

1 The following is a condensed version of the TRUCKEE TAHOE AIRPORT DISTRICT BOARD OF DIRECTORS
2 regular meeting held Wednesday, May 24, 2017 in the Truckee Tahoe Airport District Community Room
3 A, located at the Truckee Airport, 10356 Truckee Airport Road, Truckee, California

4 **CALL MEETING TO ORDER: 4:30 PM**

5 **PLEDGE OF ALLEGIANCE**

6 **DIRECTORS PRESENT:** President Lisa Wallace
7 Vice President Rick Stephens
8 Director John B. Jones, Jr.
9 Director Teresa O’Dette

10 **DIRECTORS ABSENT:** Director Jim Morrison

11 **STAFF PRESENT:** Mr. Kevin Smith, General Manager
12 Mr. Hardy Bullock, Director of Aviation & Community Services
13 Ms. Sally Lyon, Director of Finance and Administration
14 Mr. Dave Hoffman, Director of Operations and Maintenance
15 Mr. Mike Cooke, Manager of Aviation/Community Services
16 Mr. Brent Collinson, District Legal Counsel
17 Mr. Marc Lamb, Community Relations Manager
18 Ms. Lauren Tapia, District Clerk

19 **VISITORS PRESENT:** 15

20 **SPECIAL ORDERS OF BUSINESS:**

21 Mr. Smith and President Wallace passed out mementos highlighting the number one strength of Board
22 Members and District Staff. Staff and the Board each took an assessment from the book “Strength Finder
23 2.0” at the Board workshop previously held in March.

24 **PUBLIC COMMENT:**

25 Mr. Morgan Goodwin, Truckee Roundhouse Board Member, gave a brief check in on the status of the
26 Truckee Roundhouse, which is located in a warehouse on Airport property. Mr. Goodwin informed the
27 Board of the 3rd annual Makers Show which will be held at the Truckee Tahoe Lumber yard. The Board
28 inquired about the amount of memberships the Roundhouse currently has. Mr. Goodwin stated that they
29 have roughly 145 memberships. Mr. Smith indicated that the Truckee Roundhouse will be providing
30 training to District operation and maintenance staff on trades like welding. Truckee Roundhouse will also
31 be a host site for summer camps for the local school district and Tahoe Expedition Academy.

32 Mr. John Foster, former Grass Valley Police Officer, stated that he will be running for Sheriff with Nevada
33 County. Mr. Foster stated that he would like to meet with the Board of Directors individually to seek what
34 they desire/need for the next Nevada County Sheriff.

35 President Wallace reminded the public in attendance that the only decision being made on Agenda Item
36 16 – Hangar 2 is whether or not the Board would like to fund programming and design for the building.
37 Public Comment will be taken on the topic.

38 **CONSENT ITEMS**

- 39 • Minutes: April 19, 2017 Regular Meeting ----- TAB 1
- 40 • Monthly Service Bills and Fees ----- TAB 2
- 41 • Audit Engagement Letter ----- TAB 3
- 42 • PI 201 – Board Operating Policy Book and Review----- TAB 4
- 43 • Lease and Concession Agreement Approval – Avis and Enterprise Rent-a-Car ----- TAB 5

- 44 • Internal Control Review – May 2017 ----- TAB 6
- 45 • Truckee Bike Park Partnership Application Review and Approval ----- TAB 7
- 46 • Town of Truckee – Truckee Thursday Community Shuttle Program Partnership --- TAB 8

47 **PUBLIC COMMENT:**

48 Ms. Kelly Beede, Administration Analyst with the Town of Truckee, thanked the Board for their support in
49 approving the Partnership with the Truckee Thursday Shuttle Program.

50 Mr. Brooks Mc Mullin, with Biking for a Better World/Truckee Bike Park, thanked the Board for
51 approving the partnership application and supporting the community and the vision for the Truckee Bike
52 Park.

53 **MOTION #1 MAY-24-17:** Director Jones motioned to approve Tab Items 1 - 8. Director O’Dette seconded
54 the motion. President Wallace, Vice President Stephens and Directors Jones and O’Dette voted in favor of
55 the motion. The motion passed.

