

TRUCKEE TAHOE AIRPORT DISTRICT
BOARD OF DIRECTORS AGENDA ITEM SUMMARY

Topic: Letter of Intent for Non-Aeronautical Land Lease- Site #3

Purpose	Information: X Guidance: Decision: X
Recommendation	<p>Review information on potential land lease sites presented by JMA, Clear Capital and District staff, and advise as needed. Staff recommends:</p> <ol style="list-style-type: none">1. No further consideration of Site #2 as it pertains to this project.2. Direct General Manager to finalize and sign a non-binding Letter of Intent (LOI) for non-aeronautical land lease and development with JMA Ventures. The lease shall be located on Site #3 with boundaries to be determined in the next phase of the process.3. Direct staff to negotiate a draft lease agreement with JMA for further consideration by Board of Directors at a future Board Meeting (target Nov./Dec.) and obtain necessary FAA review and tentative approvals.
Last Action	<p>Staff has been working with JMA and Clear Capital since January 2012 to evaluate various potential sites for a future Clear Capital office campus. At complete build out, the proposed development could include up to 80,000 square feet of office space. The initial phase is proposed to include approximately 60,000 square feet.</p> <p>At the June 2013 Board meeting, an update on the site study process with JMA and Clear Capital was presented. The site evaluations were presented and no further study of sites #1 and #4 was recommended. The Board directed further investigation of Sites #2 and #3.</p>
Discussion	<p>The site evaluation process has worked in parallel with the current Master Plan process. The team has reviewed and evaluated the comments and input from the Master Plan community outreach process along with the 2013 Godbe Survey. Consideration has been given to the variety of potential uses the community envisions for the future of airport property along with the future Aviation needs of the Airport. The General Manager has met with the Town of Truckee to review concepts and assure development alternatives are consistent with Town General Plan and development guidelines. Development of either site #2 or #3 allows for a variety of aeronautical and non-aeronautical uses. The attached maps provided by Mead & Hunt illustrate some conceptual options that have been considered by staff and the Master Plan Ad Hoc Committee.</p> <p><i>Site #2</i></p> <p>Staff recommends no further consideration of site #2 for this project. The site has unfavorable geometry for siting the type of facility needed by Clear Capital. The site also contains a significant number of trees that currently provide some visual buffer which would likely be removed to accommodate Clear Capital.</p> <p>The potential future alterations to Runway 11/29 may also affect the noise and safety designations on the site per an updated</p>

TRUCKEE TAHOE AIRPORT DISTRICT BOARD OF DIRECTORS AGENDA ITEM SUMMARY

Comprehensive Land Use Plan. The designation would change from B2 to B1 (more restrictive zones). Noise exposure on this site may be problematic to office-type development. What the District will choose to do with the runway is undetermined at this time; therefore staff recommends that this parcel not be considered for a project of this scale. If no alterations for Runway 29 are planned for the future, a less intensive use of the site may still be advisable.

This site is currently planned for aeronautical development in the 1998 Master Plan and designated on the current Airport Layout Plan as such. FAA release will be contingent on the completion and approvals of the new Airport Master Plan to justify a change to non-aeronautical use. Adjacent hangars and associated infrastructure make this a likely area for similar future development. Staff recommends site #2 be reserved for future aviation use. In addition, staff feels there is strong potential for low intensity non-aeronautical land uses along the frontage of Joerger Drive.

Site #3

This area was acquired by the District in 1967. It is designated as B2, per the Airport Land Use Compatibility Plan. The site contains significant infrastructure enabling cost effective development. Non-aeronautical development would be consistent with the existing 1998 Airport Master Plan. The site also has aspects of "in-fill" development, given its surroundings. Non-aeronautical use of the site is also consistent with PC-3 and the Town's development planning. As shown in the attached exhibits, the remaining areas in Site #3 allow for various types of aeronautical and non-aeronautical development in the future.

The Master Plan will further outline options for development of the adjacent areas. Mead & Hunt indicates that the Airport needs to plan for and set aside approximately 20 to 25 acres for aviation development for the next 15 to 20 years. Leasing 6 to 8 acres on Site #3 to JMA/Clear Capital will not restrict or impede the Airport's ability to provide high quality aviation related land use options into the future. As such, staff recommends the southwest area of Site #3 for non-aeronautical lease and development.

FAA Approval

The staff will continue to work with the FAA Airports District Office on this project. While Site #3 is currently designated for non-aeronautical use on the current Airport Layout Plan, FAA release is still required to commit the property to a long term lease.

