website (33%) and Newspaper. Parking was rated a 5 (highest mark) this year and food and beverage increased as well. Vendor village's overall satisfaction this year increased compared to last year, but there was discussion on how the AirShow will increase the attractiveness of the Vendor Village by possibly moving its location to a more appealing section of the property next year. The AirShow continues to attract affluent attendees as total household income of attendees has increased 10% from last year (+\$100,000).

Ms. Skillicorn informed the Board that the AirShow benefited kid programs in the community (direct and indirect) in dollars raised over the past three years being \$144,735. The AirShow had a total gross amount of earned

revenue of \$35,492, and the total benefit to non-profit is \$47,311 in 2014. The total economic contribution the AirShow made was \$1.8 million based on 13,000 attendees, 31% indicating they were on vacation, and average length of stay (based on NLTRA July 2014 historical numbers for average spend & hotel spend per day); second homeowner data was not used to compile the total economic contribution.

Director Van Berkem raised a question regarding the 2013 total revenue numbers, Ms. Skillicorn stated that she would have Ms. Lisa Krueger check those numbers and get back to the Board with an answer. Director Wallace stated that she was surprised more attendees of the show did not fly in. Mr. Smith replied that compared to the amount of attendees (13,000) the Airshow had a few dozen planes fly in. Director Van Berkem asked if the AirShow Committee settled on a date for next year, Mr. Tim LoDolce stated that the 2015 Truckee Tahoe AirShow will be held on Saturday, July 11, 2015.

Ms. Skillicorn stated that the Committee is looking at restructuring how they go about seeking sponsorship. The AirShow received a total estimated value of PR coverage of \$20,000, Media sponsorship had a value that exceeded \$33,000. The AirShow spent about \$8400 in paid advertising.

PUBLIC COMMENT: Mr. Andrew Terry stated that it was hot out on the ramp this year, and suggested that they should tighten up the schedule making the event shorter.

Mr. Kirk Heiser, with the Red Star Formation, gave his congratulations and a thank you to the Airport for hosting such a nice event. Mr. Heiser stated his team felt the safest and was extended the greatest courtesies. Mr. Kaiser also wanted to thank the Truckee Fire Department, the EAA and the Truckee Line Crew.

AIRPORT COMMUNITY ADVISORY TEAM (ACAT) UPDATE

Mr. Bullock informed the Board that the UNICOM Assessment, Standard Operating Procedures and the Night Operation Paper had been deferred to the September ACAT meeting. ACAT committee members reviewed the ACAT Budget, they saw minor changes from the current budget year. There was a reduction in the FY 2014-15 budget by \$21,860, with a final budget request of \$115,000 which included UNICOM enhancement, special projects, pilot incentives, public outreach and training. Historical flight tracking data acquisition is underway, and ACAT reviewed Policy Instruction 511 "data use" as it relates to community annoyance. ACAT continues to explore their Pilot Incentive program. The scope of the program expanded to possibly include AVFuel Trip Points, Sierra Aero credit, instructor biennial flight review and noise procedure review. Additional supporting information on the "long math" cost of the program was requested and Staff will come back to the committee with those numbers at the September meeting, with a possible decision of approval of the program at the September meeting as well. Mr. Bullock stated that ACAT approved \$2000 for Kaplan, Kirsch & Rockwell to review the Night Operations Study Paper. Mr. Mike Cooke discussed the new noise and operations monitoring contract/vendor. Mr. Bullock gave a Surf Air update. Staff gave an update on the community annoyance report and an update on the UC Davis Noise Symposium. Mr. John Aadland informed ACAT that he will be departing from the committee.

Mr. Bullock stated that there are two committee member seats that will be vacating (one pilot and one community). Currently, Mr. Bullock stated he has received three applications which were forwarded to the Board.

Director Hetherington questioned the amount of cameras the Airport currently utilizes, and suggested the possibility of adding more cameras that are able to capture arrivals. President Jones agreed that he was under the impression that adding more cameras was being evaluated. Mr. Smith replied that adding more cameras was part of the 2015 UNICOM enhancement project list. Mr. Cooke informed the Board that with the new Multilateration (MLAT) system and the current camera set up the Airport has the ability to capture arrivals using the MLAT system.

