



AGENDA ITEM: Tab 12

MEETING DATE: October 29, 2014

TO: Board of Directors

FROM: Marc Lamb, Aviation and Community Services Program Coordinator

SUBJECT: Approval of Request for Proposals Document for Executive Hangar Financial, Site and Feasibility Study

RECOMMENDATION: Approve the Request for Proposals document for an Executive Hangar Financial, Site and Feasibility Study for construction of 6 executive hangars, and the option of Land Leases for construction of Private Executive Hangars.

This is not a recommendation to build 6 new executive hangars, only to study the concept, feasibility, and return on investment of such a project.

DISCUSSION: The Board of Directors and staff have been discussing the option to build 6 additional executive hangars. This item was discussed at the August 27, 2014 Board Meeting. No action was taken except to confirm that funding would be proposed in the FY2015 budget to do the study. During the September 24, 2014 Board Meeting, the Board voted in favor of authorizing staff to prepare a Request For Proposals for an Executive Hangar Financial, Site and Feasibility Study, along with the alternative option of Land Leases for construction of Private Executive Hangars.

Section 4.2 of the Draft Master Plan outlines a need for an additional 18 executive hangars to be constructed for the planning period of the Master Plan (through 2025). The Implementation Plan calls out for a study to be conducted in FY2015-2016.

Due to high demand and frequent requests for executive hangars, staff recommended conducting the study now to gain a better understanding of the demand requirements, forecasted fleet mix, the Airport District's future economic commitment, and the strategies to address, meet and balance the needs of both our aviation community and our local tax paying constituency.

As of October 23, 2014, there are 26 people on the waitlist for larger hangars. The earliest date on the waitlist is September 31, 2005.

FISCAL IMPACT: Staff anticipates up to a maximum of \$30,000 to complete the study. This funding is included in the FY2015 Budget.

Staff analyzed the original cost and financial performance of our current Lima Row. Lima Row is very similar and a good case study of what is being proposed. Please see the attached data. All construction costs and rental revenues are actual numbers and not estimated. Staff included a \$1.25 per square foot per year cost allocation for annual staff and maintenance costs including pavement maintenance,

hangar repair work, and other costs associated with the building. This price per square foot is cost allocations combines airport improvements that support Lima Row and hangar and pavement repair work completed specifically on Lima Row. The RFP stipulates that the consultant is to review these numbers in more detail and compare and contrast the data.

ATTACHMENTS:

A - Request For Proposals Document - Executive Hangar Financial, Site and Feasibility Study

B - Lima Row Historical Construction Costs and Rental Income



TRUCKEE TAHOE AIRPORT DISTRICT

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REQUEST FOR PROPOSALS (RFP)

AVIATION MANAGEMENT CONSULTING SERVICES

BOX HANGAR PROJECT

DATE: OCTOBER 29, 2014
TO: QUALIFIED AVIATION & COMMUNITY SERVICE CONSULTANTS
FROM: KEVIN SMITH, GENERAL MANAGER
SUBJECT: REQUEST FOR PROPOSALS FOR EXECUTIVE HANGAR FINANCIAL, SITE AND FEASIBILITY STUDY

REQUEST

The Truckee Tahoe Airport District is soliciting consulting services to conduct a financial, site and feasibility study regarding the possible construction of 6 executive/box hangars, OR the alternative option to lease land for private executive hangar construction. Bidders are strongly encouraged to carefully read the entire request for proposals. Responses, (bid quote packages) will be accepted until **December 10, 2014 at 5:00pm** and may be mailed or delivered to:

TRUCKEE TAHOE AIRPORT DISTRICT

Attn: Kevin Smith, General Manager

10356 Truckee Airport Road

Truckee, CA 96161

(530) 587-4119 Ext. 105

kevin.smith@truckeetahoeairport.com

BACKGROUND / DISCUSSION

The Board of Directors and staff have been discussing the option to build approximately 6 new executive hangars. This item was discussed at the August 27, 2014 Board Meeting. No action was taken except to confirm that funding would be proposed in the FY2015 budget to do the study. During the September 24, 2014 Board Meeting, the Board voted in favor of authorizing a Request For Proposals for an Executive Hangar Financial, Site and Feasibility Study, along with the alternate option of land leases for construction of Private Executive Hangars.

