



TRUCKEE TAHOE AIRPORT DISTRICT STAFF REPORT

AGENDA TITLE: Community Benefit Warehouse Space D2 Non-Profit Organization Selection

MEETING DATE: February 27, 2019

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

RECOMMENDED ACTION: The Board will receive guidance and hear presentations from qualified applicants who submitted proposals. This item is for Board guidance only. A future meeting will have a decision item for action selecting an organization and making an award.

DISCUSSION: The Board discussed the Warehouse Space D2 in 2018. Based on adoption of Policy 507, *Discounted Rent for Non-Profit Use of Airport Non-Aviation Lease Space, Community Benefit Requirement and Lease Process*, the Board directed staff to develop a request for proposal, advertise, and collect responses from qualified organizations who wanted to use the space. Staff has completed this process and the resultant 6 final proposals are summarized below:

1. Truckee Community Theatre
Provides performing arts, plays, workshops, camps, and classes.
2. Truckee Donner Land Trust
Provides protection and preservation of scenic, historic and recreational lands with high natural resource values.
3. Truckee River United Futbol Club (TRUFC)
Provides year-round, highly competitive soccer programs designed to enhance the development of soccer as a sport and culture.
4. Project MANA
Provides hunger relief services to low-income, food insecure children, individuals and families.
5. Sierra Senior Services

Provides home-delivered meals, community dining, and social connection to empower seniors to continue living independently.

6. Tahoe Cross Country Ski Education Association

Promotes a healthy outdoor-oriented lifestyle for children and adults through education, cross country skiing and other self-powered recreation.

Approximately ten other groups showed interest and called to discuss the opportunity but declined to submit proposals. A pre-proposal tour was conducted by airport staff.

Background on the D2 Warehouse Space

The D2 space is an unimproved, open, rectangle warehouse space with one door in the front and one emergency exit in the back. There is a newly installed shared restroom. There are basic lights installed. The building is of metal construction with limited insulation and no heat. The required capital contribution on the part of the District and the successful organization is **highly variable and based primarily on the final use**. The required District contribution for occupancy for each of the past two spaces has been approximately \$150,000 each. These improvements are marketable for future tenants and primarily consist of structural modifications, lighting, power, etc.

The Comprehensive Land Use Plan, (CLUP) defines acceptable types and levels of occupancy for structures on and around the airport. The warehouse is governed by Nevada County building code. In order to use the warehouse as an occupied space, interpretation of these two governing regulations is required. In general, if the warehouse is used for occupancy it can support up to a maximum of 25 persons per space for uses that are allowed by CLUP regulation.

The CLUP does not expressly prohibit any uses outlined by the six proposals. The Nevada County Building Code does not expressly prohibit any uses outlined by the six proposals.

Although this is the case staff will consult with officials after the Board has selected an organization to ensure the use and occupancy do not pose a hazard.

As portions of the warehouse have transitioned from a storage building to an occupancy structure three significant limitations have arisen. These include the power supply, water supply and fire suppression. A new transformer will need to be installed to handle power demands. The water system may not support overhead sprinklers. Staff recommends installing a fire suppression system in the facilities with occupancy. These cost have been outlined in previous staff reports (November 2018, October 2018, September 2018, and May 2018) and are estimated at \$120,000. Staff and the District engineer are investigating alternatives.

In summary, each organization has different needs and impacts resulting in a different cost of integration. Once the Board has selected an organization staff will work to understand the build out process, associated cost and timelines for occupancy. Additional general building improvements are needed which include lighting, stripping, signs, ADA access, fire suppression, water and power upgrades.

Selecting the right tenant

There are many factors at play as each organization has a different use, impact, facility need, and customer. These factors can have significant financial consequences for both the District and the selected organization. For this reason staff consulted with the Truckee Tahoe Community Foundation who has expertise in this area to develop some guidance criteria for both the selection process and the long-term vision for a warehouse comprised of community based, non-profit groups. Staff developed the diagram below to help the Board navigate the decision associated with awarding a specific group a community-benefit, graduated lease agreement within the warehouse space D2.



When staff prepared the request for proposal it included the following requirements:

1. One page narrative describing how the organization benefits TTAD constituents.
2. A copy of current financial documents, net position etc.

3. A one page narrative on how the organization will comply with Policy 507, *Discounted Rent for Non-Profit Use of Airport Non-Aviation Lease Space, Community Benefit*.

In summary the Board should look closely at the organizations narrative, its plan to comply with District policy 507 and particularly at the financial condition of the organization. The diagram above may be useful in the decision making process.

WHAT'S NEXT: The Board president and General Manager will select a future date to bring forward a decision item selecting the successful organization. Following this, staff will work with the organization to prepare a construction and development plan, secure financial security instruments, and prepare an occupancy timeline and lease agreement. Additional warehouse improvement will be required. Staff will work internally to identify needed improvements and use funds allocated in the FY 2019 budget to accomplish this work.

FISCAL IMPACT: The current warehouse foregone revenue in the form of community benefit is approximately \$78,300 for CY2019. An additional \$150,000 for warehouse improvements is anticipated but this is **highly variable and based primarily on the final use.**

PUBLIC COMMUNICATIONS: Covered through the public meeting notification system for Board meetings in May, September, October, and November. Additionally the request for proposal was circulated through the District website, KTKE radio, news print, e-blast, and social media.

ATTACHMENTS:




Attachment A, Warehouse Layout Map

Attachment B, Non-Profit Proposal Submissions

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%)