

## TRUCKEE TAHOE AIRPORT DISTRICT BOARD OF DIRECTOR STAFF REPORT

AGENDA TITLE: Hangar Use, Wait List and Tenant Transfer Policy Review

**MEETING DATE:** July 25, 2018

PREPARED BY: Jill McClendon, Aviation & Community Services Program

Coordinator

**RECOMMENDED ACTION:** Hear presentation from staff regarding the current hangar use, wait list and transfer policies. No specific action is requested. Staff would like to assure that Board and staff are in alignment regarding District policy related to use, wait list and transfer of hangar tenants. As we prepare to occupy the new Executive Hangars, staff felt it timely to have a discussion on this policy and make any amendments if necessary as directed by the Board. Staff is comfortable with the policy as written, but is happy to entertain any modifications.

<u>DISCUSSION:</u> Robert "Bob" Trimborn with Aviation Management Consulting Group (AMCG) will be present for discussion of this topic. Bob has 35+ years of airport planning, operations, management, and leadership and has 30 years of direct airport management experience at high profile general aviation reliever airports including serving as Airport Manager/Director at Santa Monica Airport, Reno Stead Airport, and Hawthorne Municipal Airport.

AMCG was hired by the Truckee Tahoe Airport District to develop the Primary Management and Compliance Documents (PMCDs) which were adopted by the Board of Directors in January 2017. Updates to these were adopted by the Board at the May 2018 regular meeting. Hangar Leasing Policy is included in the General Aviation Leasing/Rents and Fees Document which is attached to this report. Bob's extensive aviation experience played a key role in developing KTRK's hangar policy based on the following principals:

- 1) Follow industry best practices for hangar use
- 2) Avoid pitfalls and nefarious use of hangars that can become common at airports
- 3) Align KTRK's hangar policy with the FAA's Final Policy on the Non-Aeronautical Use of Airport Hangars which went into effect on July 1, 2017

The main goal of the District's wait list and hangar management practice is to reduce the time individuals spend on the wait list and to accommodate the most aviation users by best maximizing use of District hangars based on aircraft dimensions and compatibility.

The current Hangar Leasing Policy and Procedures is intended to be prescriptive and applied uniformly across all situations, while also leaving the General Manager the flexibility to assign aircraft to appropriate hangars at his discretion.

The Truckee Tahoe Airport District has 217 hangars (227 upon completion of the new executive hangars). Twenty of the current hangars are considered Executive/Box hangars (approximately 3,000 - 4,000 square feet) and 200 are T-Hangars that range in size from 1,015 square feet to approximately 1,800 square feet. Eleven of the 200 T-Hangars are considered Super-T+ and have door widths 48' and greater. Attached is a Master Hangar Layout that shows dimension information.

Wait List and Hangar Assignment: There are currently 40 individuals on the Executive Hangar Wait List (including the eight that have signed pre-leases for the new Executive hangars) and an additional 38 individuals on the T-Hangar Wait List. The goal is to manage the wait list in a way that reduces the amount of time an individual is on the list before being assigned a hangar. Additionally, staff aims to best maximize the use of hangars by accommodating aircraft in appropriately sized hangars based on aircraft dimensions. Assignments are attempted in application order dependent on aircraft compatibility with the available hangar. The policy of the District is to not place small aircraft in a large hangar when larger aircraft are waiting regardless of application order. Section 5.3 Hangar Leasing Policy of General Aviation Leasing/Rents and Fees states:

Small Aircraft will not be assigned to an Executive Hangar.

For the new executive hangars, the following language is included on page 2 of the Lease Agreement:

The aircraft utilizing the hangar must have a wingspan of at least 42 feet. Placement of aircraft in hangars is subject to the discretion and approval of the District.

Conversely, large aircraft will not be assigned small hangars. A larger aircraft could potentially lease a smaller hangar to avoid paying transient use fees and/or overnight fees that they would otherwise be subject to. Trends in newer aircraft types and models are moving towards longer/wider wingspans which make Super-T's and executive hangars desirable.

<u>Hangar Transfers and Reassignments:</u> Hangar transfer or reassignments occur for a couple of different reasons. A current hangar tenant may request/initiate a hangar transfer. Oftentimes, this is due to the tenant acquiring a different aircraft and having a need for a hangar with different dimensions to accommodate the new aircraft. Transfer requests are considered for similar type hangars, for example T-hangar to T-Hangar or Executive to Executive.

