



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

**AGENDA TITLE: Airport Office Building Request For Proposal**  
**MEETING DATE: Wednesday, January 28, 2026**  
**PREPARED BY: Jeff Menasco, Director of Aviation**

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**RECOMMENDED ACTION:**

Receive Board direction to enter direct negotiations with Truckee River Ventures (TRV) (dba “Lift”), a For Profit California Stock (S) Corporation.

**BACKGROUND:**

Given the TRV assumption of lease terms from the previous tenant (Clear Capital, Inc.) did not allow for renewal or extension. And, TRV’s request of greater than a one-year lease and over \$1M in District Funded capital improvements exceeded staff’s authority, and other parties expressed interest in the property, the Board reviewed this matter on December 4, 2025. Per direction provided on December 4, 2025, Board meeting, Staff conducted a Request for Proposals (RFP) for the Airport Office Building (AOB). The RFP (Tab A) was released on December 11, 2025, and closed on January 16, 2026.

Concurrently, a certified rent appraisal (Tab B) was completed to determine the fair market rental value of the AOB. The appraisal concluded:

- Large AOB space (10,840 sqft): **\$2.25** per square foot.
- Two smaller AOB spaces (rental car companies 1,000 sqft): **\$2.50** per square foot.
- Note: TRV’s current lease rate is **\$1.67** per square foot.

The appraisal was finalized and distributed to interested parties and posted on the TTAD website on the same day the RFP closed.

Two entities expressed interest during the RFP period: Truckee River Ventures (TRV), dba Lift, and JSX, which conducted a site visit and engaged in preliminary discussions with TRV. TRV was the only entity to submit a proposal (Tab C – Cover Letter, Tab D – TRV Lease Proposal), offering two alternatives; Options A and B.

## **DISCUSSION:**

### **TRV – Option A**

- Lease Term: **10 years** with one 5-year option
- Proposed Rent: **\$1.85** per square foot
- TTAD Capital Investment: Approximately **\$50,000**
- CAM: Charged separately

Option A closely mirrors the existing lease structure and requires minimal District investment. The space would continue to function in its current configuration.

### **TRV – Option B**

- Lease Term: **10 years** with one 5-year option
- Proposed Rent: **\$2.23** per square foot
- TTAD Capital Investment: estimated at **\$1,000,000**
- CAM: Charged separately

Option B proposes TTAD funding construction of two mezzanine structures, increasing the building area from approximately 10,840 square feet to 12,340 square feet (an increase of roughly 1,500 square feet). This build-out would create approximately 20 small offices and a conference room to support TRV's shared-workspace business model.

Option B presents the following challenges for the District:

#### **1. Permanent Building Alteration**

The \$1 million investment is an estimate and could increase during design and construction. The proposed improvements would significantly and permanently alter the large open space, potentially limiting future flexibility and alternative uses at the end of the lease term.

#### **2. Funding Restrictions**

The AOB is located on non-aeronautical land and used for non-aeronautical purposes. As such, only California property tax revenues may be used for capital improvements, restricting the District's funding options.

#### **3. Public Purpose Considerations**

As a California Special District, TTAD's use of property tax funds must meet the public purpose of the District. Because TRV is a for-profit enterprise, funding tenant-specific improvements could be perceived as subsidizing a private business.

#### **4. Investment Returns**

TRV's proposal evaluates the District's return based on recovery of the \$1 million principal over the 10-year lease term. A more appropriate financial metric for a public agency is **Net Present Value (NPV)**, which accounts for the time value of money. When comparing a \$1 million investment today against the District's ability to earn a 4% annual return through its

standard California investment vehicles (California Class and Local Agency Investment Funds), the District would need to receive approximately **\$1.5 million over 10 years** to achieve an equivalent return. Under Option B, the District would recover only the original \$1 million, resulting in an estimated **\$500,000 shortfall** when compared to alternative investment returns. This difference represents an effective subsidy to the tenant over the lease term.

**RECOMMENDATION:**

Staff recommends entering direct negotiations with TRV's **Option A** at the appraised **Fair Market Rent of \$2.25** per square foot. Consistent with FAA Grant Assurances, airports are to charge fair market value on non-aeronautical land to avoid competing with the private sector through below-market rents.

**PUBLIC COMMUNICATIONS:**

Clearly communicate TTAD's obligations both as a CA Special District and FAA Grant Assurances.

**SAMPLE MOTION(S):** I move to authorize staff to enter lease negotiations with Truckee River Ventures (Lift) for the Airport Office Building based on:

Option A, at a rental rate of \$2.25 per square foot (any additional caveats:\_\_\_\_\_).

-or-

Option B, at a rate of \_\_\_\_\_ and terms of \_\_\_\_\_ (any additional caveats:\_\_\_\_\_).