



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

AGENDA TITLE: PMCD Changes: General Aviation Leasing/Rents & Fees Policy
MEETING DATE: Wednesday, December 4, 2024
PREPARED BY: Jeff Menasco, Director of Aviation

STRATEGIC PLAN: Goal 2.D.3 - Review and update Primary Management Compliance Documents.

RECOMMENDED ACTION: Board approve changes to the Primary Management Compliance Document (PMCD) on General Aviation Leasing Rents/Fees Policy, last updated 9/21/2022.

DISCUSSION: Hangar Revitalization has been a multi-pronged effort to address KTRK's hangars since mid-2023. This has included implementation of an FAA Hangar Use Policy Inspection Program, more strictly enforcing FAA Hangar Use policies, revamping wait-list procedures, revitalizing 15+ hangars, and increasing the utilization of existing hangars with overnight and short-term "AirB&B" style rental program. These PMCD changes memorialize these new policies.

CHANGES:

1. **Non-Aeronautical Rent** (pg 6): Tenants who change hangar usage from *Aeronautical* to *Non-Aeronautical* use without prior TTAD consent shall have rent changed from Aeronautical to Fair Market Value rate until hangar is returned to aeronautical purposes or lease is terminated.
 - **Why:** Provides TTAD an immediate action to enforce KTRK Hangar Use Policy. Provides incentive for tenants to keep their hangar in aeronautical use, versus TTAD going through months long multi-thousand-dollar eviction process.
2. **CPI Change** (pg 22): Changes the Bureau of Labor Statistics, Consumer Price Index (CPI), All Urban Consumers, from West -B/C, to West -A (cities of less than 1,500,000 population).
 - **Why:** Standardizes TTAD to one CPI, vice multiple.
3. **Waitlist** (pg 27): Changes waitlist *refundable* deposit to a *non-refundable* fee and removes

annual wait list fees; initial fee covers future staffing costs.

➤ **Why:** Keeps the accounting process simpler and covers staff costs to maintain the waitlist program.

4. **Documentation Late Fee (pg 29):** Adds an option for TTAD to charge a Late Fee to tenants who have not submitted annual documentation for their lease after 45 days late. Fee would be published in the Master Fee Schedule; estimate \$50 for 2025.

➤ **Why:** Staff regularly spends time chasing down documents (insurance, air worthiness, FAA registration) and the ability to charge a Late Fee would incentivize tenants to submit required paperwork on time and reduce staffing costs.

5. **Hangar Inspection Policy (pg 30):** Documents hangar inspection program TTAD executed in the summer of 2024; no changes added.

➤ **Why:** TTAD's policies would now be congruent with FAA Hangar Use Policy recommendations delineated in 2023 FAA Land Use Compliance Inspection.

6. **Hangar Transfer Policy (pg 31):** Changes hangar transfer for an aircraft partner from 2 years to 4 years; TTAD can waive this for special circumstances.

Why: With extensive waitlist, reduces likelihood someone will create an aircraft partnership in order to bypass hangar waitlist.

7. **Loss of Hangar Assignment (pg 31):**

a) **Hangar Frequency:** If aircraft does not remain in a hangar *overnight* in preceding 6-months receives notification, and if hangar does not house assigned aircraft for greater than 14 nights in preceding 12-months, is grounds for lease termination (GM can approve waivers for special circumstances).

➤ **Why:** Current PMCDs don't clearly identify how often a hangar is used by assigned aircraft. By clearly stating this requirement, TTAD can then remove tenants who do not use their hangars to house an aircraft (5 years is currently the longest period of no-hangar-use by a hangar tenant's assigned aircraft).

b) **Flight Frequency:** If aircraft has *not-flown* in the preceding 6-months, the tenant receives notification, and if aircraft has not flown in a second 6-month period is grounds for lease termination (GM can approve waivers for special circumstances).

➤ **Why:** Current PMCDs do not clearly identify when an aircraft is non-flyable and leaves this adjudication to GM decision which can be argued in court. By clearly stating an aircraft must fly once per year we can remove tenants that have not flown their aircraft for many years (14 years is currently the longest no fly period).

c) Hangar is being used for Commercial purposes and no **Commercial Operating Permit** is signed between Tenant and TTAD.

- **Why:** Provides TTAD option for immediate actions to change behavior.
- d) Hangar is being used for storage of Non-Aeronautical items to the extent that the aircraft is incidental to use of Hangar.
 - **Why:** Provides TTAD option for immediate actions to change behavior.

FISCAL IMPACT: Will decrease legal fees associated with removing tenants not using their hangars or flying their aircraft, increase rental revenue from overnight rentals, and decrease staff time to collect required documentation.

PUBLIC COMMUNICATIONS: Active and on-going, all these potential changes have been communicated with tenants since May 2023 as part of the Hangar Revitalization initiatives.

SAMPLE MOTION(S): I move to (approve/deny) all changes in PMCD GA Leasing/Rents and Fees Policy effective 01/01/2025, or I move to (approve) the following changes ____ (by paragraph #).

ATTACHMENT:

Tab-1: Proposed PMCD changes to General Aviation Leasing/Rents and Fees Policy – redline copy