Director Van Berkem questioned what changed with the original proposal of 11 cameras, as the additional cameras would be able to capture arrivals. Mr. Bullock stated that technology has come a long way since that proposal, and with the MLAT system staff is able to capture the arrival data. Director Van Berkem indicated that the Airport is not able to capture the identity (tail number) with MLAT, whereas the cameras has the ability to capturing the identity. Mr. Bullock agreed. Director Wallace asked the Staff if they could go back and re-evaluate the 11 cameras verses the 4 cameras and the reason why Staff did not acquire more. Director Van Berkem stated he would like to see a “flag” in the budget for FY 14-15 for additional cameras.

Director Wallace inquired about the District’s Policies being published on the District’s website. Mr. Bullock replied that it is currently not on the website, it is public information, so if the public requested a particular policy the District would provide them the information they need. Mr. Smith stated that the District is working on getting the Policy Library on the website.

PUBLIC COMMENT: None

AAAE FINANCE WORKSHOP REPORT

Mr. Smith stated that whenever Senior Staff and/or a Board Member attend a conference/workshop, Staff would like to acknowledge that and have attendees provide a brief report regarding what they had learned. This is so that the District stays in compliance with Political Practices Act and the Political Reform Act.

Ms. Lyon had the opportunity to attend the AAAE CIP Planning and Finance Workshop sponsored by UNISON located in Monterey, California. Ms. Lyon stated that the FAA, finance experts and speakers from UNISON speaking about industry trends, economics, financing, and capital improvement projects.

PUBLIC COMMENT: None

CLEAR CAPITAL/JMA LAND LEASE

Mr. Smith expressed to the Board that the objective for this agenda item is to consider and possibly take action on one of two options regarding leasing of Airport property for a Clear Capital campus. There are two options on the staff report, but these options continue to change on a daily basis. Mr. Smith expressed thanks to the partners that were in attendance: AdHoc Committee, Clear Capital, JMA, and Town of Truckee. Mr. Smith stated that the Airport was approached by Clear Capital two years ago about exploring the land leasing process, the potential commercial land lease was a new concept for the District, as the previous land lease the District had done was the fire station. The District publically advertised their intention to do this, and took public comment for a month. The District received only one response and it was from Clear Capital/JMA. A letter of intent was created and the District formed an AdHoc Committee. There have been numerous options that have been reviewed and considered over the last two years, but none have stood out as a clear winner. Mr. Smith stated that Clear Capital/JMA took a 7-8 month break in communication. With the Town of Truckee offering the new economic incentive program, the negotiations between the District and Clear Capital/JMA have been reignited.

Staff and the AdHoc Committee has narrowed down the options to two, Option #1 is to develop the project in Nevada County without a future annexation into the Town of Truckee, and Option #2 is to develop property in Nevada County and pursue an annexation/development agreement with the Town of Truckee. Annexation allows Clear Capital to pursue the Town of Truckee’s economic development incentive funds. Mr. Smith stated that the staff report goes through several pros and cons and constants between the two options. The AdHoc Committee sees merit in Option #2 and agrees that it may be the quickest path to meet the objective, but they feel some Board dialogue and consideration may be in order regarding Option #1. They feel there may be an option for the

District to meet the same economic incentive goal without necessitating annexation. District staff recommends Option #2, in their opinion this option has the best chance of success. Funding for the incentive option comes from the Town of Truckee and does not require the District to commit its own funding.

Mr. Smith reminded the audience that the FAA is the Airport's partner. The FAA owns half of the Airport's property and may be willing to give the Airport a release of obligations/grant assurances. The release the Airport needs from the FAA has about a 2-3 month timeline to get completed. Mr. Smith also expressed that it is very important that the Land Leasing project have an open and transparent process.

Director Van Berkem stated that the AdHoc committee developed seven options, and that the District is looking for a solution where everyone wins (Town, District, Clear Capital/JMA). And that everyone needs to look at the whole 13 acres and the impact of future development of that land. President Jones replied that the seven options that were developed by the Committee were variations of Option #1 and #2. President Jones stated that part of the agreement between the Airport and the FAA is that over time, the Airport is encouraged to become self-sufficient as an operating entity; developing the 12.9 acres on non-aeronautical land is a way for the Airport to receive a source of income that will help the Airport to become financially independent. Director Hetherington inquired what the seven options are since there are only two options in the Staff report. President Jones replied that the seven options are financial alternatives that fall under either option #1 or option #2. Director Van Berkem stated that the main question that needs to be answered first is whether we annex or not. Mr. Smith reminded the Board that this is an action item, if the Board wishes to take action on any aspect they can. But he reiterated that the Committee needs to update the Board and Public about their discussions and refine the direction that needs to be taken.