The original acquisition of the property used both District and FAA funds. Staff is working with appropriate FAA officials to obtain concurrence on the release of the property for non-aeronautical leasing and development. This process may take 30-180 days.

Letter of Intent

TRUCKEE TAHOE AIRPORT DISTRICT BOARD OF DIRECTORS AGENDA ITEM SUMMARY

The letter will commit each party to certain tasks for the final phase of evaluation and lease negotiation. The District will be responsible for appraisal work and associated costs. These costs will be reimbursed to the District if a formal lease is finalized and approved. The Letter of Intent is non-binding and does not commit the District to a lease of site #3. JMA and Clear Capital have also provided a timeline for moving forward. The District recognizes the importance of their schedule in this process but cannot assure that all milestones can be met per the JMA schedule.

Staff is working with Aviation Management Consulting Group (AMCG) to assist in this process. The attached document outlines the process for a non-aeronautical market rent study. Comparisons from other airports will be provided as part of this process.

Current District policies will be reviewed as a part of this process and any potential revisions will be presented to the Board for consideration. Staff will use this process with assistance from AMCG to develop a process and policy to guide future lease opportunities.

The District policy for land leasing is contained in PI 504. The following table outlines Lease Types and General Provisions. The policy provides information in Section 3 for Non-Aeronautical, Commercial Land Leasing.

3. Policies Specific to Tenancy

D. Non-Aeronautical Commercial

(2) Land

- *Must be excess to aeronautical needs for lease duration;*
- *Rent based on appraisal with ROI of LAIF + 3%, annual CPI;*
- *Separate permits, fees, utilities;*
- *30-year term with rate review at 10 and 20;*
- *Improvements removed at end of lease, District may consider reversion.*

Aeronautical			Non-Aeronautical	
Non-fully loaded cost recovery formula Tenant pays utilities and taxes District as developer/manager			Excess resources Market appraisal formula Tenant pays utilities and taxes directly District manages existing Tenant may develop future No land sales, lease only	
Personal	Commercial	Gov't/Non-profit	Commercial	Gov't/Non-profit
Hangar Tie-down (annual) Signatory rates	Leased facility COP(no facility) Landing Transient Use Tie-down Parking	Leased facility Document in-kind payments	Warehouse Office Land Parking	Majority in TTAD Warehouse Office Land

TRUCKEE TAHOE AIRPORT DISTRICT
BOARD OF DIRECTORS AGENDA ITEM SUMMARY

Fiscal Impact	While fiscal impact is still undetermined, more work will be done in the coming months to understand the market value of the property. The process is outlined in the attached document from AMCG. The land currently produces no revenue for the District and no immediate alternate use has been identified. The new Master Plan will assist in understanding the future revenue potential of this property.
Communication Strategy	Staff continues to work with Fresh Tracks Communications (Master Plan Team Communication Consultant) regarding communication on this project. Future eblasts and a newsletter article will highlight the process and outcomes.
Attachments	Site #2 and #3 Analysis Report – Provided by JMA/Clear Capital Market Appraisal Process Outline – Provided by AMCG Draft Letter of Intent – A sample or Draft LOI will be posted on Tuesday, August, 20, 2013.

Clear Capital®

Wherever it leads, whatever it takes®

Truckee Tahoe Airport District (TTAD)

Site Selection Investigation

22 August 2013



Table of Contents

Section 1: General Overview of Study Sites

- Airport Aerial Views
- Zoning Overlay
- Utility Overlay
- Transportation Overlay

Section 2: Analysis of Study Sites

- Site #1 – North Forty Site (Removed From Consideration)
- Site #2 – Southwest Corner Site
- Site #3 – Soaring Way Site
- Site #4 – Airport Road Site (Removed From Consideration)

