



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

AGENDA TITLE: Acceptance of Proposal for Aeronautical Tenant for Future Hangar 2

MEETING DATE: August 23, 2017

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

RECOMMENDED ACTION: Authorize the General Manager to enter into negotiations with Mountain Lion Aviation to secure a development agreement outlining key terms and conditions for completion of tenant improvements and lease agreements for the proposed Hangar 2 facility.

DISCUSSION: Use of commercial aeronautical facilities at the Truckee Tahoe Airport are under the direction of the Board of Directors and the General Manager. Use of these facilities is outlined by policy within the Primary Management and Compliance Documents. Specific, relevant sections related to the proposed Hangar 2 development and leasing are included in *General Aviation Leasing Rents and Fees Section 2.3* which outlines the Competitive Process for selecting the best tenant for a given airport property or proposed facility.

The District receives constant interest from parties desirous of establishing a business presence on the airfield. The limited nature of available commercial facilities on the airport make the competitive process very important and assure the District complies with its Federal Grant Assurances and also its responsibility to the community through fair and equal access to local aeronautical business development whenever possible.

In December of 2016 the District was approached by Jim Wilkinson of TrailRunner International, a locally based firm engaged in corporate consultation and strategy. Mr. Wilkinson required a hangar space and commercial office facilities to develop his charter company based on the Cirrus Aircraft platform. The Cirrus aircraft has become one of the most popular aircraft serving Truckee based on its single engine economy, new safety design standard and also its relatively quiet footprint when compared to a similar aircraft such as a Bonanza or Cessna 206. The newly formed

company was named Mountain Lion Aviation. The operation was previously based in Minden and routinely picked up passengers for charter and also students learning how to fly the Cirrus. At that time more than five Cirrus operated on the airfield in concert with Mountain Lion Aviation for the purpose of charter or instruction.

In January of 2017 Mountain Lion was issued a Commercial Operating permit to perform Commercial Part 135 Charter and Flight Instruction. To meet the minimum standards set forth by District Policy the company must have adequate facilities including office space, public waiting areas, restrooms, and a hangar or tie down access. Based on Mountain Lion's average monthly charter volume of 67 hours it was deemed a high priority to find an airport facility to accommodate the business and prevent additional operations from repositioning between Minden Airport and Truckee Tahoe Airport.

In the early part of 2017 staff was preparing to modify the existing Hangar 2 to accommodate commercial aeronautical demand. When that facility was destroyed staff felt it important to thoroughly understand the interest from any and all businesses desirous of having a commercial aeronautical presence on the field and specifically in an area situated to provide access to the ramp for membership, charter, or fractional passenger service. Staff developed a Request for Proposal for firms interested in leasing and improving real property for aeronautical purposes. (ATTACHED). The goal of this process, outlined by policy was to find all qualified commercial tenants who may offer services commensurate with the District standards and utilize a newly constructed shell to make tenant improvements.

The most qualified response was received from Mt. Lion Aviation. (ATTACHED). Staff feels that Mountain Lion Aviation supports the Board's Mission of offering *High Quality Aviation Service* and also *Strategy Area 2.1 Standards of Service, Strategy Area 3 Community Benefit* by providing access to reliable air transportation in an economical small platform model. Staff further supports the establishment of Mountain Lion Aviation based on the reduction of repositioning flights between Minden Airport and the Truckee Tahoe Airport. This reduction of annoyance supports *Strategy area 3.3 Annoyance Mitigation*.

Other less formal interest and response has been received from SurfAir who has an interest in developing passenger facilities for its membership. Staff is working through the design process to accommodate these requests through a shared passenger facility within the newly proposed Hangar 2 facility. In addition to Mountain Lion Aviation and Surf Air the RFP was also sent to the following groups/organizations: Civil Air Patrol, EAA, Sierra Aero, Wheels Up, Air SF, Truckee Tahoe Soaring Association, Net Jets, and Blackbird.

WHAT'S NEXT: Authorize the General Manager to enter into negotiations with Mountain Lion Aviation to secure a development agreement or direct Staff to bring forth additional information.

FISCAL IMPACT: There are expenses and revenue associated with potential agreements; following the Board decision Staff will prepare financial pro forma estimates for public discussion and Board review.

PUBLIC COMMUNICATIONS: A formal Request for Proposal was circulated through District media channels including routine Board postings, newsprint ads, electronic mail, web postings, and direct communications with aeronautical tenants and users.

SAMPLE MOTION(S): I move to authorize the General Manager to enter into negotiations with Mountain Lion Aviation to secure a development agreement outlying key terms and conditions for completion of tenant improvements and lease agreements for the proposed Hangar 2 facility and bring completed lease agreement back to the Board for final approval.

ATTACHMENTS:

Request for Proposal Real Property for Aeronautical Use May 19, 2017

Request for Proposal Response from Mountain Lion Aviation