From: Mike Mayo
To: Comments

Subject: Truckee Tahoe Soaring Association lease negotiations

 Date:
 Tuesday, March 21, 2023 11:23:30 AM

 Attachments:
 RELATIONSHIP AMCG - TTAD - TTSA.pptx

Comments to TTAD board from Mike Mayo, resident of Truckee at Cambridge Estates. 10417 Plymouth Lane.

Regarding lease negotiations between TTAD and TTSA (Truckee Tahoe Soaring Association; aka Soar Truckee).

TTAD management, apparently under direction from a majority of the TTAD Board of Directors, has been negotiating in bad faith regarding TTSA's lease. That lease is foundational to safe, and community-serving, glider operations.

Referring to the following document
DEPARTMENT OF TRANSPORTATION
Endows! A viction Administration

Federal Aviation Administration

[Docket No. 28472]

Policy and Procedures Concerning the Use of Airport Revenue

Federal Aviation Administration (FAA) DoT

ACTION: Policy statement

mailto://www.faa.gov/sites/faa.gov/files/airports/southwest/airport_compliance/obligation_final99.pdf

page 16, section 6

"The FAA has generally interpreted the self-sustaining assurance to require airport sponsors to charge FMV commercial rates for nonaeronautical uses of airport property. However, in the case of aeronautical uses, user charges are also subject to the standard of reasonableness. In applying the two standards together for aeronautical property, the FAA has considered it acceptable for an airport operator to charge fees to aeronautical users that are less than FMV, but more than nominal charges. The FAA defines "aeronautical use" as any activity which involves, makes possible, or is required for the operation of aircraft, or which contributes to or is required for the safety of such operations. Policy Statement Regarding Airport Fees, Statement of Applicability, 61 FR at 32017. Many entities lease airport property for aeronautical and nonaeronautical uses at nominal lease rates. The FAA has determined that nominal leases to many of these entities is consistent with the requirement to maintain a self-sustaining airport rate structure."

..... TTAD is in violation of this Federal OBLIGATION

page 26, section VII —Policies Regarding Requirement for a Self-Sustaining Airport Rate Structure B, 5.

"Under 49 U.S.C. §47107(a)(1) and the implementing grant assurance, charges to aeronautical users must be reasonable and not unjustly discriminatory. Because of the limiting effect of the reasonableness requirement, the FAA does not consider the self-sustaining requirement to require airport sponsors to charge fair market rates to aeronautical users. Rather, for charges to aeronautical users, the FAA considers the self-sustaining assurance to be satisfied by airport charges that reflect the cost to the sponsor of providing aeronautical services and facilities to users. A fee for aeronautical users set pursuant to a residual costing methodology satisfies the requirement for a self-sustaining airport rate structure."

----- TTAD is under FEDERAL OBLIGATION to charge an aeronautical user (as is TTSA) an amount that reflects TTAD's cost of providing services (services to TTSA in this case).

Referring to AMCG's "Rent Study Update"
Airport Rent Study Update ---- Truckee Tahoe Airport District, Truckee Tahoe Airport (01/21/2022)

On Page 5

Direct Negotiation -

..... However, as stated in the *Airport Sponsor Assurances*, each tenant (commercial or non-commercial) "shall be subject to the same rates, fees, rentals, and other charges as are uniformly applicable" to other tenants for "the same or similar uses of such airport and utilizing the same or similar facilities." For this reason, a direct negotiation methodology was not deemed most appropriate to determine a rental rate structure that is equitable for all similarly situated tenants of aeronautical-use improvements.

HOWEVER ----- TTSA is not "similarly situated" to any other airport tenant (excepting Skydive). No part of TTSA's leased property corresponds to "the same or similar uses of such airport and utilizing the same or similar facilities" as compared to any south side tenant.

The land leased to TTSA is not "same or similar" to that leased to any south side tenant. Neither can anything similar be found elsewhere.

Therefore "direct negotiation" is, after all, the correct method to use.

It is an easy matter to find several other AMCG rent studies, performed for other airports, and by reading them to get an assessment of their method of analysis and presentation of conclusions. It becomes quite clear that the service they provide is to give an opinion that would support the highest possible rent for a given property. Their system relies on selection of reference properties that bias towards the high side. Their choice from any suggested range of discounts is biased toward smaller discount. Their choice of eliminating outlier reference properties is to eliminate the lowest valued. Their choice of averaging method is arithmetic rather than geometric; which biases toward the highest price. But do give them credit for clearly stating that the result they give is an "opinion". Therefore TTAD should be using AMCG's rent recommendation as a highest possible reference number. Rather than as a realistic rental rate.

._____

See attached slide (RELATIONSHIP AMCG – TTAD – TTSA.pptx) that illustrates my understanding of the manner in which AMCG is related to the lease negotiations. AMCG has been paid by TTAD to provide advisory data in support of KTRK lease negotiations. It is the responsibility of TTAD staff to conduct negotiations in conformance with Federal requirements. It is the responsibility of TTAD staff to understand those Federal requirements.

