



TRUCKEE TAHOE AIRPORT DISTRICT BOARD OF DIRECTOR STAFF REPORT

AGENDA TITLE: Hangar 2 Claim Settlement Update and Design and Programming Project Approval Update

MEETING DATE: May 24, 2017

PREPARED BY: Kevin Smith, General Manager

RECOMMENDED ACTION: Receive update on Hangar 2 claim settlement from Travelers Insurance. Approve expenditure of \$150,000 from Hangar 2 claim proceeds to be received to complete formal programming and building, for replacement building.

DISCUSSION: On January 24, 2017 Hangar 2 collapsed due primarily to significant weather our region experienced throughout the month of January. The District has filed an insurance claim with Travelers Insurance and is in process of negotiating a settlement. The District's policy includes building replacement coverage. Hangar 2 was originally constructed in 1966 and served as an aircraft maintenance and repair facility as well as for flight training services. The District used Hangar 2 for the past 3 years for Ground Service Equipment (GSE) storage. GSE equipment are items such as Ground Power Units (GPU), lavatory cart, man lift, vehicles, golf carts, etc. The office space has been used by Hertz and other tenants such as Red Truck and PBD. On February 15, 2017 the building was demolished down to the concrete slab. It is anticipated that the District will have a settlement offer from Travelers Insurance shortly. As of publication date of the staff report the final settlement had not been received. Design, engineering, and bidding costs will be included in the settlement based on the scale of the old Hangar 2 which was smaller than the building under consideration by the District.

Great ideas have been put forward over the past few months as a replacement building has been discussed in various meeting. These ideas include:

- GSE storage space
- Hangar lease space for commercial aeronautical tenants. We have received various requests for this kind of lease space.

- A transient terminal for membership based operators such as Surf Air, Wheels Up, etc. They currently operate out of our Administration Building lobby.
- Potential future District office space.
- A home for non-profit aviation tenants such as EAA and Civil Air Patrol (CAP).
- Space for a future aeronautical tenant. Staff has prepared a Request for Information solicitation to see who might be interested in aviation tenant lease space. The District is under no obligation to accept specific proposals.

Since the hangar collapse on January 24th, the Board, Staff, the public, and various airport users have expressed different ideas for how the Hangar could be rebuilt and put to use again addressing current and future airport needs. Staff has brought various options forward at prior Board Meetings as well as at the Board Workshop in March 2017. Valuable input has been received from the Board, staff, airport users and the public. To continue this process, Staff recommends retaining the services of a building design/architectural firm with experience and/or specializing in aeronautical buildings and facilities.

WHAT'S NEXT: Staff recommends approving funds to retain the services through a Request for Proposal process of an Architectural firm that can provide a detailed programing and building design services for a replacement building for Hangar 2. If approved by the Board, Staff will issue an RFP and bring a hangar design proposal back to the Board at their July 2017 Board Meeting.

FISCAL IMPACT: Staff estimates programing and building design fees at \$150,000. Based on current bids received and actual construction costs, (WOB, and Executive Hangars) staff estimates approximate cost of building designs reviewed at previous meetings at \$3,800,000 to 4,300,000. Building programing and design costs are estimated at \$150,000. Final 100% design and bidding costs are estimated at an additional \$200,000.

SAMPLE MOTION(S): I move to approve \$150,000 from Hangar 2 claim proceeds to be received to complete formal programing and building, for a Hangar 2 replacement building as well as authorize staff to issue and RFP for Hangar programing and design services.

ATTACHMENTS:

None