

KTRK Hangar Rent Phase-In Plan



Truckee Tahoe
Airport District

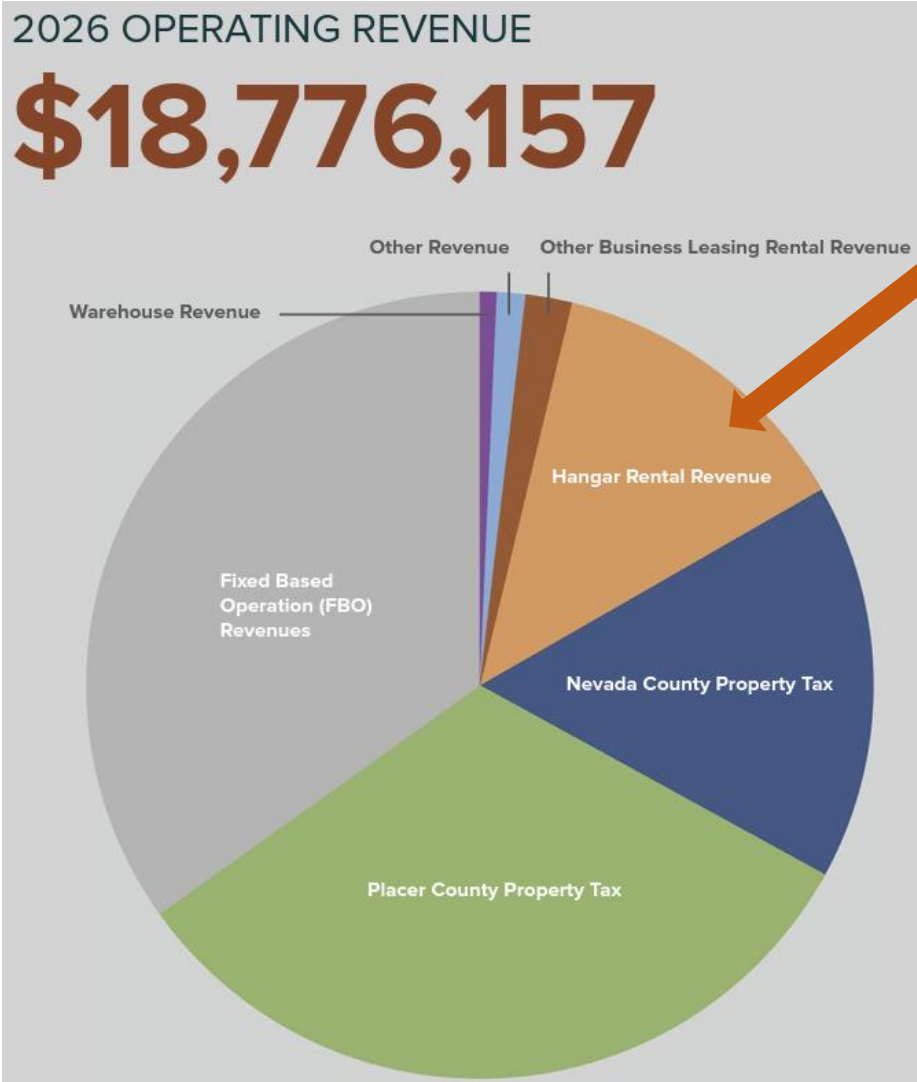
Connected By
More Than A Runway



Rent Study – Key Topics

1. The Rent Study **Methodology** follows FAA Guidelines.
2. Expands **pricing tiers** from 3 to 4.
3. Adjust rents to **market rates**.
4. **Time horizon** to phase in rent increases?
5. Increase **Fly Safe** discount; \$75 to \$90?
6. Future – Explore potential **CAM** cost recovery?
7. Future – Explore more accurate **CPI equivalent?**

Hangar Revenue Budget Context



Operating Revenues	Total	%
Fixed Based Operation (FBO) Revenues	\$4,438,323	24%
Hangar Rental Revenue	\$2,543,429	13%
Other Business Leasing Rental Revenue	\$750,251	4%
Warehouse Revenue	\$323,183	2%
Other Revenue	\$595,975	3%
Nevada County Property Tax	\$3,139,375	17%
Placer County Property Tax	\$6,873,621	37%
Grant Revenue	\$112,000	0%
Total Revenue	\$18,776,157	100%

Repair & Maintenance (R&M) Annual	Replacement Reserve (RR) 30 Year Study	Capital Replacement
<u>\$150,000</u>	<u>\$40.2M</u>	<u>\$90M</u>
Average Annual	\$1.3M / Year Average	5 Hangar Rows at \$18M Each
Not Fully Loaded Cost	Does Not Address Past Deferred Projects	Assumes 50 Year Hangar Row Life

Unique Markets: North Tahoe & Hangars

North Tahoe - Truckee

- **75%** above national average cost of living
- **\$1.25M** median home price in 2025
- **50% +** second homes
- **Housing & labor** drive local cost

Hangar Demands

- Premium end of GA fleet has grown faster than any other segment
- Hangar shortages are chronic across the US (~ 70% of airports)

Over the past 2 decades upscale aircraft (Cirrus, Turboprop, Executive Jets) have increased by ~ 30% with a negligible increase new hangar availability – demand has far outpaced supply.