Mr. Kevin Marshall, Clear Capital President, gave a presentation about Clear Capital, and the direction they are going for the future. The housing market has gone through a very dramatic 10 years. When mortgage purchases, refinances and loan delinquencies all started to trough out in 2013 (which is 100% of Clear Capital's business) Clear Capital had to make some hard but wise decisions for their company. Clear Capital then had to eliminate old business lines that were no longer profitable, which led to a small decrease in their employee numbers. Clear Capital started to see an increase in loan originations in March of 2014, and as that improved Clear Capital employee count started to improve. Mr. Marshall informed the Board that Clear Capital is currently in a very healthy position. President Jones inquired about Clear Capital's employment numbers and where their employees live. Mr. Marshall responded that Clear Capital employs a total of 346 people, 260 of those employees are headquartered at the Truckee offices. 65-70% of the Truckee employees reside in the Truckee/Tahoe region, 30-35% commute in from Reno. Mr. Marshall informed the Board that staff count at their Roseville offices are growing, as they have great access to part-time talent and technical talent. Clear Capital is always watching the Reno market, as Reno provides access to talent when access in the Truckee/Tahoe region decreases. Upward mobility and training within Clear Capital for staff is increasing. Director Hetherington stated that Clear Capital was initially interested in an 80,000 sq. ft. facility and now Clear Capital is looking for a 40,000 sq. ft. facility. Mr. Marshall stated that the ability to look out 2-10 years is uncertain; with 40,000 sq. ft. Clear Capital would have the ability to grow upwards of 400 employees, although they wish to have a facility that would allow Clear Capital to expand and contract efficiently. Director Van Berkem stated that the District and the Committee really wants to keep Clear Capital in Truckee. Mr. Marshall replied that the State of Nevada has been aggressively pursuing Clear Capital, and that they are actively looking at facilities in Nevada. Mr. Marshall stated that Clear Capital has a tight timeline with the State of Nevada to give them a response. Clear Capital will need a decision from the District in a matter of weeks or months, and that they do not have the ability to wait out a decision for another year. Director

Wallace inquired if Clear Capital is looking at other options in Truckee. Mr. Marshall stated that the Airport property is the most viable and has the ability to match the timeline and current lease agreement.

PUBLIC COMMENT: None

President Jones expressed if the committee cannot make a business case for developing a solution for Clear Capital, he will have to rethink his position. Director Van Berkem stated that annexing and not annexing is a looming conversation in every AdHoc meeting. Director Van Berkem personally would like to see the financial numbers and viability of the several options the committee has discussed as they would preclude or require annexation, he will not be able to make a vote for annexation until he receives those numbers. Director Hetherington stated that there looks as though there needs to be more conversation, but yet there is a very short timeframe with Clear Capital. President Jones expressed that he feels that the Board has enough time to get a resolution. President Jones stated that he would like to avoid annexation process, but if annexation is a prerequisite to bend his view, he will. Director Wallace commended the complexity of Clear Capital's business and enjoyed the presentation that represented ten years of pretty radical swings of business. Director Wallace stated that based on the information of the staff report, she is for annexation. Director Van Berkem expressed an interest in having the Town of Truckee present how they would be a positive contributor to this project. Director Hetherington stated that the Town of Truckee was ignored by the County for a very long time, and because of the development standards the Town has created and implemented has made living in this community more desirable. President Jones asked Mr. Smith if Vice President Morrison provided any input on this topic. Mr. Smith replied that Vice President Morrison stated that he trusts the team and that he is confident they will give staff the direction needed.