I commend to the TTAD board, and staff, this book, available to download for free, created by "a group of industry practitioners, led by Aviation Management Consulting Group" (we have heard of them, I think)

market-value-and-establishing-market-rent-at-small-airports

On page 14 of the book

"While Chapter 6 of the book addresses the negotiation of development and lease agreements, this process should be rooted in an objective analysis to estimate market value or establish market rent as a beginning point of discussion."

Note that "establish market rent" is to be "a beginning point of discussion". Not the last best offer.

On page 19 of the book

"Rents for Aeronautical Use—Chapter 18 of this order clearly states that charges for aeronautical uses of the airport must be reasonable. Charges for aeronautical use of landside or non-movement area airfield facilities (e.g., hangars and aviation offices) may be based on market value or market rent but are not required to be higher than a level that reflects the cost of services and facilities. In other words, charges for aeronautical use should be somewhere between cost and market rent. Unlike private businesses, airports are not profit driven and as such, the justification of market value should be in setting a reasonable rate, not necessarily in setting the highest rate possible."

i.e. TTAD is under no obligation to let the property at the market rent suggested by AMCG. TTAD is supposed to (by directive from the FAA) set rent somewhere between TTAD's cost of the services they provide to TTSA and the rent suggested by AMCG.
On page page 25 of the aforementioned book "3.3 Strategic Airport Business Plans
Airport management and staff, should strive to align the approach to leasing land and improvements with the strategic direction outlined by the airport sponsor."
An astute observer might surmise that TTAD management, under direction of a majority of the Board of Directors, is negotiating in exactly the manner that one would negotiate if intending to eject the tenant without actually evicting them. i.e. make the tenancy untenable so the tenant goes away. That astute observer might also surmise that TTAD management is starting with the most fragile tenants while pursuing a strategy that eventually evicts all tenants and then closes the airport because it is no longer serving any member of the local public. That astute observer might also note that this would be in violation of Federal, and State, mandates.
((For humorous diversion and calming nerves < <u>https://www.existentialcomics.com/></u>))

From: <u>Larry Suter</u>

To: <u>Comments; Larry Suter; President TTSA</u>

Subject: Comments from Truckee Tahoe Soaring Association" Chief Flight Instructor

Date: Tuesday, March 21, 2023 11:46:09 AM

Attachments: TTSA Youth Soaring Stem Overview for TTAD Board.pdf

My name is Larry Suter, I am a CFIG and the Chief Instructor for the Youth STEM Soaring Academy at Truckee-Tahoe Soaring Association (TTSA) also known as Soar Truckee.

We have been training Youth Aviators for many years at TTSA/Soar Truckee. As you know, many have gone on to have careers in aviation as Air Force, Naval and Coast Guard pilots and Commercial airline pilots (ATPs).

I have been told that many of the TTAD Board members do not realize that we conduct a formal Youth training program at TTSA, so I am attaching a document we have been using in our fund raising and grant application effort that describes the Youth STEM Academy programs we are planning to hold this summer.

Thank you for your consideration.

I would be happy to answer any questions you have about our Youth Aviation programs and look forward to giving a formal presentation to the TTAD Board at a future TTAD Board meeting,

Sincerely, Larry Suter From: <u>Karol Hines</u>
To: <u>Comments</u>

Subject: Public Comment for March 22 closed session at 3 pm

Date: Tuesday, March 21, 2023 11:58:36 AM

TTAD Board of Directors,

As you prepare to once again discuss the 2023 lease terms for Truckee Tahoe Soaring Association (TTSA), I urge you to consider the following:

- 1) TTSA is a small non-profit organization that conducts a Youth STEM Soaring Academy program at the Truckee-Tahoe Airport.
- 2) TTSA provides scenic adventure rides to the public, tow and oxygen supply services for glider clubs and private glider pilots (who own their own gliders), and glider flight instruction to adults as a means to raise funds to support our Youth STEM programs and supplement the financial support for these programs that we receive through Grants and donations.
- 3) We respectfully ask that TTAD continue to negotiate a lease with TTSA, as we have been doing, in good faith and in line with the requirements described by the FAA in *Airport Sponsor Assurances*.
- 4) We request that you consider, in these negotiations, the egregious inaccuracies in the January 2022 Rent Study prepared by AMCG that we have continued to bring to the attention of TTAD in determining the lease rates for the area from which we operate.

Thank you for your consideration.

