

May 15, 2025



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

Truckee Tahoe Airport District:

The Truckee Tahoe Airport District is a California airport special district located in the Sierra Nevada Mountain range serving both Nevada and Placer County. Established in 1958 about seven miles north of Lake Tahoe, the District provides safe and high-quality aviation services, which include hanger access, lodging, on-field operations, and fueling. Revenues from the District include the aforementioned services such as hanger rentals and warehousing, with the addition of property taxes collected within the District's boundaries. Occasionally, the District has also received grants from both the Federal government and State of California. The airport covers approximately 2,280 acres and is a hub for both pilots and tourists looking to enjoy and experience the region.

The District is governed by an elected Board of Directors composed of five members. Currently, a General Manager oversees District operations in coordination with additional staff members and volunteers.

District Financial Information:

Links to the District's Website / Financials / Prior Debt	
2023 Audited Financial Statements 2022 Audited Financial Statements 2021 Audited Financial Statements 2020 Audited Financial Statements	TTAD Website 2017 Installment Sale Agreement ¹

The District's 12/31/24 Audited Financial Statements are in progress and a draft report will be distributed shortly after release of the RFP.

¹Included as an email attachment.

Additional Information:

- Historical and Pro-forma Debt Service Coverage is included in Appendix A.
- Preliminary principal amortization schedules are included in Appendix B.

Parity Debt:

In 2017, the District issued debt in the form of an installment sale agreement totaling \$7,800,000 with Citizens Business Bank. Proceeds from this agreement went towards funding capital improvements to District facilities such as hanger reconstruction. As of the last payment date on August 8, 2024, there is approximately \$5,654,312 outstanding with a final maturity date of August 8, 2037. This obligation has a rate covenant and a parity debt provision requiring net revenues must equal at least 1.15x of MADS.

Project Description:

The District is seeking proposals to finance various capital improvement project costs, specifically for improvements related to repaving the primary airport apron (Apron A2). The 2025 Installment Sale Agreement will be on parity with the District's outstanding 2017 Installment Sale Agreement.

Financing Team:

Placement Agent: Oppenheimer & Co. Inc.
Bond Counsel: Kutak Rock LLP

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.

See preliminary principal amortization schedules in Appendix B.

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

Information to be submitted by Proposer:

1. Interest rates for both 15- and 20-year terms (and others if desired).
2. Rate lock ability and terms. If not available, please provide formula.
3. Prepayment terms
4. Amount of any proposer costs (i.e. legal counsel, etc.)

Proposal Submission and Evaluation:

Proposals are due Tuesday, May 27, 2025 at 1:00 pm PDT. Please submit proposals to Nicki Tallman at nicki.tallman@opco.com and Eric Staniek at eric.staniek@opco.com.

In determining the winning proposal, the District will take into account the information submitted and any other factors it deems appropriate. The District reserves the right to exercise its own discretion in making the award and to also cancel the RFP process with no further action required on the District's part.

Thank you for your consideration. We would enjoy the opportunity to work with you on this transaction and look forward to your response. Please feel free to contact Eric Staniek at (704) 989-5535 with any questions.

Sincerely,



Nicki Tallman, Managing Director
Oppenheimer & Co. Inc.
Municipal Capital Markets Group



Eric Staniek, Analyst
Oppenheimer & Co. Inc.
Municipal Capital Markets Group

You acknowledge and understand that Oppenheimer & Co. Inc. is required to obtain a CUSIP for the instrument described herein and apply for DTC eligibility unless you are: i) a bank, any entity directly or indirectly controlled by a bank, or under common control with a bank (other than a dealer registered under the Exchange Act), or a consortium of such entities; or ii) a municipal entity purchasing municipal securities using funds that are at least in part proceeds of the Purchaser's issuance of other municipal obligations, or municipal securities being purchased are used to fully or partially secure or pay the Purchaser's issue of municipal obligations; and iii) you make the following representation a part of a letter to be executed: "the Purchaser is purchasing the debt instrument solely for its own account with a present intent to hold the debt instrument until maturity, early redemption or mandatory tender, and not with a current view to, or in connection with, any distribution, resale, pledging, fractionalization, subdivision or other disposition thereof (subject to the understanding that disposition of Purchaser's property will remain at all times within its control)".

No Official Statement will be prepared for the debt instrument. By the Purchaser's acceptance of the debt instrument, the Purchaser shall be deemed to have had access to such financial and other information concerning the Issuer and the debt instrument as the Purchaser deemed necessary to make an independent decision to purchase the debt instrument, including the opportunity, at a reasonable time prior to purchase of the debt instrument, to ask questions and receive answers concerning the Issuer and the terms and conditions of the offering of the debt instrument.

Appendix A: Historical and Pro-Forma Debt Service Coverage

The following table shows the historical District Revenues and debt service coverage against the pro-forma aggregate MADS from the outstanding 2017 Installment Sale Agreement and the proposed 2025 Installment Sale Agreement. Please note the District's fiscal year is on a calendar year basis.