To best accommodate the most aircraft, the District may initiate the transfer or reassignment of a current hangar tenant. The PMCDs state in Section 5.3 of *General Aviation Leasing/Rents and Fees*:

TTAD reserves the right to reassign Hangars at any time. The TTAD does not consider space for non-aeronautical uses during reassignments.

In practice, over the past year, based on aircraft compatibility, District staff has initiated six transfers. Two small recreation aircraft and a Piper taildragger have been transferred to smaller hangars, an Alpha Row tenant was relocated to a similar size hangar to best accommodate a helicopter operator, a Meridian was relocated to accommodate a TBM needing a specific door height, and a tenant who had downsized his aircraft was transferred from an Executive Hangar to a T-Hangar.

When evaluating possible transfers, staff considers the aircraft with the biggest discrepancy between the wingspan/aircraft dimensions and the hangar size as a starting point while also taking into consideration other factors including location on the field. Staff tries to strike a balance between hangar transfers with placement of individuals from the wait list. In certain situations, District initiated transfer of tenants may also assist with hangar compliance issues whereby a tenant uses a plane to meet policy as a method for household storage.

<u>Hangar Compliance</u>: Over the course of the last year and a half, staff has worked through documentation compliance with all of our hangar tenants. This has been a tiered approach starting with the insurance documentation that all tenants are required to keep current with the District. Following is a list of the documentation that is required:

- Certificate of Insurance naming the Truckee Tahoe Airport as additional insured
- Current Registration information and/or proof of ownership interest
- Current Annual Inspection documentation

Should a tenant's documentation be out of date, they are contacted and provided a timeline to provide updated documentation meeting the District's requirements. Most recently, staff has been working with tenants through the annual inspection requirement. The FAA's Policy does allow for "Maintenance, repair, or refurbishment of aircraft, but not the indefinite storage of nonoperational aircraft."

The primary use of the hangars at TTAD is for the storage of aircraft. Per the hangar lease agreement:

The hangar shall be organized so that an aircraft of record can be moved into the hangar at all times;

Should a hangar be found out of compliance, the tenant is given notice and a timeline within which to bring the hangar into compliance. When a hangar tenant no longer possesses an aircraft,

the tenant can maintain their rights to the hangar for a period of up to one year. During that time period, the hangar is turned over to the District for temporary subleasing until the tenant gives 30 day's written notice that the aircraft has been replaced.

<u>WHAT'S NEXT:</u> Staff will take input from the Board and implement/update hangar policies as directed. Should Board direction necessitate updates to the PMCD documents, staff will make the appropriate modifications and present the updated version at a future meeting for adoption.

FISCAL IMPACT: Minimal to no direct fiscal impact.

<u>PUBLIC COMMUNICATIONS:</u> Posted and noticed as part of the Board Meeting agenda with supporting documents. The development of the PMCDs was publicly noticed and received multiple rounds of public comment throughout the entire process of development, modification and adoption.

## **ATTACHMENTS:**

- General Aviation Leasing/Rents and Fees Policy Section 5.3 Hangar Leasing Policy
- Current Executive Hangar Wait List
- Current T-Hangar Wait List
- Master Hangar Layout



## 5.3 Hangar Leasing Policy

Leasing, assignment, transfer, and use of TTAD non-commercial Hangars shall conform with the provisions detailed in this section and the FAA Policy on the Non-Aeronautical Use of Airport Hangars; Final Policy at 38910, and 38911, as maybe amended from time-to-time.

Circumstances may arise in the normal management of hangar assignments that are not addressed herein. In these circumstances the General Manager shall decide how to proceed using his/her best judgement. The General Manager can set policy to best maximize hangar use on a long-term, temporary, or nightly basis.

**Application** – Entities desirous of obtaining an Agreement to use a TTAD Hangar shall complete and submit a Hangar Lessee Application (Hangar Application) to the General Manager.

