



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

**AGENDA TITLE: Vacant Warehouse Space (D2)**

**MEETING DATE: November 28, 2018**

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

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**RECOMMENDED ACTION:** (Approved by Consent) Direct Staff to make Warehouse Space D2 available, per policy 507, for Non-profit use applications. *(Discounted Rent for Non-Profit Use of Airport Non-Aviation Lease Space, Community Benefit Requirement and Lease Process)*

**DISCUSSION:** At the May 2018 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. This information was presented to the Board at the September 26, 2018 meeting. At the October 24, 2018 meeting staff presented policy 507 outlining the process for making airport non-aviation space available to non-profit groups at a discounted rent. Per policy, staff requesting the first phase of PI 507 which is to designate D2 as available for Non-profit organizations to make application to the District for discounted leasing in exchange for public benefits. Once confirmed, staff will advertise the availability of warehouse space, sort through applicants to ensure suitability, and organize those interested non-profits for final Board consideration.

**WHAT'S NEXT:** If the Board directs staff to utilize the warehouse space D2 for non-profit use staff will complete the following steps:

1. Advertise through local media channels the size, dimensions, and location of available space. District Staff will issue written guidance regarding this policy, the Districts PMCD guidance and any restrictions to potential organizations and make available dates and times for organizations to inspect the premises.

2. Following a minimum 30 day period of advertisement the District will accept proposal submissions from qualified applicants that meet the requirements herein. Staff will hold a meeting describing District requirements for occupancy, required minimum development standards, lease and legal requirements for interested parties. Staff will forward to the Board through the posted agenda process all qualified applicants for consideration.

**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 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. If space D2 is used for community purposes with discounted rent current foregone revenue is \$38,700 for CY2019, then reduces by approximately 10% annually bringing the total foregone revenue for the D2 space over 5 years to \$154,400.

The CY2019 Budget includes \$200,000 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

LINK: September Board meeting regarding financial impact:

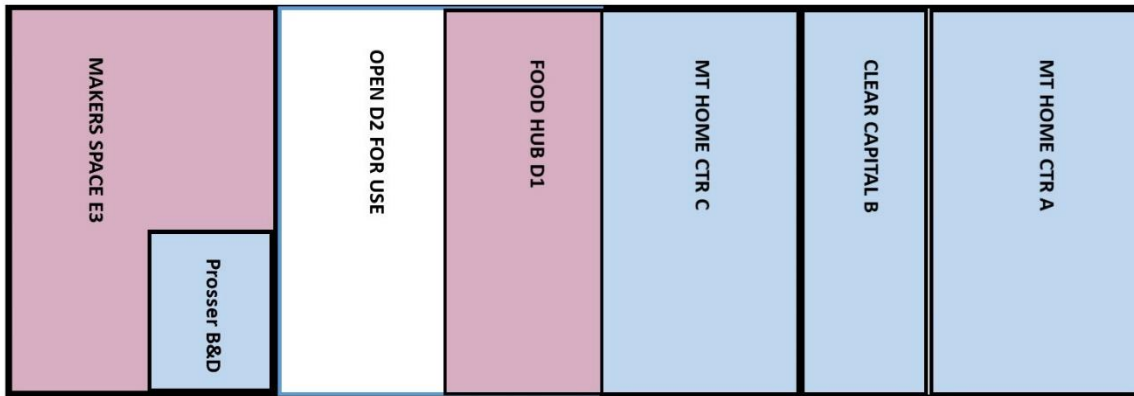
[https://truckeetahoeairport.com/board\\_meetings/205/view\\_file?file=tab+14+-+warehouse+pro+forma+-+discussion+-+staff+report.pdf](https://truckeetahoeairport.com/board_meetings/205/view_file?file=tab+14+-+warehouse+pro+forma+-+discussion+-+staff+report.pdf)




LINK: October Board meeting regarding Policy 507, (*Discounted Rent for Non-Profit Use of Airport Non-Aviation Lease Space, Community Benefit Requirement and Lease Process*):

[https://truckeetahoeairport.com/board\\_meetings/206/view\\_file?file=tab+10a+-+pi+507+warehouse+selection+%26+use+policy.pdf](https://truckeetahoeairport.com/board_meetings/206/view_file?file=tab+10a+-+pi+507+warehouse+selection+%26+use+policy.pdf)

Attachment A

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



-  Community Use 8,700 Square Feet (30%)
-  Commercial 20,900 Square Feet (56.5%)
-  Open 4,000 Square Feet (13.5%)