



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

AGENDA TITLE: TTAD Hangar Rent Study & New Phased-In Rent
MEETING DATE: March 25, 2026
PREPARED BY: Jeff Menasco, Director of Aviation
PRESENTATION BY: Eric Laing (Mead & Hunt) and Jeff Menasco

STRATEGIC PLAN GOALS:

- 1.A. OPERATE:** Practice fiscally responsible and inclusive budgeting, as well as **sound financial management** of District resources.
- I.A.2.a.** Conduct **Rent Study for Airside & Landside** in QTR 3 & 4, 2025. Implement new rates 1/2026
- I.A.3.c.** Develop (stepped) **hangar rents based on hangar size** and quality based on underlying updated hangar rent study.

BACKGROUND: The Truckee Tahoe Airport District (TTAD) completed a Hangar Rent Study to evaluate alignment with market conditions, cost drivers, and fiduciary responsibilities. The last rent study was conducted in March 2020, but was never implemented due to COVID impacts.

Truckee represents a unique operating environment, with cost drivers significantly exceeding national averages, including:

- Cost of living is approximately **75% above the national average**.
- Median home price is approximately **\$1.25M (2025)**.
- Over **50% second-home ownership**, impacting labor availability and cost.

Additionally, TTAD operates a general aviation airfield with active snow removal in one of the most snow-intensive environments in the contiguous United States, creating substantial operational costs not typical at peer airports.

DISCUSSION: The study confirmed that current rents have lagged market conditions, driven in part by reliance on CPI-based adjustments. CPI does not fully capture local cost drivers—particularly housing and labor—which disproportionately impact North Tahoe/Truckee region.

Multiple phase-in scenarios were evaluated (1–4 years). Shorter implementation periods result in faster alignment with market rates but create larger near-term impacts for tenants. A longer phase-in reduces tenant impacts, but delays revenue recovery.

TTAD hangar leases have specific provisions for recurring rent studies with no cap or limit on amount of increase.

FISCAL IMPACTS: Below are the **gross revenue** projections for the 2026–2029 period using the recommended rent rates, using 4-price tiers, and assuming 2.9% CPI annually:

- **Maintain Status-Quo (CPI Only) :** \$9.65M (baseline)
- **4-Year Phase-In:** +\$2.44M
- **3-Year Phase-In:** +\$3.01M
- **2-Year Phase-In:** +\$3.58M
- **1-Year Phase-In:** +\$4.16M

A phased implementation balances financial sustainability with tenant impact.

RECOMMENDATION: Staff recommends the Board:

1. Approve a **3-year phased rent** increase to align hangar rents with market conditions.
2. Apply **annual CPI** adjustments during the phase-in period.
3. Increase the **Fly Safe discount from \$75 to \$90** to reinforce safety participation.
4. Execute the **next Hangar Rent Study** in 3-years.
5. Explore the **potential to implement a CAM** cost recovery mechanism.
6. Explore **alternative CPI indices** that better reflect local economic conditions.

PUBLIC COMMUNICATIONS:

- Direct tenant communication outlining phased increases and rationale.
- Emphasis on local cost drivers (housing, labor, snow operations).
- Reinforcement of safety incentives through the Fly Safe program.
- Clear explanation of how TTAD compares to peer mountain airports.

Messaging will focus on transparency, fairness, and alignment with market conditions.

SAMPLE MOTION:

I move to approve/modify:

- 1) Adopt Mead & Hunt recommended rent rates per study (or ____).
- 2) Phase in rents over a period of (3) ____ year (s).
- 3) Implement a new price tier for “Medium & Large-T” hangars with > 44 foot door (or ____).
- 4) Increase Fly Safe discount from \$75 a month to (\$90) ____ a month.
- 5) Begin new rates on May 1st (or ____) of 2026.
- 6) Execute next Rent Study in 3 years (or ____).
- 7) Direct staff to explore a CAM cost recovery concept for hangar rows.
- 8) Direct staff to explore alternative indices for CPI increases.

ATTACHMENTS:

- 1- 2025 Mead & Hunt Rent Study
- 2- Mead & Hunt Presentation Slides
- 3- TTAD Hangar Rent Study Phase in Presentation
- 4- 2020 AMCG Rent Study (never implemented)