56 **ANNUAL AARF REPORT – TRUCKEE FIRE PROTECTION DISTRICT (TFPD)**

57 Mr. Bill Seline, Fire Chief with the Truckee Fire Protection District, presented his annual ARFF report. The
58 report gave an overview of the Truckee Fire Protection District, Engine 96 (ARFF Truck) statistics for
59 2016/17, and a TFPD personnel training update. President Wallace thanked Mr. Seline for the update, and
60 thanked the Truckee Fire Protection District in its effort for continual ARFF training their employees.

61 **PUBLIC COMMENT:**

62 Mr. Andrew Terry, Truckee resident, stated that he has friends that work for TFPD, and they have nothing
63 but great things to say about the ARFF truck. Mr. Terry suggested the idea about funding a similar truck
64 for North Tahoe Fire Protection District.

65 **AIR SHOW COMMITTEE UPDATE**

66 Mr. Tim LoDolce, Chairman of the Air Show Committee, thanked the TFPD in their partnership with the
67 Air Show each year. Mr. LoDolce also thanked the various other law enforcement and EMT personnel
68 involved as well.

69 Mr. LoDolce reviewed the tentative lineup for the Air Show, as well as the military aircraft line up that will
70 be in attendance for static display. Mr. Smith noted the STEAM exhibit and that they are preparing for
71 that to have another popular year.

72 **PUBLIC COMMENT:** None.

73 **ACAT MEETING REPORT (TAB 9)**

74 Mr. Bullock, reviewed the ACAT meeting which occurred on May 16th. Mr. Bullock reviewed the various
75 topics ACAT discussed and reviewed the ACAT subcommittee updates.

76 **PUBLIC COMMENT:** None.

77 **EXECUTIVE HANGAR POTENTIAL PROJECT – REVIEW (TAB 10)**

78 Mr. Smith reviewed the objectives and project considerations for the potential executive hangar project.
79 There was an error in the Appendices for this Agenda item, Mr. Smith requested to resend the PDF’s to
80 Ms. Tapia, District Clerk. President Wallace granted that request, and suggested while that is occurring,
81 the Board move onto the Monthly Operations and Comment Report (TAB 12). There was Board consensus
82 to do so.

83 **PUBLIC COMMENT:** None

84 **MONTHLY OPERATIONS AND COMMENT REPORT (TAB 12)**

85 Mr. Cooke reviewed the monthly operations and comment report for the month of April 2017. Mr. Cooke
86 stated that the weather for April was great for flying. Only 5 days in April were impacted by weather. Mr.
87 Cooke reviewed the statistics for Operations for the month of April. Mr. Cooke mentioned that 21
88 comments were received for the month of April, seven (7) callers from four (4) residential zones made up
89 for the 21 comments. The District received one (1) new commenter, and one (1) individual commenter
90 made 9 comments. Mr. Cooke reviewed the night operations for April, none of the flights were made by
91 home based aircraft, and there were zero complaints associated with night operations.

92 **PUBLIC COMMENT:** None

93 **QUARTERLY FINANCIAL REPORT (TAB 13)**

94 President Wallace stated that due to a suggested California Special Districts Association (CSDA) best
95 practice, staff will pulling the Monthly and Quarterly Financial Reports out of Consent Items. The report
96 will have a permanent place under "Presentations and Routine Reports" on the regular monthly Board
97 meeting agenda.

98 Ms. Lyon, Director of Finance and Administration, reviewed her Quarterly Financial Report for the six
99 months ended March 31, 2017 for the Board of Directors.

100 **PUBLIC COMMENT:**

101 Mr. Terry, Truckee resident, noted that he is in favor of the new set up for the variance analysis.

102 There was Board consensus to accept the Quarterly Financial Report as presented by Ms. Lyon.

103 **STAFF AND DIRECTOR CONFERENCE ATTENDANCE REPORTS**

104 Staff reviewed items of interest and learned at conferences they attended over the last month, which
105 included the CSDA Leadership Academy and the AAAE Annual Convention.

106 **PUBLIC COMMENT:** None.

107 **EXECUTIVE HANGAR POTENTIAL PROJECT REVIEW (cont.) (TAB 10)**

108 Mr. Smith continued from where he left off previously in the meeting by sharing and reviewing the
109 Executive Hangar item's appendices which include: Hangar site bidder summary, Hangar structure bidder
110 summary, Executive hangar pro-forma, the CSDA Finance term sheets, Leasing feasibility, Executive
111 Hangar rent comparison, and Hangar site plan locations and elevation plans. Board discussion ensued
112 regarding financial pro-formas, the debt service period of the potential executive hangars, inflation
113 percentage scenarios, site prep and maintenance costs of the executive hangars, and what specifically is
114 the "correct" market rate as well as lease terms for the executive hangars.