- In addition to the completed Application, entity shall pay all applicable fees and provide a non-interest bearing deposit as stipulated in the Airport's as specified in the TTAD Master Rents and Fees Schedule. The TTAD shall retain a non-refundable portion of the deposit to cover administrative costs.
- ➤ If entity executes a Non-Commercial Aircraft Hangar Agreement (Hangar Agreement), the refundable portion of the deposit may be applied to applicable charges upon execution of the Hangar Agreement or to the first month's rent
- ➤ Upon receipt of the: (a) completed Application, (b) applicable fees, and (c) deposit, the entity shall be placed in the last position on the requested Hangar waiting list.

**Hangar Waiting List** – When demand for Hangars exceeds supply, the TTAD may manage Hangar assignments by maintaining a waiting list for T-Hangars, executive Hangars, and Hangar transfer requests. The TTAD may terminate a waiting list at any time. An Applicant on a waiting list is not guaranteed the occupancy of a Hangar.

- ➤ To be removed from a Hangar waiting list, the entity shall notify the General Manager in writing. At the time the entity is removed from the Hangar waiting list, the refundable portion of the non-interest bearing deposit shall be refunded to the entity.
- If an entity is desirous of reapplying, the entity shall apply in accordance with this section and be placed in the last position on the requested waiting list.

Annual Waiting List Maintenance Procedure – The TTAD conducts an annual waiting list maintenance program to ensure the integrity of the waiting list(s). Commencing one year after being established on a Hangar waiting list(s), entities are required to fully



complete a maintenance form. The entity shall return the maintenance form to the TTAD along with an administrative fee as specified in the TTAD Master Rents and Fees Schedule within 30 days of receipt. It is the applicant's responsibility to ensure that the form is received by the TTAD. An entity who fails to return the form in a timely manner shall be dropped from the waiting list without further notice and the deposit shall be forfeited to the TTAD.

Hangar Transfer Request Waiting List – Lessees who desire to change Hangar assignments may apply to be placed on a Hangar transfer request waiting list. A Lessee who meets the following criteria is eligible to be placed on the Hangar transfer request list:

- Lessee has purchased an Aircraft incompatible with the assigned Hangar.
- Lessee has sold or otherwise disposed of the Aircraft and terminated the Hangar Agreement and agrees in writing to acquire a permitted Aircraft within 60 days.
- ➤ A Lessee who fails to procure a permitted Aircraft within 60 days will be dropped from the Hangar transfer request waiting list.

Hangar transfers are intended to accommodate specific Aircraft requirements as well as Lessee's preference. Consideration will not be given to transfer requests intended to accommodate non-aeronautical activities.

**Notification of Hangar Availability** – If a TTAD Hangar becomes available, the TTAD shall contact the entity in the first position on the Hangar waiting list.

- ➤ It is the entity's sole responsibility to keep a current address, telephone number, and email address on file with the TTAD.
- ➤ If the TTAD is unable to reach the entity by telephone or email in the first position on the Hangar waiting list within seven calendar days, the entity shall not be eligible to lease the available Hangar.
- ➤ In the event an entity fails to respond on two consecutive occasions, the entity shall be removed from the Hangar waiting list and the deposit shall be forfeited to the TTAD.

If the entity in the first position does not respond within seven calendar days, the TTAD shall contact the entity in the next position on the Hangar waiting list and so on.

**Hangar Assignment Procedure** – The General Manager shall make Hangar assignments subject to the following criteria:

- Aircraft compatibility with the available Hangar (as determined by the General Manager).
- Small Aircraft will not be assigned to an Executive Hangar.



- ➤ Permitted Aircraft an applicant must demonstrate to the General Manager that the Aircraft is owned and/or operated by (under the full and exclusive control of) the entity and provide evidence to this effect. Evidence shall be in the form of an Aircraft registration naming entity as owner, a copy of an Aircraft lease naming applicant as Lessee, or a bill of sale and associated FAA registration application.
- Fraudulent ownership information shall be deemed a default of the Hangar Agreement.

An entity who is offered a Hangar assignment has the following options:

- Accept the offer, execute a Hangar Agreement, and take possession of the Hangar with a permitted Aircraft or
- > Decline the offer in writing and return to the bottom of the waiting list.
- Receive approval from the General Manager to delay possession of the hangar for a period of up to one year. Subject hangar is the property of the District during that time period.

An entity who fails to execute a Hangar Agreement or fails to decline the offer within 7 business days, shall forfeit the deposit to the TTAD and shall be dropped from the waiting list(s).

