



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

AGENDA TITLE: Approval of Lease Agreement Truckee Tahoe Soaring Association (TTSA)

MEETING DATE: June 27, 2018

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

RECOMMENDED ACTION: Adopt and/or accept the lease agreements for TTSA subject to final review and approval by Counsel.

DISCUSSION: District staff worked with the ad-hoc subcommittee members Jones and O’Dette to complete a comprehensive lease agreement. This lease aligns with the District’s Primary Management and Compliance Documents (PMCDs) that were adopted in January 2017.

Staff worked with Richard Pearl, President of the TTSA to negotiate the terms of the lease.

Following is more specific information about the lease:

Four year lease ending June 31, 2022. TTSA has the option to submit volunteer hours and other community service benefits as In-Kind payment and thereby can reduce their rent as outlined in Section 5.5.4. and Exhibit C of the lease in accordance with the District’s General Aviation Leasing/Rents and Fees Policy Section 4.8. The Experimental Aircraft Association lease executed in August 2017 incorporates these In-Kind provisions as well. Hours and qualifying activities submitted as In-Kind payment are approved by the District General Manager annually. Total annual rent is \$14,487.

This lease nullifies two aircraft modification agreements whereby the outstanding balance owed to the District is reduced annually over a ten year period. This principal balance is \$41,300 and was generated by the TTAD contribution toward noise reducing propeller and engine modifications to two tow aircraft. While the engine modifications still have an annoyance

mitigation benefit, the propellers have performance, age, and wear and tare issues making them inoperable. To meet their financial obligation to the District and for continued use of the aircraft, TTSA will provide additional In-Kind contributions of \$4,000 annually, which TTSA will offer through aeronautical education in the form of an annual youth scholarship, to service the debt until paid down in full.

Additionally, the TTAD has agreed to pave certain aeronautical portions of the staging ramp subject to FAA approval and funding to improve efficiency of the glider staging and takeoff within the leasehold area. Additional discussions are pending regarding the possible move of the entire operation to the North end of the runway 20 area allowing enhanced safety and potentially reduced community impact.

WHAT'S NEXT: If adopted the lease term will begin on July 1, 2018 and run per the term specified in the lease.

FISCAL IMPACT:

\$14,487 Annual Gross Revenue *(Can be reduced based on In-Kind payments).*

\$41,300 *(Can be reduced by offering \$4,000/year toward an aeronautical education program in the form of a scholarship. Additional impact reducing activities apply such as route and curfew.)*

ATTACHMENTS:

TTSA Lease

In-Kind Payment Calculation Sheet