115 Mr. Smith reviewed staff's recommendation on the potential project. Mr. Smith noted that staff
116 recommends the construction of ten (10) executive hangars, two of which should be for overnight use.
117 Prelease agreements should be signed before construction, and that staff recommends charging
118 \$2500/month, which is the high end of "market".

119 **PUBLIC COMMENT:**

120 Mr. Terry stated that with the addition of potentially 10 executive hangars, it will increase the capacity of
121 the airport. Mr. Terry noted that bigger airframes will be noisier, and will generate more annoyance from
122 the community surrounding the Airport. Mr. Terry stated that he doesn't believe there will be a "net
123 balance" on the number of operations.

124 Mr. Chris Smith, Truckee resident and professional pilot that operates in and out of the Airport, stated
125 that the increase in operations are due to the high tourist environment that Truckee and North Lake Tahoe

126 exists in, not hangars. Mr. Smith also noted that newer larger aircraft are substantially quieter than
127 smaller, older, general aviation aircraft. Mr. Smith reviewed the important safety aspect of providing
128 shelter to aircraft instead of having them sit on the ramp in the elements.

129 Vice President Stephens relayed a public comment for an individual that couldn't be at the meeting. The
130 comment inquired about the home basing (where the owner declares the aircraft for tax purposes)
131 incentive. Mr. Kevin Smith stated that the incentive allows the county to charge personal property taxes
132 on the aircraft that is stored inside the hangar. Mr. Smith stated that the incentive has been in place since
133 2007, and staff has the opinion that there is a "net gain" to the District constituents by offering that
134 incentive.

135 Director Jones noted that the District spent \$100k on a Demand Driver study, which validated that the
136 development of new hangars do not drive traffic to the airport, the drivers are Lake Tahoe, skiing, summer
137 sports, and the environment. There is a ten (10) year waiting list, there is a demand for executive hangars.
138 The Master Plan called for 24 executive hangars, but that he is in support of building ten (10) hangars.

139 Director O'Dette expressed agreement with Director Jones, but noted that she believes the rent for the
140 hangars should be increased to \$2800/month.

141 Vice President Stephens stated that the District has delayed building executive hangars, yet operations at
142 the Airport has continued to increase. The District has had staunch community members that have sat on
143 the Board of Directors and yet operations at the Airport has continued to increase. Vice President
144 Stephens expressed that he is in favor of building ten (10) executive hangars as recommended by District
145 staff, each with a pre-lease signed. Vice President Stephens noted that they could push the rent higher,
146 but not to push it too far.

147 President Wallace expressed appreciation for all of the financial detail that went into the agenda item.
148 President Wallace stated that she agrees that there is a lack of financial risk to the project, and that the
149 safety element the potential hangars would provide, is a priority for the Board. President Wallace does
150 agree that Hangars do not "drive" operational traffic, but agrees that hangars could "influence"
151 operational traffic. President Wallace also noted that she would like to see the proposed rent to increase,
152 specifically to help the cost recovery for the District.

153 Discussion ensued amongst the Board regarding the proposed rent rate of \$2500/month and the
154 suggestion of \$2800+/month for the potential Executive hangars, as well as lease term lengths. And that
155 the District should offer the fly quiet incentives to potential new tenants.

156 **PUBLIC COMMENT:**

157 Mr. Chris Smith noted that he is concerned that a public agency is trying to "maximize" rent, even though
158 the financials pencil out at \$2500/month.

159 Mr. Chris Barbera, with Mountain Lion Aviation, stated that they do 160 operations (in a three month
160 period) in and out of the Airport because their aircraft is "based" in Minden. Mr. Barbera stated that if
161 they had a hangar, they would be based at the Truckee Tahoe Airport they would have 80 operations
162 instead. Amenities (which are defined as influencers in the Demand Driver Study) are a very small factor
163 for their business, it's where their customer wants to go, or where they want to be picked up from.

