



**TRUCKEE TAHOE AIRPORT DISTRICT
BOARD OF DIRECTOR STAFF REPORT**

AGENDA TITLE: Leasing Policy Amendment for District Tenants who provide Community Benefit and/or Public Service

MEETING DATE: July 26, 2017

PREPARED BY: Hardy Bullock, Director of Aviation & Community Services

RECOMMENDED ACTION: Adopt a modification and addition of policy language to the General Aviation Leasing/Rents and Fees Policy.

DISCUSSION: The Truckee Tahoe Airport District has a Primary Management and Compliance Policy Document outlining conduct related to leasing, rents, fees, market rent adjustment, terms, and capital investment, this is the *General Aviation Leasing/Rents and Fees Policy*.

The District has committed a number of Strategic Plan elements in support of the community. Some examples are the District sponsorship and agency partnership program, open space preservation, workforce housing, shared facility use, and alike. The District has applied a community benefit subsidy to a select number of previous graduated tenant leases. This is common among airports and it often promotes a vibrant and well established business or non-profit that supports the community and provides direct and tangible benefits to the general public.

Staff recommends the addition of the language below to add flexibility so that the Board may, from time to time, offset market rents for the benefit of the community when it identifies potential partnerships valuable to the District mission and vision.

General Aviation Leasing/Rents and Fees Policy Section 4.8

The TTAD may, in its sole discretion, utilize non-aeronautical District revenues to offset rents or fees associated with an Agreement when a clear community benefit associated with the Lessee's activities has been demonstrated. The offset of rents or fees shall apply to a specific period of time

not to exceed the term of the Agreement and shall clearly state the community benefit objectives and responsibilities of the Lessee. The offset of rents or fees shall be clearly outlined in the RENT/COST section of the Agreement. In the case of adjustments of rents or fees during the term of the Agreement, the District may, in its sole discretion, apply a pro rata adjustment of the offset of rents or fees. Agreements formulated under this Policy will be subject to all applicable TTAD Rules and Regulations along with any adjustments or conditions outlined within any governing TTAD policy.

WHAT'S NEXT: If approved by the Board, staff will amend the Districts Leasing/Rents and Fees Policy to include the new provision. The Board will likely receive requests from Truckee Roundhouse, Experimental Aircraft Association, and Soar Truckee under this provision. Each of these non-profits have active public outreach programs and specific programs benefiting youth and adult programs available to constituents and the public at large.

FISCAL IMPACT: Will vary based on the rent offset approved by Board.

PUBLIC COMMUNICATIONS: Routine posting through Board meetings and advertisements related to District business.

SAMPLE MOTION(S): I move to (approve, continue, deny) the request to adopt the language set forth in the staff report and amend the General Aviation Leasing/Rents and Fees Policy to add Section 4.8, Rent offset for Community Benefit.

ATTACHMENTS:

General Aviation Leasing/Rents and Fees Policy