Section 3: Clear Capital Facility Requirements

- Proposed Office Facilities Programming
- Interior Concept

Section #1: General Overview of Study Sites

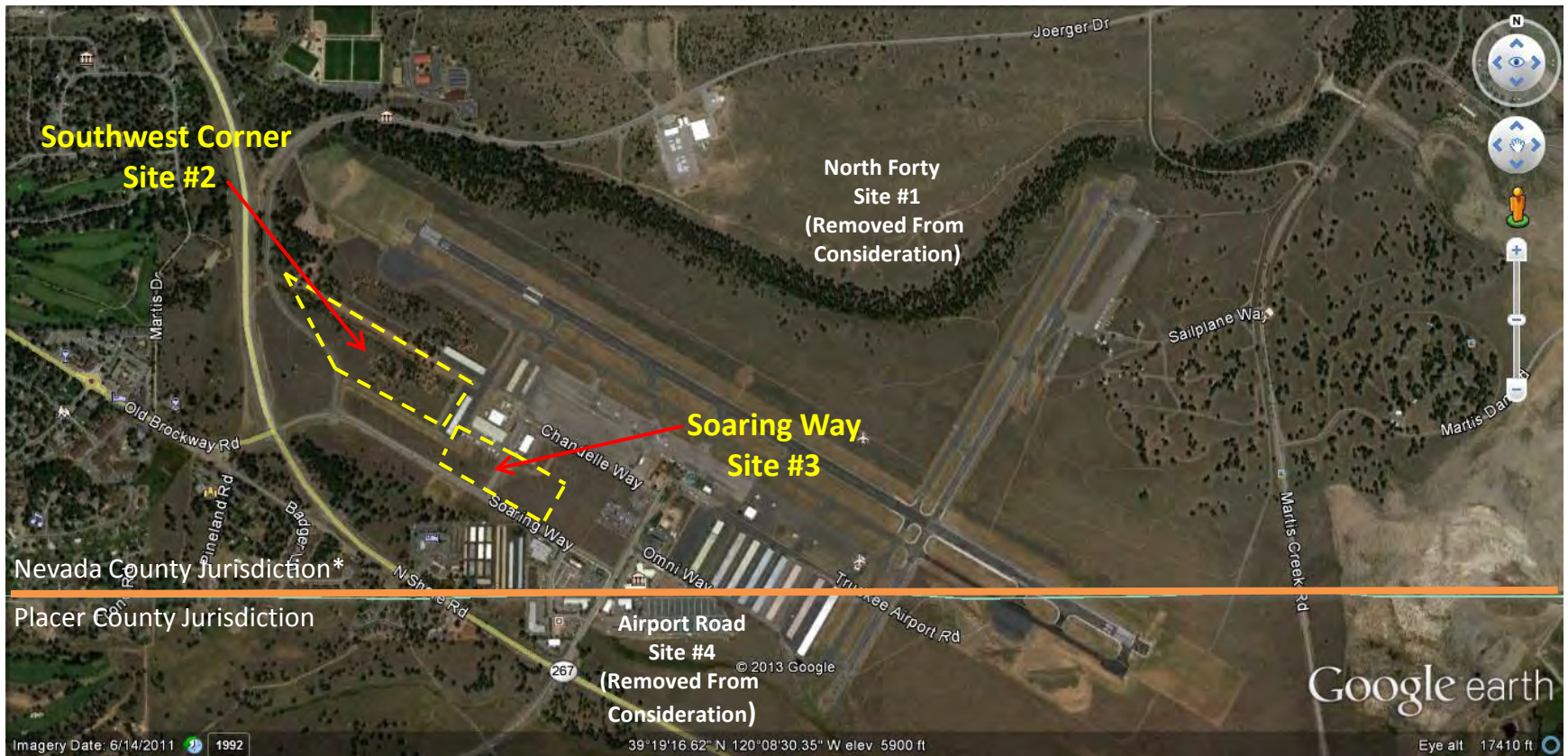
Airport Aerial Views

Zoning Overlay

Utility Overlay

Transportation Overlay

Proposed Airport Sites