**General Hangar Leasing Policy** – Lessee must fully comply with the provisions of the Hangar Agreement

- Occupancy of a Hangar is not permitted until the Hangar Agreement has been fully executed.
- Lessee shall not assign, sublet, or permit occupancy or use of a Hangar by any entity unless authorized in writing by the General Manager.
- Compensation received by Lessee from unauthorized Hangar occupancy or use shall be forfeited to the TTAD.
- ➤ A Hangar Agreement is not transferable except to relatives within two degrees of consanguinity, spouses, or registered domestic partners.
- ➤ The TTAD reserves the right to reassign Hangars at any time. The TTAD does not consider space for non-aeronautical uses during reassignments.
- TTAD reserves the right to use Hangars in short-term occupancy programs.
- A SASO or entity with an Aircraft used for SASO lease back purposes, may enter into a Hangar Agreement providing Lessee possess a Commercial Operating Permit. Subject to the General Managers approval, hangar leases for lessees with a Commercial Operating Permit may be given priority in hangar placement.
- > TTAD may review and amend the Hangar Agreement to ensure consistency with PMCDs and Legal Requirements.



**Utility Charges** – The General Manager shall include utility charges (when not billed to Lessee) in the monthly rent. These charges may be adjusted annually based on actual TTAD costs for the prior 12-month period.

**Signatory Rates** – The TTAD may establish signatory rates for voluntarily meeting certain conditions. Lessees shall have equal access and opportunity to meet the prescribed conditions. The decision not to take a signatory rate shall not constitute default of the Hangar Agreement nor create a condition for denial of a Hangar Agreement.

**Certificates of Insurance** – A current certificate of insurance shall be delivered to the TTAD prior to the execution of the Hangar Agreement. It is the sole responsibility of the tenant to ensure that the TTAD has a current certificate of insurance.

**Aircraft Partnership** – Each Aircraft partner shall provide proof of ownership or lease and proof of liability insurance coverage to the TTAD.

**Hangar Interest Transfer** – Lessee may not transfer interest in the Hangar to an Aircraft partner within two years of the date of the Aircraft partnership agreement on file with the TTAD.

**Hangar Occupation as Contingency for Aircraft Sale** – The sale of any Aircraft, contingent upon the continued use of any Hangar, is not permitted. At the time of purchase, the new owner of the Aircraft must vacate the Hangar.

**Vacating a Hangar** – Lessee shall provide written notice to the TTAD no less than 30 calendar days prior to vacating a Hangar.

**Hangar Trades** – Lessees may elect to trade Hangars, if mutually agreed and subject to obtaining the prior written consent of the General Manager, in accordance with the following requirements:

- ➤ Each Lessee is in full compliance with the Hangar Agreement.
- ➤ Each Lessee must have used and/or occupied the Hangar for a period of not less than 30 calendar days.
- Prior written notification shall be provided to the General Manager at least 30 calendar days prior to the proposed trade date.
- Hangar trades will commence on the first day of the month.

**Non-Flyable Aircraft** – The General Manager may assign a Hangar to an entity with a permitted non-flyable Aircraft for up to 18 months. The TTAD requires the following documentation to allow occupancy beyond the 18-month period:

- > A valid airworthiness certificate meeting all Legal Requirements.
- ➤ A copy or affidavit of an "annual inspection" verifying airworthiness.



Note: The General Manager may extend the 18-month period if there are existing Hangar vacancies.

The TTAD may allow a Lessee to commence a construction project on a permitted Aircraft and retain possession of the Hangar for up to two years under the following conditions:

- > Tenant must demonstrate construction progress to the General Manager 3 months after the date of lease execution and every three months thereafter.
- Prior written permission for the Aircraft construction project has been granted by the General Manager.
- Lessee is in full compliance with PMCDs and Legal Requirements.
- Lessee provides a copy of an FAA airworthiness certificate before the end of the two-year period.
- ➤ A copy or affidavit of an "annual inspection" verifying airworthiness.

The District may, from time-to-time, request a tenant provide additional information validating the ownership of the aircraft and that the aircraft is in a condition for safe operation. If it is deemed an aircraft is not safe for operation or out of compliance with lease requirements, the District may take steps to terminate the hangar lease.