PUBLIC COMMENT: Mr. John McLaughlin, Community Development Director with the Town of Truckee, reinforced that the purpose of the Town of Truckee that exists today is just as what Director Hetherington stated. The local Community felt a K-Mart was not appropriate for Truckee. The Board of Supervisors that approved the K-Mart, rallied the community to seek incorporation to insure the community has their own faith in terms future development. Mr. McLaughlin stated that the Town's primary purpose tonight is to listen, and that they are not prepared to present to the Board. Mr. McLaughlin reinforced that the area that is proposed for non-aeronautical use are best served by being inside the Town's limits. The Town of Truckee would love to see Clear Capital stay in Truckee and that they opened up opportunities for Clear Capital to receive economic incentives (\$1.2 million). Mr. McLaughlin believes the Town can work with the County as well as the modification of the Sphere of Influence and the process of annexation. President Jones stated that there have been a number of precedence where economic incentives were given to organizations that are affiliated to their town but not located inside town boundaries. Mr. McLaughlin stated that Town Council stated that Town funds from tax payers should be spent on projects located in Town boundaries.

Mr. Patrick Flora, Mayor of Town of Truckee, reiterated that the Town is really here to listen tonight. The current Council is maintaining the policy that was derived between the two Boards in '97 that all non-aeronautical use within those parcels would trigger an annexation process with the Town of Truckee. Mr. Flora stated that he would be more than pleased to meet with the AdHoc Committee.

Mr. Art Chapman, with JMA Ventures, stated that since he has lived in Truckee they have been talking about the perfect economic development program, right now it's Clear Capital. Mr. Chapman stated that he hopes everyone works together to keep Clear Capital in Truckee, it would be a significant setback to the community if it were to lose them. Given the upcoming termination of Clear Capital's lease, unless action is taken, Clear Capital will have no other choice but to move out of the community. Mr. Chapman stated that Truckee will never be the best economic alternative, but Clear Capital has made a commitment to their employees to try and stay in Truckee.

Mr. Andrew Terry understands the conflict that is currently happening; all of Clear Capital's land options were not located in the Town of Truckee. Now that they are being offered economic development monies this issue is a surprise. Mr. Terry stated that any development that continues right on the border of the Town should respect the development standards the Town has created.

Ms. Alexis Oller, Executive Director of Mountain Area Preservation, stated she understands the spirit of collaboration, but thinks the agenda got a little skewed. Mountain Area Preservation supports option #2 and that annexation makes sense. Ms. Oller pressed that heightened communication between the Airport and the Town needs to happen in order for this project to happen.

Director Van Berkem stated that he is not ready to take action on this subject today. Mr. Smith replied that we have more questions to ask, and that we do not have the financial information we need from Clear Capital/JMA yet. Director Van Berkem reiterated that he is looking for an ultimate win win, one that keeps Clear Capital in Truckee, one that benefits the District financially, and one that has financing that works. Director Van Berkem requested that the Town of Truckee give pros/cons to annexing into the Town. Director Hetherington expressed she is in favor of annexing into the Town of Truckee, and that the other eight acres of the land should be annexed into the Town as well. Director Wallace would like a representative of the Town of Truckee to participate in the AdHoc meetings. President Jones expressed that he would like the land leasing meetings to be a higher priority than it already is. Mr. Smith informed the Board that there is a standard weekly coordination meeting weekly between the District and Clear Capital/JMA.

PUBLIC COMMENT: Mr. Chapman reiterated that the FAA approval and the zoning work needs to go concurrently to be completed by the end of this year, in order to have working drawings that would allow them to get permits to start construction by late spring in order to complete the project before the expiration of the existing leases for Clear Capital by the summer 2016. Director Wallace stated that the Board does understand the very tight timeline, the silence came from Clear Capital for several months, and the Board has all been willing to work with the Town and Clear Capital. Director Van Berkem stated Mr. Chapman's organization is the one that will need to provide the information/analysis that is needed in order to proceed. Mr. Smith officially invited members of the Town staff to the weekly coordination meeting.

BREAK: At 8:06 p.m. the Board recessed for a short break. At 8:18 p.m. President Jones reconvened the meeting.

MASTER PLAN FINAL DRAFT ACCEPTANCE AND CEQA SCOPE APPROVAL

Mr. David Dietz, Project Manager, explained to the Board about the Mitigated Negative Declaration (MND) document that contains traffic, cultural and biological studies. The MND is a document that is 30-40 pages long. Mr. Dietz showed a field investigation limits map that had red areas and non-red areas mapped out. The areas that were not shaded red are areas on the airport that will not be disturbed and data will not be collected. The red areas are the areas that detailed data will be collected. Mr. Dietz presented the CEQA scope of work and fee proposal, he informed the Board that the additional services row is empty, and that he recommends the Board to approve money to be placed under that category. This will allow issues that are outside of the scope of work to be paid. Mr. Dietz stated that the biological field investigation will take place in April – May 2015. The traffic study cannot take place until the multi-use hangar's uses are determined. The traffic study is specifically for the CEQA requirements.

