



TRUCKEE TAHOE AIRPORT DISTRICT – BOARD OF DIRECTOR MEMORANDUM

TO: BOARD OF DIRECTORS, STAFF, AND PUBLIC
FROM: DIRECTOR RICK STEPHENS
SUBJECT: AFFORDABLE WORKFORCE HOUSING OPPORTUNITY
DATE: 5/19/2017

RPL Properties LLC, owned by Rick Lee, has the Lizando Property in the Town of Truckee in escrow. RPL has submitted a Preliminary Application Review by the Town of Truckee for the construction of 11 duplexes on Sierra Drive. Each duplex would have a 4 bedroom unit and a 2 bedroom unit.

RPL is prepared to construct and hold for rental the 22 units with 66 bedrooms and limit the rental cost to \$750 per bedroom initially, with annual CPI increases. This rental limitation would be for 15 years. RPL would be willing to offer units to TTAD employees for a limited “first look” period of time. Renters would have to work in the District.

With land and construction costs in Tahoe/Truckee and the rental rate restriction, the project does not “pencil”. Therefore, RPL is willing to commit to proceed with the project, IF TTAD is willing to subsidize the construction cost per residential unit in the amount of \$30,000. This payment would be made to RPL upon issuance of a Certificate of Occupancy for each unit, after the units are completed and ready for rental. This amounts to a TTAD commitment of \$660,000. The phases of construction would consist three phases. Phase I - two duplexes. Phase II - five duplexes. Phase III - five duplexes. Therefore, the TTAD commitment would be spread over time and again only paid when the units are ready for rental.

Rick Lee has had his primary residence in the District since 1964. He has been involved with residential real estate. He founded, owned and operated Centurion Boats. Rick Lee’s Related History is a tab to this agenda item.

The following are attached as a tab to this agenda item:

- Location map of the property

- Site Plan of proposed project
- Elevation of one of the duplexes
- Floor plans of one of the duplexes
- Construction Cost summary
- Proforma

Construction Costs are a key to the success of this project. Rick Lee is a manufacturer. He plans to manufacture the duplexes out of Shipping Containers which arrive in the USA by the thousands and are not returned to the point of origin. MWA (Kurt Reinkens) is the architect for this project. Mountain Modern is its architectural style. The containers will be clad in wood and finished inside with high quality finishes and fixtures.

The Proforma works, but just barely. RPL has asked the Town of Truckee for fast track processing (he would like to finish Phase I by the end of 2017) and Building Permit deferral in return for the rental restriction.

Questions for the Board: Is this a project that deserves further consideration and funding by the District? Would the Board like to see a Development Agreement between RPL and TTAD (prepared by TTAD is recommendation) to detail and outline the proposal.