



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

AGENDA TITLE: Review and Consideration of Approval of Funding Agreement for Replacement Irrigation System at Ponderosa Golf Course

MEETING DATE: January 22, 2020

PREPARED BY: Kevin Smith, General Manager

RECOMMENDED ACTION: Review and consider approval of the proposed Funding Agreement for replacement of the Irrigation System at the Ponderosa Golf Course with the Truckee Donner Recreation and Parks District (TDRPD). This Agreement commits the District to a \$50,000 annual payment for 20 years to retire debt on the replacement of the failing irrigation system at the Ponderosa Golf Course.

This Agreement was prepared by TTAD legal counsel and approved by the TDRPD.

DISCUSSION: At the November 6, 2019 Board Meeting as part of the Budget Discussion the Board discussed the formal request by the TDRPD for TTAD to participate in the replacement of the irrigation system at the Ponderosa Golf Course. The specific request was for TTAD to allocate \$50,000 each year for 20 years to assist in debt service. There was general Board consensus to include this funding in the 2020 Budget and to request a formal agreement be brought back to the Board for consideration. The current system is more than 60 years old and failing. The cost for the irrigation system replacement is \$1,265,546. TDRPD have received a grant for \$225,000 from the Truckee Donner Public Utility District related to water savings of this new system. The TDRPD needs to finance \$1,040,546 to complete the project. District also received the attached information packet with additional details regarding the loan and project costs. Please review the attached materials. In early September the District received the attached letter from Steve Randall, General Manager of the TDRPD formalizing their request to the District. This letter is also attached. Mr. Randall we be in attendance at the meeting to provide information and answer questions.

BACKGROUND: The District acquired the Ponderosa Golf Course in 2008 as part of a land acquisition effort between the Truckee Donner Land Trust, the Town of Truckee, and the Airport District. The Airport District is the official land owner with conservation easements held by the Truckee Donner Land Trust. In June of 2008 the District leased the Golf Course for \$1.00 per year to the TDRPD to operate and maintain the Course for the benefit of our common constituents. The Golf Course has successfully operated since that date. TTAD Staff have been pleased with the care and upkeep as well as management of this District assets. The District also has an ownership interest in the Tahoe City Golf Course where we operate our EMS Helipad. In addition to acquisition costs the District contributed \$250,000 in 2016 to the Ice Rick at the Tahoe City Course. These two courses continue to be the only 2 publicly owned golf courses in the Tahoe Truckee area and are the most affordable golf options for District residents. In staff's opinion, keeping these assets in good operating condition benefit our community and constituents. Staff supports this request.

Attached to this staff report is the Funding Agreement as well as information provided by the TDRPD related to the Golf Course and proposed Loan to be secured by the TDRPD.

FISCAL IMPACT: The District will be committed to \$50,000 per year for 20 years. The District has the option to pay off its obligation early. Total System cost is \$1,265,546.

SAMPLE MOTION(S): I move to (approve, continue, deny) approve the proposed *Funding Agreement for Irrigation System at the Ponderosa Golf Course* with the Truckee Donner Recreation and Parks District (TDRPD).

ATTACHMENTS:

- Request Letter from TDRPD
- Funding Agreement for Irrigation System at the Ponderosa Golf Course
- Golf Course and Irrigation System Information Packet