Section 4.2 of the Draft Master Plan outlines a need for an additional 18 executive hangars to be constructed for the planning period of the Master Plan (through 2025). The Implementation Plan calls out for a study to be conducted in FY2015-2016.

Due to high demand and frequent requests for executive hangars, staff recommended conducting the study now to gain a better understanding of the demand requirements, forecasted fleet mix, the Airport District's future economic health, and the strategies to address, meet and balance the needs of both our aviation community and our local tax paying constituency.

There is currently a 9 year waitlist for hangars large enough to house aircrafts with fleet mix size ranges representative of: Pilatus PCXII & PC24, Cessna Citation 500 and even some 600 series jets, Beechcraft King Airs 90-350 series, and Phenom 100s. We would make the following assumptions; proposed executive hangar spaces would be approximately the same size as our existing 16 executive hangars measuring +/- 4,030 square feet each, with a door height of up to 20 feet, a width of +/- 65 feet and a depth of +/- 62 feet. The proposed hangars would be constructed in the vicinity of our current "L" (Lima) row of 6 executive hangars and would be insulated and plumbed for full utility stubs.

The study should anticipate the hangar structure to be a pre-engineered insulated metal building. The building's utility systems would include stubs for domestic water, fire protection, power, sanitary sewer, natural gas and communications. The hangar structure will be designed and engineered for the appropriate snow loading as determined by Nevada County. The airport receives approximately 205 inches of snow per year and an architectural design that functions year-round is required. Civil site design would also include the area surrounding the new box hangars. Design of the facility will be subject to California Environmental Quality Act (CEQA) review.

The study should also address the alternative option of land leases to allow construction of private executive hangars on District property. This would require separate ROI's, for both a District Build and Land Leases for private development. Management considerations, minimum standards, liabilities and maintenance issues involved would need to be analyzed.

SPECIFIC REQUESTS FOR STUDY

- Comprehensive Return on Investment (ROI) analysis including life cycle costs, upkeep and maintenance, and required staff resources to operate and maintain 6 executive hangars.
- Product analysis based on projected fleet mix (optimal hangar size, height, door width, amenities). The new 2025 Airport Master Plan Forecast can be the basis for this analysis. <http://www.ttadmasterplan.org>
- Funding options including use of Airport reserve funds, and loan programs such as Cal Aero's Local Airport Loan Program (L.A.L.P.). F.A.A. Federal funding is not anticipated.
- Operational Impact Assessment outlining possible airport and night operation impact.
- Site Selection Analysis (Master Plan has addressed this issue to a large degree).
- Market Rent Study and Market Assessment.
- Review of performance of the current 6 Lima Row Executive Hangars.

- Individual hangar lease rate differentials with or without utility stubs.

ALTERNATIVE LAND LEASE PRIVATE CONSTRUCTION OPTIONS

- What are our Land Leasing options as opposed to building the hangars ourselves? What Rules and Regs and Minimum Standards do we need to get in place to assure control over use, maintenance, and aesthetics of privately owned hangars?
- Is there an option for a hangar developer/management company to build, rent, and maintain hangars?
- Other potential items as identified by staff and Board Members.

EVALUATION - SELECTION PROCESS

The selected consulting firm/team will effectively demonstrate their leadership and expertise in airport business planning, airport forecasting, hangar building design, including in-depth technical expertise and proven internal processes for effective development and coordination, cost control, and schedule management.

Following a review of the proposals received, the Truckee Tahoe Airport District may establish a short list of firms and invite those firms to make an oral presentation. Alternatively, the District may opt to select the most qualified firm directly following review of proposals. The District may also reject all submittals.