Airport Comparisons

Competitive (within 30 miles)

	Location/Airport	Median Home Price	COL Index	Similarity Score
1	Truckee, CA (KTRK)	\$1,250,000	175	100
2	South Lake Tahoe (TLV)	\$665,000	144	67.7
3	Reno, NV (KRNO)	\$575,000	125	58.7
4	Carson City, NV (KCXP)	\$515,000	120	54.9
5	Minden, NV (KMEV)	\$535,000	118	55.1
6	Reno /Stead (KRTS)	\$459,000	105	48.4

Airport's data included in rent study

Similarity Scores:

COL Index = 50% weight (Council for Community Economic Research)*

Median Home = 50% weight (Zillow)

90-100

70-89

<69

*COL Index: Housing Expenses, Transportation, Health Care, Good & Services, Grocery

*COL Index of 100 = national average, hence Truckee is 75% above national average

Comparison (similar attributes)

	Location/Airport	Median Home Price	COL Index	Similarity Score
1	Truckee, CA (KTRK)	\$1,250,000	175	100
2	Monterey, CA (KMRY)	\$1,250,000	170	98.6
3	Mammoth Lakes, CA (KMMH)	\$1,300,000	180	96.6
4	Naples, FL (KAPF)	\$1,200,000	170	96.6
5	Martha's Vineyard, MA (KMOV)	\$1,100,000	165	91.1
6	Livermore, CA (KLVK)	\$1,100,000	155	88.3
7	Sun Valley, ID (KSUN)	\$1,500,000	185	87.1
8	San Jose, CA (KSJC)	\$1,500,000	185	87.1
9	San Diego, CA (KMYF)	\$950,000	160	83.7
10	Hayward, CA (KHWD)	\$1,000,000	150	82.9
11	Steamboat Springs, CO (KSBS)	\$1,600,000	190	81.7
12	Seattle, WA (KBFI)	\$880,000	145	76.6
13	San Carlos, CA (KSQL)	\$1,800,000	195	72.3
14	Vail/Eagle, CO (KEGE)	\$1,800,000	195	72.3
15	Concord, CA (KCCR)	\$800,000	140	72.0
16	Santa Monica, CA (KSMO)	\$2,000,000	200	62.9
17	Sacramento, CA (KSAC)	\$600,000	130	61.1
18	Telluride, CO (KTEX)	\$2,100,000	200	58.9
19	Jackson Hole, WY (KJAC)	\$2,400,000	205	45.4
20	Palo Alto, CA (KPAO)	\$3,200,000	210	40.0
21	Aspen, CO (KASE)	\$3,000,000	210	40.0

Snow is a Cost Driver

- #1 snowiest airport in the lower 48
- 104 total acres
 - 86 acres = 2-3 touches (runway/taxiway)
 - **18 acres = 3-4 touches (hangar rows)**
- Hangar snow removal (labor only)
 - \$10,000 per day
 - Winter 2022/3: \$480,000
 - Winter 2024/5: \$150,000
 - Winter 2025/6: \$80,000

KTRK Snow Removal Area

Green highlighted areas are ~ 18 acres



Snow Removal Comparisons

KMMH
Mammoth
205 inches
3 rows
3 acres



KTVL
South Lake
205 inches
5 rows
2.6 acres



KSUN
Sun Valley
170-180 inches
8 rows
4.5 acres



KASE
Aspen
170-180 inches
2 row
3 acres



KLXV
Leadville
142 inches
No rows
.4 acres



Hangar Waitlist

Type	Door	Inventory	On Waitlist	Percentage	~ Approx Wait Time in Years
Exec Hangars	> 55'	30	34	113%	8-10
Large-T	48-55'	11	4	36%	6-8
Medium-T	44-48'	57	26	46%*	4-6
Small-T	< 44'	131	34	26%	1

*69% of Medium-T waitlist are Cirrus

Note: 30 Cirrus hangered on airfield

Current Hangar Tenant Discounts

- No CPI adjustment so far in 2026 – baked into Rent Study
- Fly Safe discount is \$75 – 52 received it in 2025
- No landing fees
- Fuel discount
- Free fuel delivery – both Jet-A & AvGas
- Free wash rack
- Park in circles during non-peak periods (no 3-day weekends)

