



TRUCKEE TAHOE AIRPORT DISTRICT BOARD OF DIRECTOR STAFF REPORT

AGENDA TITLE: District Warehouse Pro forma Review and Future use of Vacant Space (D2) Discussion

MEETING DATE: September 26, 2018

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

RECOMMENDED ACTION: Review Warehouse financial Pro forma information and discuss future use of vacant space for community benefit purposes. Discuss Board's desire to make vacant space D2 available for non-profit use at discounted rent in return for providing benefits and services to the greater community.

DISCUSSION: At the May Board meeting Project MANA and the Truckee River United Football Club approached the Board to discuss ideas regarding the use of vacant warehouse space D2. The Board directed Staff to develop a pro forma containing the total warehouse revenue, the foregone revenue, and the associated overhead cost of the facility. The goal is to assist the Board and staff in their understanding of fiscal impacts of discounted non-profit use of warehouse space as well as to determine what property may be used for community purposes on a graduated, community benefit lease agreement if any.

Attached is a current schematic floor layout for the warehouse building (Attachment A), with a total area of 29,600 square feet. 8,700 square feet is currently being used by the Truckee Roundhouse Makers Space and The Food Hub on a discounted lease rate with a total 2019 projected revenue of \$24,400. Currently this 8,700 square feet have an additional foregone revenue of \$71,335 from market rents in return for community benefits provide by the non-profits.

The warehouse was designed for storage purposes. The attached pictures illustrate the current condition of the warehouse and some corresponding suggested modifications. While these building modifications are suggested they are not required by code based on the current use.

Staff is presenting potential capital investment options in the event the Board chooses to expand the available occupancy based usage.

Industrial Warehouse Storage Use



Industrial Warehouse Storage Use



Warehouse Office



Emergency Exit



SEPTEMBER 26, 2018

MODIFICATION: Eve - Rain Gutter - Landing Pad - Lighting



SEPTEMBER 26, 2018

MODIFICATION: Parking Stalls – Striping - Lighting -Signs – Markings - ADA



Makers Space Expansion





Potential projects that may be required include new rollup door, water lines and drains, restrooms, ADA compliance ramps, lighting, rain gutter, ice prevention implements, exit doors, sprinklers, and electrical panel upgrades. Warehouse Space D, including The Food Hub and the vacant space (considered for Project MANA & Truckee River United FC) will have a shared restroom. Utilizing this vacant space D2 for some of the uses discussed will require electrical panel upgrades, lighting and front exit doors. Staff has included funding for these improvements in the CY2019 Budget.

WHAT'S NEXT: With the information provided staff would like to discuss the Board's desire to allocate space D2 to an additional non-profit use. If the Board chooses to lease the D2 space for community purposes, Staff proposes an abbreviated application process to find potential tenants. This will allow local non-profit groups an inclusive, fair and transparent path to occupancy. This process can be completed within the 2018 calendar year. The District donates hangar space to a variety of community groups. One option includes keeping space D2 for storage purposes for groups currently housing equipment at the airport.

FISCAL IMPACT: The attached pro forma (Attachment B), outlines the total market rent potential for the warehouse building, the corresponding rental rate, and the total annual revenue as each lease matures. **The Community Benefit-Forgone Revenue** provides a calculation if space A, B, C, or D2 is removed from market and used for community benefit. The calculations include estimates for routine ***Repair & Maintenance and Utilities***. The ***Other*** line item would include any required capital projects, as of yet undetermined and based solely on the Boards desire to use the warehouse for occupied purposes.

At present 30% of the warehouse is used for community use. If the vacant space D2 is used it will bring the total community use to slightly less than half of the total warehouse space. The current foregone revenue in the form of community benefit is about \$78,300 for CY2019.

The CY2019 Budget includes \$125,000 for Warehouse improvements and upgrades.

PUBLIC COMMUNICATIONS: In the event Staff is directed to use space D2 for community purposes, a notice to local non-profit groups will be distributed through District media channels. The warehouse discussions have been advertised through the meeting notice process, on the website, through e-blasts, and various other publications.

ATTACHMENTS:

Attachment A Current Warehouse Layout Plan

Attachment B Financial Pro Forma

Attachment A

26,900 Square Feet — Warehouse Layout 9/12/18

