



## TRUCKEE TAHOE AIRPORT DISTRICT BOARD OF DIRECTOR STAFF REPORT

**AGENDA TITLE:** Airport Office Building Lease Option(s) Discussion

10266 Truckee Airport Road

**MEETING DATE:** December 3, 2025

**PREPARED BY:** Robb Etnyre, General Manager

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**BACKGROUND:** The Airport Office Building's current lease holder's lease expires on 7/31/2026. The existing lease for 10266 Truckee Airport Road to Truckee River Ventures Inc, dba [Lift Truckee](#), is an Assignment, Assumption, and First Amendment to the original Lease being held by Clear Capital.com, Inc, for the remainder of the existing lease period; 3/1/2023 through 7/31/2026. Lift Truckee does not have a first right of refusal for a new lease term. As a result, the District will be conducting a Request For Proposal (RFP) before the end of the existing lease term, given that several organizations have expressed interest in leasing the facility.

The Airport Office Building is comprised of 10,840 sqft with a current base rent of \$ 1.61867 sqft. Budget 2025 Revenue for this space is ~\$200,000. The Airport Office Building, formerly called the Warehouse Office Building (WOB), was constructed with an emphasis on energy efficiency, utilizing Insulated Concrete Form (ICF) construction. Lift Truckee is currently operating as a Coworking Space with several subtenants within the space, which include Nonprofits and a Wellness business. The South end of the facility is occupied by Rental Car operations and is subject to different terms and conditions not addressed here.





**DISCUSSION:** The District plans to release a Request For Proposal (RFP) in late 2025 – early 2026 for the Airport Office Building leased space discussed here. The District could be soliciting proposals for the entire 10,840 sq. ft., or portions of the space subdivided.

Several potential lease options are being considered based on known interest in the Airport Office Building before an RFP is released.

1. New lease term of 5-10 years for the entire 10,840 sq. ft.
2. New lease term of 5-10 years with Capital Improvements / Tenant Improvements for the entire 10,840 sq. ft.
3. New lease term of 5-10 years with multiple lease holders for portions of the facility without Capital Improvements
4. New lease term of 5-10 years with multiple lease holders for portions of the facility with Capital Improvements / Tenant Improvements

Should the District consider a potential subdivision of the facility for multiple tenants, or keep the 10,840 sq. ft. as a single leased space?

If we maintain the Airport Office Building as one leased space of 10,840 sq. ft., will the District consider other accommodation for non-responsive interested parties?

- Reprioritizing Terminal building meeting spaces?
  - Fireplace Lounge
  - Community meeting room(s)
- Developing new facilities on airside vacant land?

Key concepts to be considered in the RFP are outlined here.

**Proposed Use & Concept** — Intended operations, staffing, hours, approximate number of employees, estimated number of customers per day, and compatibility with District’s mission, vision, and strategic plan.

**Space Plan & Improvements** — Any proposed modifications, TI requests, and cost responsibility.

**Financial Offer** — Consolidated narrative of the financial factors to include, base rent per sq. ft. per month, CAM acknowledgment, and any financing. Provide data to compute the below variables. Strongest proposals will show greatest financial benefit to airport District and constituents.

- **Net Effective Rent** (provided by proposer)— Calculates the true average rent after adjusting for any rent abatements, free months, or tenant improvement (TI) allowances ( $\text{Total Rent} - \text{Concessions} \div \text{Lease Term}$ ). NER provides a fair “apples-to-apples” way to compare the actual economic value of each proposal.
- **Public Asset Yield vs. Market Benchmarks** (computed by TTAD) – Compares the District’s expected rate of return from the lease to for comparable Class-A office space and past District lease ( $\text{District Net Return} \div \text{Comparable Market Rate}$ ). This ensures TTAD receives fair market value and acts in best fiduciary manner of public assets.
- **Tenant Financial Capacity** — To help determine the proposer’s financial solvency and minimize the District’s financial risk over the full lease term, the following information is requested. Strongest proposals will demonstrate a profitable business plan with solid financial standings to cover the duration of proposed lease.

**Two years of financial statements** (audited preferred) – and or bank letter verifying creditworthiness.

**Debt Service Coverage Ratio (DSCR)** – Provide proposer’s annual net operating income to its annual loan and/or lease payments ( $\text{Net Operating Income} \div \text{Annual Debt Service}$ ). A 1.25 or higher indicates the proposer earns at least \$1.25 for every \$1.00 owed in debt payments, showing it can comfortably meet its financial obligations.

**Liquidity / Working Capital Ratio** – Provide data to show short-term financial health by comparing current assets to current liabilities ( $\text{Current Assets} \div \text{Current Liabilities}$ ). A ratio of 1.5 or higher indicates the proposer has enough readily available funds to cover short-term expenses such as rent and operating costs.

**Net Worth to Lease Exposure Ratio** – Provide data to compute proposer’s long-term financial health for the proposed lease commitment ( $\text{Net Worth}$

÷ Total Lease Obligation). A higher ratio indicates stronger financial strength and ability to meet its long-term lease commitments.

**Tenant Qualifications & Experience** — Provide comparable business operations, leases, or projects within the past five years relating to the proposed use of business and leased space. Strongest proposals will show exceptional qualifications and experience in proposed business.

**Community Alignment** — Narrative describing how the proposed use supports TTAD's strategic focus areas: economic viability, operational efficiency, natural resource conservation, and social responsibility. Strongest proposals will quantify impacts to community and alignment to TTAD's strategic focus.

**FISCAL IMPACT:** Budget 2026 is planned for a full year's rent of the space. No Capital improvements / Tenant Improvements are planned in the budget for 2026. Subsequent decisions on Capital Improvements / Tenant Improvements by the District would be funded out of the District's Equity. A commercial rent study is currently being conducted to fully analyze responses to the RFP.

**ATTACHMENTS:**

Current lease - 2016-2026 (10266 Truckee Airport Road)

Assignment, Assumption, and First Amendment To Lease

Airport Office Building Schematic – below