Mead & Hunt Rent Recommendation

	Hangar Type	Example Aircraft	# Each	Door Size	Rent Increase %	New Rate	New Rent	Monthly Δ
1	Small-T	Cessna	131	<43	22.3%	\$0.575	\$677	\$124
	Medium-T	Cirrus	55	44	86.6%	\$0.877	\$1,079	\$501
	Large-T	TBM	11	48-49	86.6%	\$0.877	\$1,149	\$533
2	Exec	Vision Jet	3	50-55	74.9%	\$0.997	\$2,991	\$1,281
	Exec	PC12	16	65	74.9%	\$0.997	\$4,028	\$1,725
3	Super-Exec	PC24	10	65	21.6%	\$1.001	\$4,144	\$737

Current Price Tiers

Recommended Price Tiers

Alternative Futures “what ifs”

Hangar Size:	Small	Med	Large	Exec
2020 AMCG rent study <u>NOT</u> adopted =	.419	.422	.442	.489
2025 THEORETICAL rents, uses 2020 AMCG rent study prices plus real CPIs sense then =	.510	.514	.538	.596
2025 RENT STUDY =	.575	.877	.877	.997
2025 ACTUAL =	.470	.470	.470	.572
<i>Delta: THEORETICAL from ACTUAL =</i>	-8.7%	-9.4%	-14.6%	-4.3%
<i>Delta: RENT STUDY from THEORETICAL =</i>	-12.3%	-68.9%	-61.3%	-65.6%
<i>Delta: ACTUAL from RENT STUDY =</i>	-22.3%	-86.6%	-86.6%	-74.9%

Regardless of any past decisions on rents, this table demonstrates that relying solely on the Western Region CPI will always lag the North Tahoe/Truckee economy.

Time Horizon Rent Scenarios

1-year increase

2029		
new rent	monthly Δ	effective rate
\$677	\$124	22.3%
\$1,079	\$501	86.6%
\$1,149	\$533	86.6%
\$2,991	\$1,281	74.9%
\$4,028	\$1,725	74.9%
\$4,144	\$737	21.6%

2-year increase

2026			2027		
new rent	monthly Δ	effective rate	new rent	monthly Δ	effective rate
\$615	\$62	11.2%	\$695	\$80	12.9%
\$828	\$250	43.3%	\$1,103	\$274	33.1%
\$882	\$267	43.3%	\$1,174	\$292	33.1%
\$2,351	\$641	37.5%	\$3,059	\$709	30.1%
\$3,165	\$863	37.5%	\$4,120	\$954	30.1%
\$3,776	\$368	10.8%	\$4,254	\$478	12.7%

Time Horizon Rent Scenarios

3-year increase	2026			2027			2028		
	new rent	monthly Δ	effective rate	new rent	monthly Δ	effective rate	new rent	monthly Δ	effective rate
	\$594	\$41	6.9%	\$653	\$58	9.0%	\$713	\$60	8.4%
	\$745	\$167	22.4%	\$933	\$188	20.2%	\$1,127	\$194	17.2%
	\$793	\$178	22.4%	\$994	\$201	20.2%	\$1,201	\$207	17.2%
	\$2,137	\$427	20.0%	\$2,626	\$489	18.6%	\$3,129	\$503	16.1%
	\$2,878	\$575	20.0%	\$3,536	\$658	18.6%	\$4,214	\$678	16.1%
	\$3,653	\$246	6.7%	\$4,004	\$352	8.8%	\$4,366	\$362	8.3%

4-year increase	2026			2027			2028			2029		
	new rent	monthly Δ	effective rate	new rent	monthly Δ	effective rate	new rent	monthly Δ	effective rate	new rent	monthly Δ	effective rate
	\$584	\$31	5.3%	\$632	\$48	7.6%	\$681	\$49	7.2%	\$732	\$51	6.9%
	\$703	\$125	17.8%	\$849	\$146	17.1%	\$999	\$150	15.0%	\$1,153	\$154	13.4%
	\$749	\$133	17.8%	\$904	\$155	17.1%	\$1,064	\$160	15.0%	\$1,228	\$164	13.4%
	\$2,030	\$320	15.8%	\$2,409	\$379	15.7%	\$2,799	\$390	13.9%	\$3,201	\$401	12.5%
	\$2,734	\$431	15.8%	\$3,245	\$511	15.7%	\$3,770	\$525	13.9%	\$4,311	\$541	12.5%
	\$3,591	\$184	5.1%	\$3,880	\$288	7.4%	\$4,177	\$297	7.1%	\$4,298	\$121	2.8%

Gross Rent Scenarios 2026 to 2029

Scenarios	Gross Rents '26 to '29	Δ '26 to 29
CPI only*	9,650,193	\$0
4 year	12,086,194	\$2,436,001
3 year	12,664,721	\$3,014,528
2 year	13,231,769	\$3,581,576
1 year	13,809,675	\$4,159,482