164 Mr. Ian Mulholland, Truckee resident, stated that he would like to upgrade his plane to a larger one, the
165 demand to do so is himself, not what the District provides.

166 **MOTION #2 MAY-24-17:** Vice President Stephens motioned to move forward with staff's
167 recommendation to construct ten (10) executive hangars. Also, additionally with a lease rate of
168 \$2800/month, five (5) year preleases signed by potential tenants, which include home basing and fly-quiet

169 incentives. Director O’Dette seconded the motion. President Wallace, Vice President Stephens and
170 Directors Jones and O’Dette voted in favor of the motion. The motion passed.

171 **HANGAR 2 – REVIEW OF CLAIM SETTLEMENT & DESIGN AND PROGRAMING PROJECT APPROVAL (TAB**
172 **13)**

173 Mr. Smith stated that the District received a claim settlement check from the property insurance
174 company. Mr. Smith noted that staff believes it is low, and they are currently in discussion with Travelers
175 Insurance to increase the settlement amount. Mr. Smith noted that staff is proposing that the Board
176 allocate \$150k to complete a formal programming and design building for the replacement Hangar 2.

177 **PUBLIC COMMENT:**

178 None.

179 **MOTION #3 MAY-24-17:** Director Jones motioned to approve \$150k to complete a formal programing and
180 design building for the replacement Hangar 2 and to authorize the Board President to sign the project
181 agreement with the successful proposer as recommended by District staff. Director O’Dette seconded the
182 motion. President Wallace, Vice President Stephens and Directors Jones and O’Dette voted in favor of the
183 motion. The motion passed.

184 **AFFORDABLE WORKFORCE HOUSING OPPORTUNITY WITH RICK LEE (TAB 14)**

185 Vice President Stephens gave an overview of his role and involvement representing the District on the
186 Mountain Housing Council as well as a member of the Housing Ad Hoc committee. Vice President
187 Stephens stated that got a phone call from Mr. Rick Lee about the Lizondo Property in Truckee and the
188 potential opportunity to partner with the District on the project. RPL, LLC. is owned by Mr. Lee and he has
189 submitted a preliminary application review by the Town of Truckee for the construction of 11 duplexes
190 (that would be partially constructed out of shipping containers) on Sierra Drive. Each duplex would have
191 a 4 bedroom unit and a 2 bedroom unit. RPL is prepared to construct and hold for rental the 22 units with
192 66 bedrooms and limit the rental cost to \$750 per bedroom initially, with annual CPI increases. This rental
193 limitation would be for 15 years. RPL would be willing to offer units to District employees for a limited
194 “first look” period of time. Renters would have to work in the Airport District Boundaries.

195 Vice President Stephens stated that with land and construction costs in Tahoe/Truckee and the rental rate
196 restriction, the project does not “pencil”. Therefore, RPL is willing to commit to proceed with the project,
197 if the District is willing to subsidize the construction cost per residential unit in the amount of \$30,000.
198 This payment would be made to RPL upon issuance of a Certificate of Occupancy for each unit, *after* the
199 units are completed and ready for rental. Vice President Stephens noted that this amounts to a District
200 commitment of \$660,000. The phases of construction would consist of three phases: Phase I – two (2)
201 duplexes, Phase II – five (5) duplexes, Phase III – five (5) duplexes. Therefore, the TTAD commitment
202 would be spread over time and again only paid when the units are ready for rental.

203 Mr. Rick Lee stated that he had conversations with the Family Resource Center and the cost per room is
204 in line with their numbers. Mr. Lee noted that he had placed a fifteen (15) year rental cap because, if the
205 project is not profitable, he does not want to be at a “loss” for more than fifteen years.

206 President Wallace expressed interest in this project, but would like a Frequently Asked Question
207 document tackling any type of questions that may arise from the public regarding this potential project,
208 and the District’s potential involvement with it. There was Board consensus to have District Counsel and
209 Staff to develop preliminary agreements between the District and RPL, LLC., and present them at the next
210 regular Board meeting.

211 **PUBLIC COMMENT:**

212 Mr. Cooke, Truckee resident, inquired if it is legal to do a Megan’s Law check on potential renters, because
213 the property is extremely close to Truckee Elementary School. Mr. Cooke also noted, that if there is any
214 way to create flat pieces of land between the units to create a safe play area for kids, would be great.