Director Hetherington asked Mr. Dietz if it's typical to pay in lump sum for CEQA. Mr. Dietz stated if the scope of work is well defined it is paid in lump sum, when work is complex and there needs to be response to comments and public outreach then it is billed on time and expense basis. Director Wallace directed a question to Mr. Dietz

about the \$10,000 difference in the transportation study that appears on the presentation verses what is mentioned in the Board packet. Mr. Dietz believes there was a transposition and that what shows in the contract is the correct number.

MOTION #6 AUGUST-27-14: Director Van Berkem moved to accept the Draft Master Plan. Director Wallace seconded the motion. President Jones, Directors Hetherington, Wallace and Van Berkem voted in favor of the motion. The motion passed.

PUBLIC COMMENT: None

MOTION #7 AUGUST-27-14: President Jones motioned to approve the CEQA proposal to accept the \$155,150 with \$10,000 in Additional Services. Director Van Berkem seconded the motion. President Jones, Directors Hetherington, Wallace and Van Berkem voted in favor of the motion. The motion passed.

MOTION #8 AUGUST-27-14: Director Hetherington motioned to allocate \$50,000 from the General Operating Contingency Fund to begin the CEQA process. Director Wallace seconded the motion. President Jones, Directors Hetherington, Wallace and Van Berkem voted in favor of the motion. The motion passed.

HANGAR 3 ARCHITECT/ENGINEER SELECTION APPROVAL

Mr. Smith began the Hangar 3 presentation by reading Vice President Morrison's personal comment. Vice President Morrison is in support of the presentation, he believes it's expensive, but far less than what was originally proposed. He is happy and excited about the team that has been put together by Mead & Hunt. Mr. Smith stated that this proposal is for the first phase, it consists of design of programming, conceptual design of the building and preliminary budgeting. Once complete, the District will receive a Concept of Design and a Budget Report which will include conceptual layouts, building elevations, projected costs, and various options for the Hangar for consideration by the Board by the December or January meeting. Director Van Berkem questioned what the starting point for this building will be. Director Van Berkem believed this project started out to create a public use building that allowed aeronautical use when the building was not being utilized for community events. President Jones stated that the objective tonight was not to hash out the details, it was to approve concept report that will help in final decision makings. Director Van Berkem stated that he is not prepared to vote on the approval tonight, he does not believe the staff analysis is correct, and believes the outreach portion is not appropriate.

Mr. Scott Ryan, of Ryan Group Architects, stated that the scope of this phase is to define the problems and determine what makes the most sense for the District. The rendering drawings is specifically for people to visualize what the building might look like. Director Van Berkem stated that he believed the initial idea for this building was to be for community use, and then after back and forth comments, aeronautical uses for the building were discussed. President Jones stated he disagreed. President Jones expressed that there is motivation to build Hangar 3, and that his motivation is to give back to the community and to also have a building to help build a safer airport. This project originally was a way for both safety of flight and community needs to be achieved.

Mr. Smith reiterated that Hangar 3 has the ability to accommodate both community events and park aircraft. Mr. Smith stated he does not believe any additions to this project were snuck in, concepts of this project have been discussed, nothing has been decided and no direction has taken place. The objective behind the approval of the scope and fees before the Board tonight is to help define the issues and present options.

Ms. Seana Doherty, with Fresh Tracks Communication, stated that the Godbe survey asked the community four specific options for the Hangar Development. The first option: Lease Land for Private Hangar Development. Option two: develop shade hangars. Option three: develop multi-use hangar. Option four: develop box/executive hangars.

The majority of the participants voted for the development of multi-use hangar. Ms. Doherty stated that the verbiage “multi-use hangar” was always used, which indicated that the hangar would be used for de-icing and community events. Director Van Berkem stated that there should have been another option given that did not state the word “hangar” in them. Ms. Doherty stated that there was a section under the Hangar area that did ask for “other uses” the community would like to see at the airport that would benefit the community. President Jones stated that the District is being asked to allocate funds to get more clarification about what this hangar will look like and what it will be used for. President Jones asked Director Van Berkem if he is able to move forward. Director Van Berkem state that he is unable to vote yes on this based upon how the first paragraph is written in the staff report.