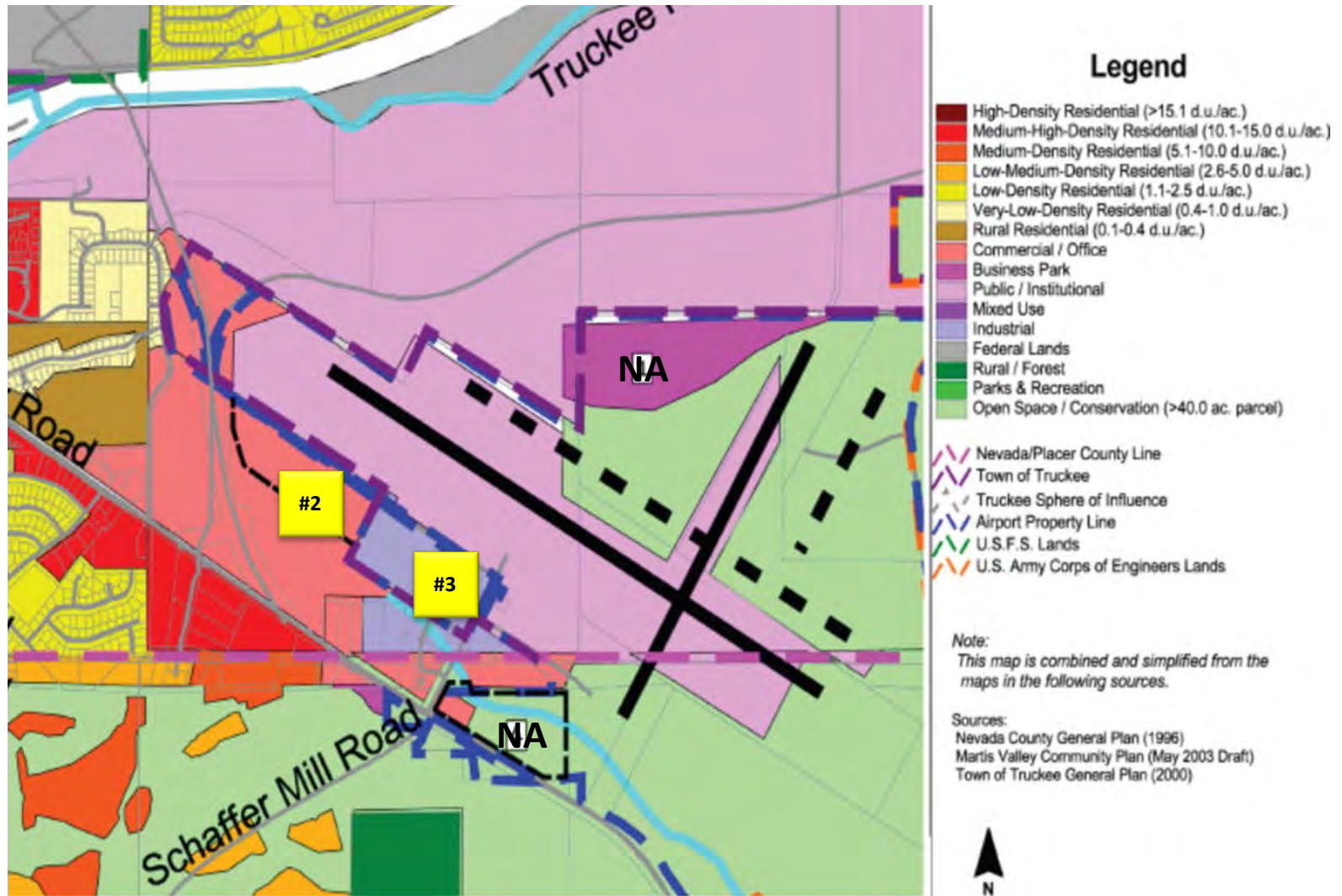


*Refer to Truckee Zoning Map for Truckee Jurisdiction Bounties

Aerial View



Area Zoning Map



Utility Analysis

Proposed Sites #2, #3

KEY POINTS

- Site #1 – NA
- Site #2 – Easement Extensions
- Site #3 – Utilities Close to the Site
- Site #4 – NA