***Assumes 2.9% CPI annually – used with all scenarios**

Staff Recommendation

Action:

- 3-year gradual rent increase
- Add new pricing tier of: “Medium-Large T”
- Increase Fly Safe discount from \$75 to \$90

Explore:

- Potential to charge CAM in future
- Alternatives to CPI to account for TRK micro-economics

Scenarios	Gross Rents '26 to '29	Δ '26 to 29
CPI only	9,650,193	Baseline
4 year	12,086,194	\$2,436,001
3 year	12,664,721	\$3,014,528
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\$3,653	\$246	6.7%	\$4,004	\$352	8.8%	\$4,366	\$362	8.3%

Truckee Tahoe Airport District



Rough Snapshot of “Premium” GA Fleet Growth since 2020

<u>Segment</u>	<u>2020*</u>	<u>Latest*</u>	<u>Change</u>
U.S. active aircraft (all GA + Part 135)	204,138	213,756 (2024)	+4.7%
U.S. active turbojets	15,316	16,835 (2024)	+9.9%
U.S. active turboprops	10,317	11,924 (2024)	+15.6%
U.S. active single-engine turboprops	5,292	7,164 (2024)	+35.4%
Cirrus total deliveries	420	797 (2025)	+89.8%
Cirrus SR-series deliveries	347	691 (2025)	+99.1%
Cirrus Vision Jet deliveries	73	106 (2025)	+45.2%

**derived from multiple sources, data is not verified, but closely matches GA industry narratives*

Top-10 Snowiest Airports in Contiguous US

Rank	Airport	Annual Snow (in)	Avg Snow Ratio	Snow Type	Est. SWE (in water)
1	TRK – Truckee Tahoe	206	10:1	Sierra maritime (wet/dense)	20.6
2	MMH – Mammoth Yosemite	205	10:1	Sierra maritime (wet/dense)	20.5
3	TVL – Lake Tahoe	200	10:1	Sierra maritime (wet/dense)	20.0
4	SUN – Friedman Memorial (Sun Valley)	170–180	12:1	Mountain continental/mixed	14.2–15.0
5	ASE – Aspen–Pitkin County	170–180	12:1	High alpine continental	14.2–15.0
6	CMX – Houghton County Memorial	215	18:1	Lake Effect	12.0
7	LXV – Leadville Lake County	143	12.5:1	High alpine continental	11.4
8	TEX – Telluride Regional	130–135	12.5:1	High alpine continental	10.4–10.8
9	HDN – Yampa Valley (Steamboat)	119–132	14.5:1	Cold continental (drier)	8.2–9.1
10	EGE – Eagle County Regional (Vail)	110	13:1	Cold continental alpine	8.5

KTRK has the largest snow load in the contiguous US

Snow Removal Operations

Scope

- 104 acres total
- 18 acres are the hangar rows (~17%)

Removal

- Runways & Taxiways: 2 passes
→ Plow/Grader → Blower
- Hangar Rows: 3 passes
→ Grader → Loader → Blower

Timing (12" snowfall)

- Day 1: Runways & taxiways
- Day 2: Hangar rows (sometimes longer)

Cost (Labor Only)

- ~\$10,000 per day in labor only
- Winter 2022/3: \$480,000
- Winter 2024/5: \$150,000
- Winter 2025/6: \$80,000 (and counting)

Context

- CAM at airports is rare
- KTRK has highest snow load in US
- KTRK has more hangars than all Top-10 airports

1.5 Year Option

**Half of rent increase on:
July 1, 2026.**

**Second half of rent on:
Jan 1, 2027 + CPI.**

2026 – 6/1

2027 – 1/1

new rent	monthly Δ	effective rate*	new rent	monthly Δ	effective rate
\$615	\$62	5.3%	\$633	\$80	14.4%
\$828	\$250	17.8%	\$852	\$274	47.5%
\$882	\$267	17.8%	\$908	\$292	47.5%
\$2,351	\$641	15.8%	\$2,419	\$709	41.4%
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2 year	13,231,769	\$3,581,576
1.5 year	13,435,509	\$3,785,316
1 year	13,809,675	\$4,159,482

* Effective rent increase reflects annual, not monthly.

Notional Amortization Rent Rates to Build a Hangar Row

Assumptions	
Build Cost	18,000,000
Loan Amount	15,000,000
Interest Rate	6.0%
Loan Term (Years)	30
Inflation	2.5%
Super-T bays (PC12)	x12
Mx & Repairs %	15%
Annual Loan Payment	1,089,733.7

Initial starting monthly rent to amortize over the following years:

- **15 yrs \$8,800**
- **20 yrs \$8,100**
- **25 yrs \$7,300**
- **30 yrs \$6,700**