PUBLIC COMMENT: Ms. Ollar, Executive Director of Mountain Area Preservation, was a part of the public process and workshops, and stated she clearly remembers being asked if the community would be interested in a hangar with community uses. She supports that idea. Ms. Ollar believes the District staff and the Board need to decide what they want this building to be. The conversation and the report may have changed since last year’s outreach to the community.

Director Van Berkem stated that he would be much more comfortable taking out the word “hangar” and to say that the study would produce a facility that would offer the community a place that could be used for events and address the potential for non-occupied times that can store aircraft with the advantage of winter use resulting in de-icing and safer aviation uses. Mr. Ryan stated that part of their process is to continue to reach out to the community, reaching out to the aviation community and hearing staff and Board direction on where this project will ultimately go, it is a conception.

Director Wallace stated that given feedback that staff had during the Fall 2013 Master Plan Outreach Process, given that there was a Hangar 3 assessment, given that there was an AdHoc committee formed to address Hangar 3, and given that the committee recommends a contract to move forward, Director Wallace proposed a resolution to modify the project understanding to strike the first paragraph entirely, and to replace it with the wording: Facility that will offer the community with a place that can be used for events, large scale and small meetings, and additionally can store aircraft, particularly for the use of de-icing and increasing safety in aviation uses. Director Van Berkem stated that he would like the words “additionally can store aircraft when not being used for the above”.

MOTION #9 AUGUST-27-14: Director Wallace motioned to approve the scope of consultation services and fee proposal with the written changes to the project understanding. Director Hetherington seconded the motion. The motion was never called to vote due to public comment.

Ms. Doherty stated that she has written multiple articles about Hangar 3, written the public outreach report, and that the District has set the expectation that Hangar 3 would be a multi-use hangar. The questions have been vetted, and at the time of vetting, that should have been the time to state the questions were not the correct ones to ask the public. By not using the word “hangar” we are opening up expectations and ideas the District may not be able to provide. Director Van Berkem stated he disagrees strongly. Director Van Berkem further indicated that we ask the questions he is referring to in the economic outreach process.

MOTION #10 AUGUST-27-14: Director Wallace motioned to approve the scope of consultation services and fee proposal with the written changes to the project understanding per original motion. Director Van Berkem seconded the motion. President Jones, Directors Hetherington, Wallace and Van Berkem voted in favor of the motion. The motion passed.

EXECUTIVE HANGAR ROW FINANCIAL ANALYSIS

Director Van Berkem stated he wanted clarification between a Box hangar and an Executive hangar. Mr. Smith stated that they are used interchangeably. Mr. Smith explained that the Master Plan calls for the Box/Executive hangars to be similar to what the Airport currently has, i.e.: 60-65 foot doors and 18 foot tall ceilings, which could hold King Airs, PC-12, Mustang, Cessnas, etc. Mr. Smith stated that there are two parts of this discussion, to study the demand which staff recommends a product and fiscal analysis to be conducted by an aviation business consultant, and to rethink the long term strategy (i.e. private hangar land lease). President Jones stated he wants to separate those into two different discussions as they are entirely separate from each other.

President Jones informed the Board that this project would have an estimated cost of \$2 million and it will generate \$140-150,000 a year for six box hangars. President Jones would like to see the Board approve a consultant to move forward with enough details and analysis to bring back to them. Director Van Berkem stated that he approves of the concept, but has some caveats: look at who would be using these hangars, the types of aircraft going in them, where they are being used now, and if these tenants are going to increase noise traffic. Director Van Berkem also stated he is interested in knowing what the Airport's right of control is regarding private hangar land leasing (how the hangars are built and maintained), and that the quick calculation of return in the fiscal impact is inaccurate. Mr. Smith stated that the Master Plan is a guide and project implementation timelines can be moved around.

Director Wallace stated that she would like an accurate financial analysis, and that she had some concern about the change in the implementation schedule. Mr. Bullock questioned if all of the assumptions made in the Master Plan (fleet units, operational characteristics, and future conditions) be given to the consultant to be utilized in the analysis.