215 Ms. Seana Doherty, with FreshTracks and the Mountain Housing Council, stated that she is excited to see
216 this proposal. Ms. Doherty invited Mr. Lee to attend the “deal maker” group, which is a subcommittee of
217 the Mountain Housing Council.

218 **TEMPORARY SEASONAL CONTROL TOWER UPDATE (TAB 15)**

219 Mr. Bullock stated that the project is on schedule with an anticipated start date of June 1, 2017. Mr.
220 Bullock reviewed a list of completed milestones as well as a list of upcoming community and pilot outreach
221 events for the Temporary Control Tower. Mr. Bullock reviewed the proposed tower aesthetics and noted
222 that the tower will be painted green to match the current color of the surrounding aeronautical hangars.
223 Mr. Bullock reviewed several images that document the tower’s construction the past three months.

224 **PUBLIC COMMENT:**

225 None.

226 **GENERAL MANAGER REPORT (TAB 16)**

- 227 • Upcoming Training and Conference Opportunities

228 Mr. Smith reviewed the upcoming training and conference opportunities for the Board and District staff.
229 Mr. Smith thanked the senior staff and the Board members that have attended the CSDA Leadership
230 Academy so far this year; the final Academy is in July and the final three Board Members will be in
231 attendance at that conference.

- 232 • Warehouse Office Building Committee

233 Mr. Smith stated that all three rental car contracts have been signed and approved. Staff will be running
234 the final Pro-Forma numbers on the building, which should be the last item the Ad Hoc committee will
235 review.

236 Non-Aeronautical Land Use Committee

237 There is a doodle out for the next meeting, staff is awaiting for a response from the two ACAT members.

- 238 • GHG Inventory Study Committee

239 Mr. Smith stated that the study draft is substantially complete. The contractors are currently working on
240 aircraft emissions component with staff, which is very close to completion. The study draft will be ready
241 for Ad Hoc review by June. Staff anticipates a July or August Board presentation on the final report.

- 242 • Economic Impact Study

243 The visitor survey has been reviewed by the committee and it will be conducted during the peak summer
244 season in June and July. The project likely will not be ready to present until late summer. More info to
245 come.

- 246 • Regional Housing Committee

247 Mr. Smith reviewed the Mountain Housing Council kickoff event which was held in April at Truckee High
248 School. Approximately 15 agencies and private business have committed funding and resources to the
249 council. The event was well attended with approximately 200 attendees. Vice President Stephens stated
250 that there are two projects that are currently interesting, one is located on Dollar Hill in Tahoe City, the
251 other is Hopkins Village on Shafer’s Mill Road.

252 • Upcoming RFP's and Lease Agreements

253 Mr. Smith notified the Board and reviewed a list of various RFP's and lease renewals anticipated for review
254 and consideration of approval on upcoming Board agendas this summer.

255 • Tahoe City Emergency Services Helipad - Update

256 Mr. Smith stated that there has been great strides made regarding the project. The project received TRPA
257 and Placer County land use approvals this week! The project is out to be with a bid opening today (May
258 24). The project is scheduled to complete construction the Fall of 2017.

259 • Warehouse Vacancy and Potential for Community Space

260 Mr. Smith informed the Board that before the end of 2017 Wholesale Resort Accessories will be vacating
261 their space in the Warehouse. They currently occupy approximately 7,000 sq. ft. in the center of the
262 building. Their business has outgrown the space and they will be relocating to a more suitable location.
263 Staff has begun consideration of what is next for this space. Current annual income for this space is
264 \$85,000 per year.

265 • Upcoming Meeting Schedule

266 Mr. Smith reviewed the upcoming meeting schedule. Mr. Smith stated that a doodle will be sent out for
267 the fall Budget workshop.

268 **PUBLIC COMMENT:** None

269 **BOARD MEMBER ANNOUNCEMENTS**

270 None.

271 **ADJOURN**

272 **MOTION #4 MAY-24-17:** Director O'Dette moved to adjourn the meeting. Vice President Stephens
273 seconded the motion. President Wallace, Vice President Stephens and Director O'Dette voted in favor of
274 the motion. The motion passed.

275 At 8:06 p.m. the May 24, 2017 regular meeting of the Truckee Tahoe Airport Board of Directors adjourned.