

# Memorandum

**To:** Board of Directors and Airport Staff  
Truckee Tahoe Airport District

**From:** Sven Pole - Hangar P2

**Subject:** Hangar Rent Increase Phasing and Home-Based Aircraft Incentive Proposal

**Date:** February 25, 2026

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## Executive Summary

I am writing as a home-based aircraft owner who currently hangars two aircraft at Truckee Tahoe Airport and pays approximately **\$71,000 per year** in combined hangar rent and taxes.

This memorandum makes two primary points:

1. A **20% immediate hangar rent increase**, as suggested in the 2026 TTAD budget starting March 1, 2026, represents a material financial hardship and should be **phased in over multiple years**.
2. Separately, the Airport should consider a **targeted 5% rent discount for aircraft that pay local aircraft property tax**, as a way to encourage home-basing and increase recurring county tax revenue over time.

These are two distinct but related policy considerations. The first concerns fairness and financial impact. The second concerns long-term regional fiscal alignment.

## I. Primary Request: Phase-In Any Hangar Rent Increase

### A. Current Financial Burden

As the owner of two aircraft based at Truckee, my annual recurring costs are:

Table 1 – My Annual Taxes and Hangar Rent

Category	Annual Amount (\$)
Aircraft Property Taxes (2 aircraft)	22,869
Possessory Interest Tax on Hangar	1,352
Hangar Rent	39,996
<b>Total Annual Payments</b>	<b>≈ 71,037</b>

This does not include fuel (which is materially higher at KTRK already), insurance, maintenance, or operating costs.

**B. Impact of a 20% Immediate Rent Increase**

If hangar rent increases by 20% immediately:

Table 2 – Impact of 20% Rent Increase

<b>Item</b>	<b>Amount (\$)</b>
Current Hangar Rent	39,996
20% Increase	7,999
<b>New Annual Hangar Rent</b>	<b>47,995</b>
<b>Revised Total Annual Cost</b>	<b>≈ 79,036</b>

**An \$8,000 annual increase is not incremental in practical terms. It is a meaningful step-change in recurring cost.**

***For aircraft owners who already pay substantial property taxes and operating costs, this magnitude of increase creates a real and immediate financial burden.***

**C. Recommended Approach: Phased Implementation**

If rent increases are necessary, I respectfully request that the Board consider something less than the budgeted 20% increase and/or a phased implementation.

Illustrative 3-Year Phase-In

<b>Year</b>	<b>Increase Applied</b>	<b>Approx. Annual Increase (\$)</b>	<b>Total Hangar Rent (\$)</b>
Year 1	+7%	~2,800	~42,800
Year 2	+7%	~2,900	~45,700
Year 3	+6%	~2,300	~48,000

Phasing:

- Reduces immediate hardship
- Allows owners to plan and absorb increases

- Minimizes risk of aircraft relocation
- Achieves the same long-term rent objective

The issue is not whether rents can adjust over time. The issue is whether they should adjust all at once.

## II. Secondary Proposal: Incentive for Home-Basing Aircraft at Truckee

Separate from the phasing request, I propose the Board consider a modest incentive for aircraft that elect to home-base at Truckee and pay local aircraft property tax. I realize this is similar to the previous local discount that the airport had in place several years ago, but under this scenario local pilots would have to submit proof that they are paying Aircraft Property Taxes in either Placer or Nevada County. This incentive, properly managed and contingent on proof of local property tax payment, serves as a direct policy tool to encourage aircraft to home-base at Truckee, proactively increasing the county's recurring property tax revenue.

Aircraft property tax in California is determined by tax situs — where the aircraft is habitually based at the beginning of the year..

Encouraging aircraft to establish tax situs locally increases recurring county revenue.

### A. County Tax Generated Per Additional Based Aircraft

Using the aircraft valuation mix reflected in the Airport's modeling:

- Weighted average aircraft value ≈ **\$1,385,847**
- Property tax rate ≈ **1.1%**

Table 3 – Annual County Property Tax Per Aircraft

Item	Amount (\$)
Weighted Avg Aircraft Value	1,385,847
Tax Rate	1.10%
<b>Annual Property Tax Per Aircraft</b>	<b>≈ 15,244</b>

Each additional aircraft that establishes tax situs locally generates approximately **\$15,244 per year** in recurring county property tax revenue.

**B. Proposed Incentive Structure**

A **5% rent discount** applied to all aircraft paying local aircraft property tax.

The qualifying population grows as additional aircraft elect to home-base at Truckee.

**C. Discount Cost Sensitivity (Low / Mid / High)**

Using the Airport’s typical rent levels:

Table 4 – Annual 5% Discount Cost Per Aircraft

<b>Hangar Type</b>	<b>Annual Rent (\$)</b>	<b>5% Discount Cost (\$)</b>
Small-T	6,636	332
Executive (PC-12 example)	27,636	1,382
Super Executive (PC-24 example)	40,884	2,044

**D. Public-Sector Comparison**

Assuming 126 home-based aircraft today and using the mid-range case:

Table 5 – Mid-Case Scenario (Executive Example)

<b>Scenario</b>	<b>Total Airport Discount (\$)</b>	<b>Incremental County Tax Gain (\$)</b>	<b>Net Public Effect (\$)</b>
Today (126 aircraft)	174,107	0	(174,107)
+10 aircraft	187,925	152,440	(35,485)
+15 aircraft	194,834	228,660	<b>33,826</b>
+20 aircraft	201,743	304,880	<b>103,137</b>

Under this assumption, the program becomes net-positive to the public sector at roughly **15 additional home-based aircraft**.

Under lower rent scenarios, break-even occurs sooner.

### III. Conclusion

My primary request is straightforward:

- A 20% immediate rent increase on March 1, 2026, as stated in the TTAD 2026 Budget, creates a real and impactful hardship.
- If increases are necessary, they should be phased in over multiple years.

Separately, I believe there is a constructive opportunity to:

- Encourage aircraft to home-base at Truckee
- Increase recurring county property tax revenue
- Align airport policy with broader regional fiscal benefits

These proposals are intended to support both long-term Airport stability and regional economic strength.

I respectfully submit this for the Board's consideration.