



**TRUCKEE TAHOE AIRPORT DISTRICT
INTEROFFICE MEMORANDUM**

TO: KEVIN SMITH, GENERAL MANAGER
FROM: JILL MCCLENDON, AVIATION & COMMUNITY SERVICES PROGRAM COORDINATOR
SUBJECT: HANGAR LEASING FEASIBILITY – EXECUTIVE HANGAR SURVEY
DATE: MAY 18, 2017

Over the last several months we have surveyed both current executive hangar tenants and a portion of the current wait list to gauge the level of interest in the project for potential new executive hangars. Individuals were surveyed primarily by email. Current tenants were followed-up with by phone.

The potential new hangars were presented as being similar in size (approximately 4,030 sq. ft.) to the existing executive hangars in Hotel and Lima rows with the main differences being that they would be insulated and have utility hookups. It would then be at the tenant's expense to connect the utilities through District approved tenant improvements (TIs). In the survey, the quoted prices for the new hangars were \$2,500 - \$2,800 per month.

Current hangar tenants were surveyed first indicating that they would be given first right of refusal of the new hangars. The questions asked were:

- If the District decides to build these hangars, would you be interested in entering into a lease at the quoted rates?
- If so, would you be willing to sign a pre-lease agreement and put down a deposit?

Of the current executive tenants, four indicated that they are interested in the new hangars and would sign a pre-lease as well as put down a deposit. Other tenants indicated that they were fine with their current hangar or did not respond.

Of 37 individuals on the current wait list 25 individuals were surveyed, 13 responses were received. Four individuals are interested in the new hangars at the quoted rates and would sign a pre-lease as well as pay a deposit. One of those indicated that he "would be willing to do whatever it takes to secure one."

An additional two individuals are very interested in the new hangars and wanted to be considered in the "yes" column indicating that they most likely would sign a pre-lease and pay a deposit. However, they wanted to know more information about the hangars including many of the current unknowns, i.e., what will the exact rent be, when would occupancy be available, and if the individual is willing to put money towards tenant improvements (TIs) would the Airport be willing to offer a longer term lease.

A few of the wait list tenants indicated that the quoted prices (\$2,500 - \$2,800) were more than what they are looking to pay. However, they are very interested in our current executive hangars at the current rental rates. Another several indicated that, while they like the idea of the potential new hangars, it is hard for them to say what their exact needs may be a year plus out and were not willing to commit to signing a pre-lease at this time.

Over the years, we have surveyed these individuals several times not only regarding their interest in potential new executive hangars, but also in how they currently operate at KTRK and/or would potentially operate in the future if they were offered a hangar. There were 12 individuals that did not respond to the initial email survey this time around.

If the Board voted to approve the project, I do think that we would be able to lease 12 new executive hangars. As far as pre-leases go, I believe we would be able to pre-lease 8 to 10 of the hangars. Any of our current executive hangars that would be vacated if tenants transfer would be filled with individuals from the wait list.