



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

**AGENDA TITLE: Consideration of Land Lease Letter of Intent from Tahoe Forest Hospital District**

**MEETING DATE: May 26, 2021**

**PREPARED BY: Kevin Smith, General Manager**

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**RECOMMENDATION:** Review and consider the non-binding Letter of Intent (LOI) proposal from Tahoe Forest Hospital District (TFHD) regarding a long-term land lease of District property on Soaring Way and provide direction to Staff. Maps of this property and the lease proposal are found on the last two pages of the LOA.

**DISCUSSION:** The TFHD is requesting Board consideration of the attached LOI with potential Lease Terms for TFHD to lease initially 4 acres of TTAD non-aviation property with options for 8 more acres. This property is in Nevada County. Their intent is to construct a 20,000 sq. ft. urgent care and primary care office building to serve our community. TTAD and TFHD boundaries have somewhat similar service areas a similar constituency. In addition to the 4 acres, they are seeking options on an additional 8 acres for future expansion of the facility. All proposed and future facilities would be medical in nature providing services to the general public.

A few items for Board consideration as you review this request are as follows:

**ALP designation and FAA Requirements:** The property in question is the District's Soaring Way Non-Aviation real estate. This property is designated as Non-Aviation on our current Airport Layout Plan. This type of use is feasible with little involvement with the Federal Aviation Administration. We do have an FAA requirement to show Fair Market Value on only long-term lease with periodic market adjustments.

**Appraisal and Land Lease Rates:** This land was last appraised in late 2013. At that time, a ground lease rate was appraised at .64 to .68 cents a square foot per year. If the District wanted to proceed with consideration of this proposal, that appraisal would need to be updated to account for current market conditions.

**Airport Land Use Compatibility Plan:** This property is currently designated as Land Use Compatibility Zone D which is the Primary Traffic Pattern Zone. Schools, Hospitals, and noise sensitive uses are discouraged in this zone but not prohibited. Typically, medical offices, urgent care or other hospital uses that do not require inpatient overnight care are considered more compatible in the D Zone. However, this determination is ultimately up to Nevada County as part of a land use permit with a recommendation from the Truckee Tahoe Airport Land Use Commission which is a separate entity from TTAD.

**Airport Master Plan:** The Airport Master Plan indicates this property is well suited for Aviation and Non-Aviation Development. As part of the Master Plan process, all frontage on Soaring Way was designated Non-Aviation allowing for consideration of these types of non-aviation uses.

**Current and future Land Use Considerations:** The property is currently Zoned Public Facilities (PF) in Nevada County. It appears public use such as urgent care and medical offices are likely compatible with this zoning. As part of this LOI, TFHD would need to verify land use approvals and appropriate zoning. One other land use consideration is previous preliminary discussion regarding light industrial use of this property. There has been discussion over the past few years of this property possibly being a transfer location for light industrial. This could provide an opportunity for light industrial land uses to move off the Truckee Review to this area. To date, there has not been any formal or directed effort to implement this concept.

**Entitlement and Land Use Applications:** All entitlements, land use applications, utilities, connection fees, and other direct and indirect development costs would be the responsibility of the land lessee. The District would be solely leasing raw ground to the tenant.

**STAFF ASSESSMENT AND RECOMMENDATION:** Staff is supportive of the request and feels it deserves further consideration before a final decision can be made. Staff has completed a preliminary review of this LOI but before any further negotiations or conversations can continue, Staff would like Board consideration and direction as to the Districts interest in pursuing this LOA. Overall Staff is supportive of the request and feel it deserve a close look as there is direct and real benefit to the TFHD and TTAD common constituency. Staff recommends accepting and signing the non-binding Letter of Intent so a more detailed review and proposal can be brought forward.

**SAMPLE MOTION:** I move to (approve, continue, deny) the non-binding Letter of Intent between TTAD and TFHD to explore a land lease proposal for District properties on Soaring Way and authorize the General Manager to sign the attached LOI.

**ATTACHMENTS:**

Letter of Intent with Tahoe Forest Hospital District