CLARIFICATIONS

All clarifications or modifications to this RFP will be provided in writing by the Truckee Tahoe Airport District General Manager. Any request for clarifications must be made in writing and must be received by the District General Manager at least three (3) business days prior to the submittal deadline. Address clarifications to Kevin Smith - Kevin.Smith@truckeetahoeairport.com. The selected consultant will execute a Professional Services Agreement with the District.

SELECTION CRITERIA & CONTENT

Submittals shall respond to each criteria listed below. Submittals should be clear and concise and formatted as outlined below to provide the Selection Committee with the following information and allow for consistent evaluation of each submittal. Submittals shall be limited to 30 pages.

Transmittal Letter

Provide a transmittal letter that introduces the firm or team members. Discuss services offered, size, and office location(s) of the firm(s).

Qualifications and Capabilities

Describe the qualifications and capabilities of the firm or team to complete all anticipated aspects of the project.

Specific Relevant Experience

Describe any specific experience in completing similar work at an operating airport. Provide contacts for each experience listed. Discuss the firm's or team's understanding of Airport-specific design issues such as aircraft and building security, line of sight, aviation easements, etc.

Organization Chart

Provide an organizational chart, indicating project team organization, and list key personnel for each element of the project. Describe qualifications and experience of key personnel. Describe the responsibilities, time commitment and availability of each of the key personnel for the proposed project.

Project Administration

Provide description of your proposed approach to project administration. Describe methods used and experience in coordinating projects with public and governmental agencies.

Proposal Quote

Provide a detailed cost estimate to complete the executive hangar financial, site and feasibility study addressing the "specific questions and options" as listed in this RFP request.

References

Provide a list of three (3) references that have specific knowledge of similar work performed by the firm and/or team members, including email addresses and contact phone numbers.

EVALUATION AND SELECTION

All proposals reviewed will be evaluated under best value acquisition criteria and ranked based upon the responsiveness to the request for qualifications. Firms may be shortlisted for further analysis. Firms selected for further evaluation may be requested to participate in a formal interview as part of the selection process. One firm will be selected for negotiation of a contract.

SCOPE OF SERVICES AND FEE PROPOSAL

Following the selection process, the District will enter into contract negotiations with the selected firm. District and firm will meet to discuss the proposed project and scope of work. The selected firm

will be expected to prepare and submit a detailed breakdown of work items in the scope of services and fee proposal.

SUBMITTALS

Any written inquiries or clarifications related to this RFP will be answered and disseminated to all potential bidders.

All inquiries or submittals should be addressed to:

TRUCKEE TAHOE AIRPORT DISTRICT

Attn: Kevin Smith, General Manager

10356 Truckee Airport Road

Truckee, CA 96161

(530) 587-4119 Ext. 105

kevin.smith@truckeeairport.com

THE DISTRICT RESERVES THE RIGHT TO REJECT ANY AND ALL SUBMITTALS, TO WAIVE ANY IRREGULARITIES IN THE SUBMITTALS RECEIVED, AND TO ACCEPT THE SUBMITTAL DEEMED MOST ADVANTAGEOUS TO THE INTERESTS OF THE DISTRICT. ALL PROPOSALS BECOME THE PROPERTY OF THE DISTRICT. THE DISTRICT IS AN EQUAL OPPORTUNITY EMPLOYER AND ENCOURAGES THE USE OF LOCAL BUSINESSES, SMALL BUSINESSES, AND DBE PARTICIPATION

Truckee Tahoe Airport District
Hangar Row L Evaluation

Constructed in 2004-2005
First Rental Income September 2005
6 Hangars at 4025 square feet each

Construction Costs

Building	973,000.00
Infrastructure	262,138.00
TWT	80,040.00
Design & Engineering	<u>139,521.00</u>
Total Cost	1,454,699.00
Rental Revenue 2005-2014	1,014,360.00
Cost Allocation @ 1.25 per square foot \$30,187.50 per year (9 1/3 years)	<u>(281,649.38)</u>
	732,710.63