



TRUCKEE TAHOE AIRPORT DISTRICT BOARD OF DIRECTOR STAFF REPORT

AGENDA TITLE: Financing Options; Reconstruct Apron A2 2025

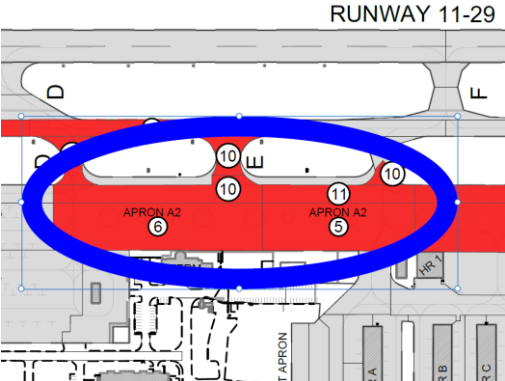
MEETING DATE: May 28, 2025

PREPARED BY: Robb Etnyre, General Manager

RECOMMENDED ACTION: Truckee Tahoe Airport District Board of Directors provide guidance on financing of Apron A2 and provide selection guidance for the list of lenders presented, with final financing paperwork (Installment Sale Agreement) to be present at June 25, 2025, regular board meeting.

Background: The District awarded a construction contract to McGuire and Hester Company for Reconstruction of Apron A2, for a contract price of \$4,860,079.00, and a total estimated project cost of \$5,571,579. The District has \$1,163,000 in AIG and \$249,000 in AIP entitlements that may be applied to this project as verified by our FAA Airport Division Office (ADO). Use of these funds will require a 2025 Grant Assurance Obligation agreement between the District and FAA.

Estimated Summary of Project Costs - 4/17/25	
	4/16/2025 As-Bid
Engineering Services - Brandley Engineering	
Engineering Design	\$ 228,500
Bidding Assistance, Engineering During Construction, Final Project Closeout	\$ 98,000
Resident Engineering, Testing, Inspection	\$ 220,000
Contractor - McGuire and Hester	
Construction Cost	\$ 4,860,079
Snowmelt Utility Shed Special Services - Other Consultants / Subcontractors	
Snowmelt Apron Shed Construction	\$ 132,000
Snowmelt Apron Engineering & Special Inspections & Submittal Review	\$ 33,000
Total Engineering + Construction (No Administrative Costs)	\$ 5,571,579
Total Project Costs	
Available FAA AIP Funding	\$ 249,000
Caltrans State Matching Grant	\$ 12,000
Available FAA AIG Funding	\$ 1,163,000
Sponsor Participation	\$ 4,147,579



DISCUSSION: The District was interested in obtaining financing options for the Apron A2 reconstruction project. The District requested Oppenheimer and Co. Inc. to issue a request for proposal to interested lending institutions to obtain a variety of options for a \$4.1M Installment Sale Agreement by the District. Under the Installment Sale Agreement, the investor will purchase the District’s 2025 Project (Apron A2) and sell the Project back to the District for the District to obtain the financing proceeds. The District will purchase the 2025 Project back from the investor with Installment Payments.

The Board might also consider not using AIG & AIP Funding available from the FAA with Grant Obligations and increasing the loan amount to \$5.5M. However, at this time, the RFP issued was only for \$4.1M. The following lending institutions were contacted to obtain responses.

Bank of America
Banner Bank
BMO
Cal bank and trust
Capital one
Citizens Business Bank
EverBank
Flagstar
JPM
River City
Tri Counties
Umpqua
Webster
Western Alliance
U.S. Bank

Summary of Terms:

The District is seeking proposals for both a 15- and 20-year financing term, and will consider additional term lengths, including both longer and slightly shorter as available.

Par Amount:	\$4.1 million
Final Maturity:	15-Year Term: 8/8/2040 20-Year Term: 8/8/2045
Average Life:	15-Year Term: 8.705 years 20-Year Term: 11.957 years
Security for Repayment:	Secured by a pledge and lien of the District’s net revenues.

District Credit Rating:	None
Payment Structure:	Semi-annual interest and principal payments are preferred.
Optional Prepayment:	Please provide prepayment terms (Please specify in whole and/or in part <u>and</u> if AID or any date).
Rate Covenant:	1.15x per 2017 ISA
Parity Debt Provisions:	1.15x MADS per 2017 ISA
Interest Rate:	Fixed, Interest calculated 30/360
Tax & BQ Status:	Tax-Exempt, Bank-Qualified

Preliminary Timeline:

- RFP Released:	May 15, 2025
- RFP Responses Due:	May 27, 2025, at 1:00 pm PDT
- Selection of Lender:	May 28, 2025 (Board Meeting)
- Approval of Documents:	June 25, 2025 (Board Meeting)
- Closing Date:	Early July 2025

Given the response deadline of the RFP, Oppenheimer will be presenting the results of the RFP at the May 28, 2025, board meeting.

Recommended Motion:

I move to approve finalizing Installment Sale Agreement documents with _____ for \$_____ Million, for the term of _____ years, with final approval of documents presented for consideration at the June 25, 2025 Regular Board Meeting.

ATTACHMENTS:

**REQUEST FOR PROPOSAL, TRUCKEE TAHOE AIRPORT DISTRICT, 2025 INSTALLMENT SALE
AGREEMENT (APRON A2 PROJECT)**