Director Hetherington is concerned with the amount of projects that are lined up to be completed by summer of 2016, she is concerned about staffing and scheduling. Mr. Smith stated that the financial forecast will soon be updated by Ms. Lyon. Director Hetherington requested to know what the return is on Hangar row L. Mr. Smith informed the Board that he is going to an Aviation Business and Revenue workshop in Portland and one of the three best consultants that do what the District needs will be at the conference. Mr. Smith stated that he will meet with them and ask questions how they do their analytics when they do these hangar rows at other Airports.

District Counsel Collinson stated to note the potential location of the Executive/Box hangar row, as being in the Town of Truckee or in Nevada County as it could skew the timeline. Mr. Phred Stoner confirmed that Hanger Row M is in the Town of Truckee, but Hanger Row L is in the county, the box/executive hangars would be an extension of row L and would not be in the Town of Truckee.

President Jones proposed this item be placed on September's agenda.

PUBLIC COMMENT: None

HANGAR RENTAL RATE CONSUMER PRICE INDEX (CPI) INCREASE DISCUSSION

President Jones asked staff to do a survey of the local commercial real estate to see what the health of the market was, everyone basically stated that if the District would write a new lease, a CPI needs to be included. President Jones continues to have the opinion that until the District has a waiting list for "T" hangars staff should not raise the rent for "T" hangars. Director Wallace wanted clarification if this item is just to offer opinion or to rescind the CPI to take place September 1st. President Jones stated that we can vote to rescind the increase if need be. Director Wallace stated that she is not for rescinding the CPI. Mr. Smith stated that you don't need a vote, which the point of this TAB item was to give clarity and openness to discuss the CPI. If there was a Board consensus that

the CPI was a mistake, staff would continue this item at the September meeting and the Board would make a decision then. Board consensus is to leave the CPI as is.

PUBLIC COMMENT: None

GENERAL MANAGER'S REPORT

Mr. Smith updated the Board on Upcoming Training Opportunities, the AOPA Fly-In event is September 20, 2014 in Chino, CA. The CSDA Annual Convention is September 29-October 2 in Palm Springs. Director Hetherington stated she is thinking about attending this convention. The AAAE Airport Noise Symposium in Ft. Lauderdale. And the NBAA Annual Convention which Mr. Bullock will be in attendance. Mr. Smith stated he is considering attending the Annual Aviation Issues Conference in Hawaii. Mr. Smith said that the District will be very transparent about who is going and how much it is going to cost and the benefit of attending strictly because it is Hawaii. AAAE has a lot of airports in Hawaii that are members of AAAE, and out of the 120 conferences AAAE hosts, one of them needs to be on the Islands. Director Wallace reiterated that aviation is so important in Hawaii and that it would probably be a good conference to attend. Director Van Berkem also added that flights to Hawaii are cheaper than flights to the east coast.

Mr. Smith explained the AAAE Employee Certification Incentive Program. Staff is exploring an employee incentive program sponsored by the AAAE. AAAE will match airport employee incentive programs which encourage employees to achieve Accredited Airport Executive (AAE) Certification. The proposal is to compensate an employee \$1500 if they achieve the credential, in return, AAAE will match an additional \$1500.

Mr. Smith stated that the District is watching very carefully the Brockway Summit Development. The District provided a detailed letter to Placer County last year outlining various items the District felt worthy of review in the Environmental Impact Report (EIR). That process is currently underway. The EIR consultant working for Placer County is asking a lot of questions, especially to the FAA regarding the concerns that were written in the District's letter.

Director Wallace questioned if there is something that has flagged some concern from the District about this development. Mr. Smith stated that they are taking staff's letter very seriously, and the letter has caused some delay in the EIR process. Mr. Smith expressed that it isn't the District's goal to stop the development, but to help the District regarding the Noise Annoyance issue (i.e.: avigation easements, homes have additional sound insulation, etc.). Mr. Smith stated that the Developer will be at the October Board meeting to make a presentation.

PUBLIC COMMENT: None

BOARD MEMBER ANNOUNCEMENTS: None

PUBLIC COMMENT: None

ADJOURN

MOTION #11 AUGUST-27-14: Director Van Berkem motioned to adjourn. Director Van Berkem seconded the motion. President Jones, Directors Hetherington, Wallace and Van Berkem voted in favor of the motion. The motion passed.

At 10:31 p.m. the August 27, 2014 regular meeting of the Truckee Tahoe Airport Board of Directors adjourned.

John B. Jones, Jr., President of the Board

Kevin Smith, Secretary of the Board