Kind Regards,

Karol

Karol Hines, President

Truckee Tahoe Soaring Association (TTSA) 530-587-6702 * P.O. Box 2657, Truckee CA 96160 775-762-8312 (c)

"For once you have tasted flight you will walk the earth with your eyes turned skywards, for there you have been and there you will long to return." - Leonardo da Vinci

From: <u>Treasurer TTSA</u>
To: <u>Comments</u>

Subject: Mar 22 TTAD Meeting -- Public Comment Date: Tuesday, March 21, 2023 11:58:59 AM

TTAD Board,

I respectfully request that Truckee Tahoe Airport District urge airport management to engage in good-faith negotiations with Truckee Tahoe Soaring Association regarding our lease renewal. By refusing to acknowledge the gross factual inaccuracies in the **sole document** used to justify a nearly **200% rent increase**, I personally am forced to conclude that management is discriminating against our organization.

--

Evan Simmons Treasurer, Truckee Tahoe Soaring Association Office Phone 530.587.6702 PO Box 2657 Truckee CA 96160 From: Leslie Hsu Oh
To: Comments

Cc: <u>karolsoars@gmail.com</u>; <u>"President TTSA"</u>

Subject: URGENT: confirm receipt of written comments for Board of Directors

Date: Tuesday, March 21, 2023 2:18:38 PM

image001.png image002.png image003.png image004.png image005.png

Importance: High

Attachments:

Didn't receive confirmation, so I'm resending. Please tell me that this comment was received. I live in Donner Lake and my internet is not always reliable. I'm also picking up my kids from school around 3pm, so if I can't make the virtual live public comment tomorrow; however, I give permission for anyone to read this letter on my behalf.

----Original Message-----

From: Leslie Hsu Oh lhsu@post.harvard.edu
Sent: Tuesday, March 21, 2023 11:38 AM
To: Comments@truckeetahoeairport.com

Subject: Written Public Comment for March 22 mtg

Dear Board of Directors,

I am the parent of Ethan (14) and Kyra (17) Oh, who have both benefited from the mentorship and instruction of the Truckee-Tahoe Soaring Association staff in the past three years. Both are distinguished scholars and high achievers academically and in community service. Kyra won the Harvard Book Prize last year. She's currently working on her Gold Award for Girl Scouts (which introduced fly fishing to the Pyramid Lake indigenous youth) and Ethan is a Boy Scout. The two of them compete nationally in snowboard cross. Kyra is ranked #1 in her age group in our region. They also founded the first fly fishing club at North Tahoe High School this year. This is the caliber of interns that TTSA attracts. They both started informally summer of 2020 in TTSA's STEM Youth Aviation Education and Line Crew Intern Program purchasing the pilot books and studying on their own. They were accepted as interns in the summer of 2021 and 2022. I have witnessed their growth in responsibility, maturity, leadership. Their math skills have improved with calculating glide slopes, and other aeronautic problems. They've invested a significant amount of time and energy towards advancing in aviation knowledge and training flights as well as hand-eye coordination and the ability to make air maneuvers in a calm and confident manner. 2023 summer, they are hoping that all of the flight instruction, ground instruction on rigging, de-rigging, handling, and movement of sailplanes, launching and retrieving of gliders will culminate in a pilot's license with a glider rating from the FAA. It would be detrimental to our family, this community, and the future of aviation to put TTSA out of business and kill the Youth STEM Aviation program. Not only would this mean, my kids would NOT earn a pilot's license because there are no equivalent programs in driving distance, but also that means other kids in our area will not have this opportunity. Many of the instructors and tow pilots live over 100 miles away and therefore a waiver should be considered for onsite housing and parking overnight.

I'm also a freelance writer, photographer and editor. My work appears in National Geographic, Alpinist, Backpacker, Conde Nast Traveler, Outside, Parents, Saveur, Smithsonian, Travel + Leisure, Vogue, Washington Post, and elsewhere. Attached is a draft of a story I'm working on for Outside Magazine, about the shortage of pilots and how programs like TTSA are critical to solving this crisis. I hope you will consider allowing them to be based here in Truckee airport. It's one of the main reasons why we are staying in this area.

With gratitude,

Leslie

Leslie Hsu Oh

Writer | Photographer | Editor www.lesliehsuoh.com Ihsu@post.harvard.edu

Seven-time gold medalist and 5-time silver medalist in four consecutive annual NATJA awards Read 2022 winner of two golds: adapted excerpt from forthcoming memoir and photos originally published in Feb 2021 Travel + Leisure









Leslie Hsu Oh

Writer | Photographer | Editor www.lesliehsuoh.com Ihsu@post.harvard.edu

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From: Leslie Hsu Oh
To: Comments

Cc: <u>karolsoars@gmail.com</u>; <u>"President TTSA"</u>

Subject: RE: URGENT: confirm receipt of written comments for Board of Directors

Date: Tuesday, March 21, 2023 2:22:13 PM

Attachments: <u>image001.png</u>

image002.png image003.png image004.png image005.png LOh flight.docx

Forgot the attachment

From: Leslie Hsu Oh < lhsuoh@gmail.com> Sent: Tuesday, March 21, 2023 2:19 PM To: Comments@truckeetahoeairport.com

Importance: High

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