	Audited 12/31/2022	Audited 12/31/2023	Projected ⁽¹⁾ 12/31/2024	Projected ⁽¹⁾ 12/31/2025	Projected ⁽¹⁾ 12/31/2026	Projected ⁽¹⁾ 12/31/2027	Projected ⁽¹⁾ 12/31/2028
Operating Revenues							
Hanger Rentals	1,758,257	1,902,206					
Airside Operating Revenues	2,954,594	3,014,648					
Warehouse	279,457	302,203					
Other	630,587	600,919					
Total Operating Revenues	5,622,895	5,819,976	5,819,976	5,819,976	5,819,976	5,819,976	5,819,976
Non-Operating Revenues⁽²⁾							
Property Taxes	8,507,022	9,213,945					
Interest Income	83,451	283,688					
Gain on Disposable Assets	272,375	43,319					
Other	-	110,949					
Total Non-Operating Revenues	8,862,848	9,651,901	9,651,901	9,651,901	9,651,901	9,651,901	9,651,901
Total Revenues	14,485,743	15,471,877	15,471,877	15,471,877	15,471,877	15,471,877	15,471,877
Operating Expenses⁽³⁾							
Salaries and Wages	2,762,841	3,094,177					
Employee Benefits	1,610,754	1,660,378					
General and Administrative	4,550,797	4,777,566					
Repairs and Maintenance	589,571	725,095					
Total Operating Expenses	9,513,963	10,257,216	10,564,932	10,881,880	11,208,337	11,544,587	11,890,925
Net Revenues	4,971,780	5,214,661	4,906,945	4,589,997	4,263,540	3,927,290	3,580,952
Debt Service							
2017 Installment Sale Agreement	548,816	548,816	548,816	548,816	548,816	548,816	548,816
2025 Installment Sale Agreement ⁽⁴⁾	-	-	-	-	396,811	396,968	396,599
Total Debt Service	548,816	548,816	548,816	548,816	945,627	945,784	945,415
Debt Service Coverage Ratio	9.06	9.50	8.94	8.36	4.51	4.15	3.79

(1) Assumes flat revenues and 3% annual increase to total operating expenses.

(2) Excludes federal grants and interest expense. Federal grant proceeds were \$973,530 and \$5,890,479 for 2022 and 2023, respectively.

(3) Excludes depreciation.

(4) Based on a 15-year term; preliminary and subject to change with market conditions.

Appendix B: Preliminary Principal Amortization Schedule

	15-Year Term	20-Year Term
Period Ending	Proposed Principal	Proposed Principal
2/8/2026	93,000	60,000
8/8/2026	92,000	59,000
2/8/2027	98,000	62,000
8/8/2027	97,000	63,000
2/8/2028	103,000	66,000
8/8/2028	102,000	66,000
2/8/2029	108,000	69,000
8/8/2029	108,000	70,000
2/8/2030	113,000	73,000
8/8/2030	114,000	73,000
2/8/2031	119,000	77,000
8/8/2031	120,000	77,000
2/8/2032	125,000	82,000
8/8/2032	127,000	81,000
2/8/2033	132,000	85,000
8/8/2033	133,000	86,000
2/8/2034	140,000	90,000
8/8/2034	140,000	90,000
2/8/2035	147,000	95,000
8/8/2035	147,000	95,000
2/8/2036	155,000	100,000
8/8/2036	155,000	100,000
2/8/2037	163,000	105,000
8/8/2037	163,000	106,000
2/8/2038	172,000	111,000
8/8/2038	172,000	111,000
2/8/2039	181,000	117,000
8/8/2039	181,000	117,000
2/8/2040	190,000	124,000
8/8/2040	191,000	123,000
2/8/2041	-	130,000
8/8/2041	-	130,000
2/8/2042	-	137,000
8/8/2042	-	137,000
2/8/2043	-	145,000
8/8/2043	-	144,000
2/8/2044	-	152,000
8/8/2044	-	152,000
2/8/2045	-	161,000
8/8/2045	-	160,000
Total:	4,081,000	4,081,000

THE INFORMATION CONTAINED WITHIN THIS RFP HAS BEEN APPROVED BY THE ISSUER. SUCH INFORMATION SHOULD BE USED AND CONSIDERED AS THE SOLE BASIS IN MAKING AN INVESTMENT DECISION WITH RESPECT TO A PURCHASE OF THIS CREDIT OBLIGATION. NO OTHER INFORMATION, WHETHER PRESENTED ORALLY OR IN WRITING, OUTSIDE OF THIS RFP SHOULD BE USED OR CONSIDERED WHILE MAKING AN INVESTMENT DECISION WITH RESPECT TO A PURCHASE OF CREDIT OBLIGATION. NOTWITHSTANDING THE FOREGOING, POTENTIAL PURCHASERS ARE EXPECTED TO CONDUCT THEIR OWN DUE DILIGENCE PRIOR TO MAKING AN INVESTMENT DECISION WITH RESPECT TO A PURCHASE OF CREDIT OBLIGATION.