**Loss of Hangar Assignment** – The Hangar Agreement shall automatically terminate in the event of the following circumstances:

- Failure to comply with the terms of the Hangar Agreement.
- Lessee is no longer in possession of a permitted Aircraft for a period of 6 months.
- Permitted Aircraft is no longer flyable.
- Lessee acquires an Aircraft that is incompatible with the assigned Hangar.
- > The General Manager deems that the hangar is not adequately utilized for aeronautical purposes.

**Non-Aeronautical Use of Hangars** - During times of high aeronautical Hangar vacancy, the TTAD reserves the right to lease hangars for non-aeronautical purposes within acceptable FAA guidelines as set forth in the FAA Policy on the Non-Aeronautical Use of Airport Hangars, as maybe amended from time-to-time.

Hangar and Airfield Maintenance – TTAD performs or contracts with companies to perform hangar and airfield maintenance as needed. From time-to-time this work may limit or prevent a lessee's ability to access a leased hangar. When possible TTAD will provide advance notice of such maintenance. During times that an aircraft is displaced from a hangar, TTAD will provide tie-down access on the Ramp. TTAD assumes no responsibility for any aircraft or personal items stored within District hangars whether during times of maintenance or the regular course of District business.

Executive Hangar Wait List					
Position	Name	Aircraft	Date Added		
1	Dwight D.	King Air	3/29/2007		
2	Dan M.	Phenom	11/23/2009	Pre-lease	
3	Ken M.	C425 Corsair	9/7/2011		
4	Brooke W.	PC 12	8/9/2012		
5	Howard R.	Beech Bonanza	1/2/2013	G02	
6	Doug S.	King Air 200	7/17/2007		
7	Ron P.	Multiple Aircraft	6/6/2013	G02	
8	David H.	C421	9/18/2013	Pre-lease	
9	Brian M.	PC 12	1/3/2014	Pre-lease	
10	David A.	C 310	4/14/2014	G02	
11	Barry T.	Piper Chieftain	5/14/2014		
12	William C.	C421	9/9/2000		
13	Jon M.	TBM	6/10/2014		
14	Jeffrey J.	TBM or Meridian	6/23/2014		
15	Richard F.	CJ3	7/3/2014	Pre-lease	
16	E&JS.	PC 12/24	10/17/2014	Pre-lease	
17	C & M S.	PC 12/24	10/17/2014	Pre-lease	
18	Robert D.	Meridian	10/20/2014	Super-T+	
19	Kevin Q.	Multiple Aircraft	6/30/2015		
20	Kevin S.	PC 12/Multiple	6/30/2015		
21	Robert B.	PC 12	8/10/2015		
22	Tylor A.	Epic E1000	8/10/2015	Pre-lease	
23	Bill C.	PC 12	8/13/2015		
24	Dan D.	King Air 350	11/5/2015		
25	Stan B.	PC 12	5/18/2016		
26	Chris V.G.	Piper PA 31TZ	9/30/2016	Super-T+	
27	Mark G.	Beech A-36	11/1/2016	Super-T+	
28	Juliet & Iain M.	PC 12/Meridian	11/17/2016		
29	Jamie M.	PC 12/Multiple	2/7/2017		
30	D'Offay LLC	Citation CJ4/TBM	2/8/2017		
31	Dean T.	T-6	3/22/2017	Super-T+	
32	John B.	Vision Jet/TBM	7/6/2017		
33	Peter D.	Cessna Citation 501	8/17/2017		
34	Sean O.	PC 12	9/7/2017		
35	Peter S.	PC 12	10/24/2017		
36	Shon B.	Citation 1 & 3, PC 12	11/7/2017		
37	Pacific Flying LLC	PC 12	5/10/2018		
38	Pacific Flying LLC	PC 12	5/10/2018		
39	Randolph H.	Vision Jet	5/23/2018		
40	Michael J.	Cessna Mustang	5/30/2018		

<sup>\*</sup> Note: Positions out of chronological order are due to an individual being offered an available hangar in the past and that individual passing at that time. In those instances, the individual was moved to the bottom of the existing wait list.

The following wait list individuals were removed for not completing the annual update process

9	Cliff W.	Falcon	11/15/2013
17	Christian P.	Eurocopter	7/23/2014
27	Paul C.	Phenom	2/22/2016
32	Laurie M.	Agusta Heli	1/16/2017

<sup>\*\*</sup> Assignment of hangars is based on the most efficient use of the hangar based on aircraft size/dimensions and subject to the approval of the general manager. This list may not include current tenants that would be considered for hangar to hangar transfers or reassignments/transfers initiated by the District. Please see Truckee Tahoe Airport PMCD GA Leasing/Rents and Fees Policy for more information. This document is available on the Truckee Tahoe Airport's website at: truckeetahoeairport.com/administration/publications.

T-HANGAR WAIT LIST				1
Position	Name	Aircraft	Date Added	
1	Collin G.	Diamond	2/17/2016	Super-T+/48'
			. / /	Conditionally accepted M11
2	Jotham F.	TBD	4/10/2017	Aircraft Requirement
3	Tom H.	Cessna 182	3/10/2017	
4	Kent S.	TBD/Cirrus/Meridian	11/30/2015	Super-T+/48'
5	John H.	Cirrus	1/13/2017	44'
6	Buzz E.	Baron	10/25/2016	44'
7	Tim M.	Cessna 172	7/29/2017	_
8	Bryan Y.	TBD	8/14/2017	
9	Steve D.	Cirrus	8/14/2017	44'
10	Dean T.	T-6	3/22/2017	44'/Also on Exec List
11	Barrett L.	Cirrus	9/13/2017	44'
12	David D.	Cessna 182	10/4/2017	
13	Mark S.	Beech Sierra	10/9/2017	
14	Luca T.	Robinson 44 (Heli)	10/10/2017	
15	William H.	Cessna 182	10/16/2017	
16	Jim. W. (Mountain Lion)	TBM	10/26/2017	Super-T+/48'
17	Jim. W. (Mountain Lion)	Cirrus	11/15/2017	44'
18	Frank B.	Mooney	12/8/2017	
19	Rick H	Republic SeaBee	12/14/2017	44'
20	Jason A.	TBD 36.6' wing	12/28/2017	44'
21	Russ T.	Cessna 210/+wing ext	12/29/2017	44'
22	Sean O.	Cub	1/19/2018	
23	Mike L.	Beechcraft B36	2/7/2018	
24	Josh G.	Cirrus	2/8/2018	
25	Michael K.	Cirrus Vision Jet	2/23/2018	44'
26	Randall P.	Lancair	3/13/2018	]
27	Scott M.	Trinidad	4/5/2018	
28	Bill C.	Cessna 210	4/6/2018	
29	Debra N.	Cessna 182	4/11/2018	
30	Scott Mc.	Diamond	4/30/2018	Super-T+/48'
31	Dennis D.	Future RV	5/21/2018	<b>1</b>
32	Vincent W.	RV-7	6/2/2018	-
33	Jess B	RV-6	6/13/2018	-
34	Charles O.	TBD	4/20/2017	1
35	William D.	Cirrus	7/2/2018	44'
36	Richard F.	206 w/Tip Tanks	7/5/2018	44'
37	Todd G.	Bonanza	7/10/2018	
				1
38	Bill C.	Rutan Long EZ	7/10/2018	

<sup>\*</sup> Note: Positions out of chronological order are due to an individual being offered an available hangar in the past and that individual passing at that time or not having a plane in order to execute a lease. In those instances, the individual was moved to the bottom of the existing wait list.

\*\* Assignment of hangars is based on the most efficient use of the hangar based on aircraft size/dimensions and subject to the approval of the general manager. This list does not include current tenants that would be considered for hangar to hangar transfers or reassignments/transfers initiated by the District. Please see Truckee Tahoe Airport PMCD GA Leasing Rents and Fees Policy for more information. This document is available on the Truckee Tahoe Airport's website at: truckeetahoeairport.com/administration/publications.

Transfer List - Current Tenants that have requested Transfers based on future plans

Summer 2017	Jeff J.	Two current planes; Meridian/TBM	Super-T+/48'
4/2/2018	Juliet & Iian M.	Meridian	Super-T+/48'
Spring 2018	Robert G.	Even side hangar w/out fire alarm	
4/2/2018	Joe G.	Meridian	Super-T+/48'
Spring 2018	Ryan B.	Piper & RV	
6/29/2018	Graham C.	ТВМ	Super-T+/48'
Summer 2017	Tony L.	G02	
Spring 2018	Andreas R.	G02	