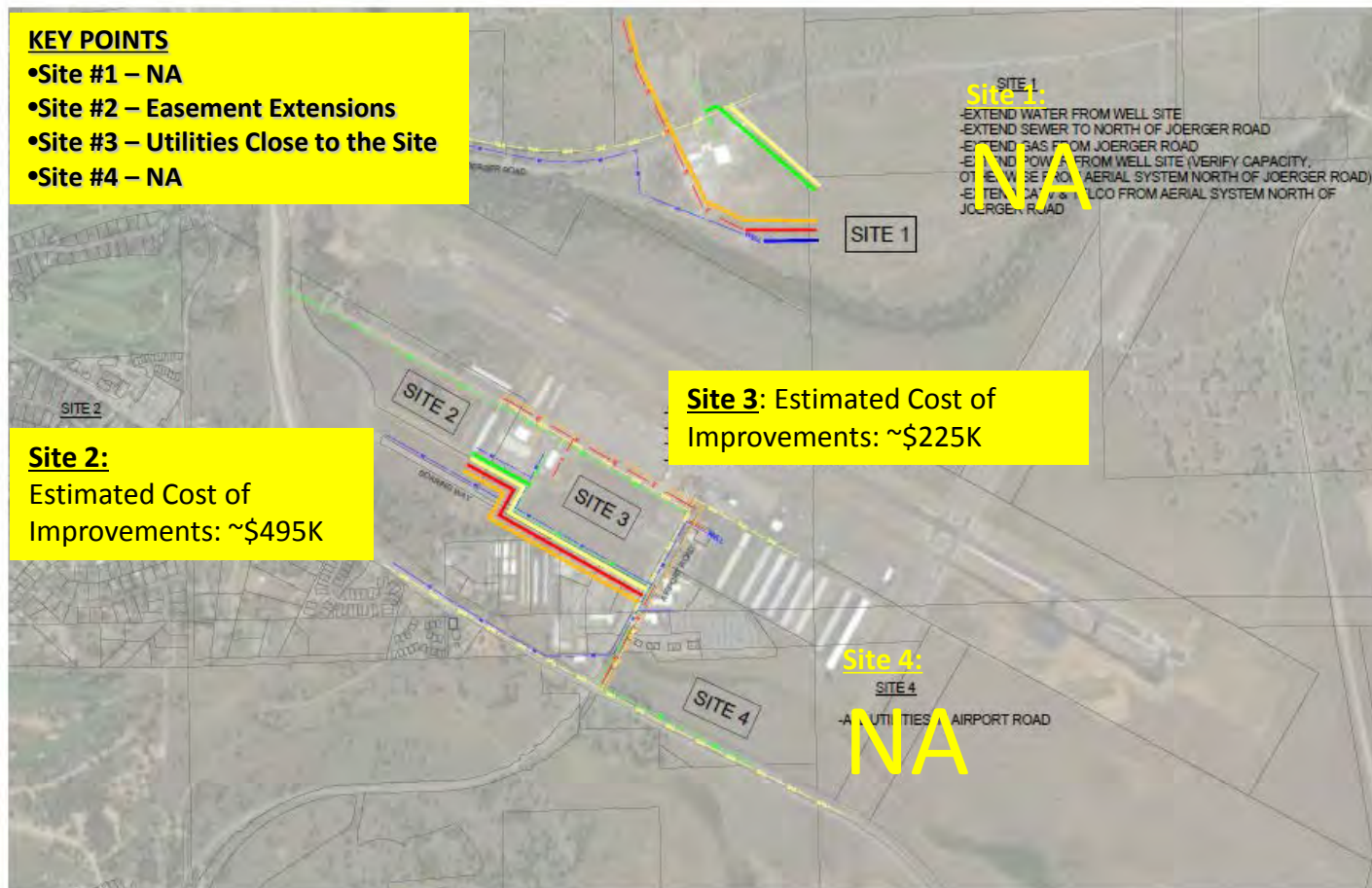
Site 2:

Estimated Cost of Improvements: ~\$495k

Site 3: Estimated Cost of Improvements: ~\$225K

Site 4:

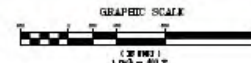
NA



LEGEND

- - - - - EXISTING POWER
 - - - - - EXISTING SANITARY SEWER
 - - - - - EXISTING WATER MAIN
 - - - - - EXISTING NATURAL GAS
 - - - - - EXISTING CATV AND TELCO

- - - - - UNDERGROUND POWER EXTENSION
 - - - - - SANITARY SEWER EXTENSION
 - - - - - WATER MAIN EXTENSION
 - - - - - NATURAL GAS EXTENSION
 - - - - - CATV AND TELCO EXTENSION



Transportation Analysis

Proposed Sites #2, #3

KEY POINTS

- Truckee Estimated Traffic Impact Fees: +\$500K
- Nevada County Traffic Impact Fees: +\$135K
- Round-About at Intersection B (Soaring & Joerger): \$1.5-2M
- Future SR 267 Roundabout Site #2, Site #3 Contribution TBD



Section #2: Analysis of Study Sites

~~Site #1: North Forty Site (Removed From Consideration)~~

Site #2: Southwest Corner Site

Site #3: Soaring Way Site

~~Site #4: Airport Road Site (Removed From Consideration)~~

Site #1: North Forty Site

Criteria Score – 138 (Ranked 3rd)

Site Not Feasible

Major Criteria Concerns:

Challenging Site Access through TTSA Land (access road & utility easements),
Cost of Development, Commercial Viability

Major Criteria Attributes:

Parcel Size & Geometry

Site #2: Southwest Corner Site

Criteria Score – 140 (Ranked 2nd)

Site Feasible but Not Recommended

Major Criteria Concerns:

Zoning & FAA Jurisdictional Overlay, Schedule Constraints, Entitlement Process, Cost of Development, Site Geometry, Airport Noise Impacts, Extensive Tree Removal Required

Major Criteria Attributes:

Commercial Viability

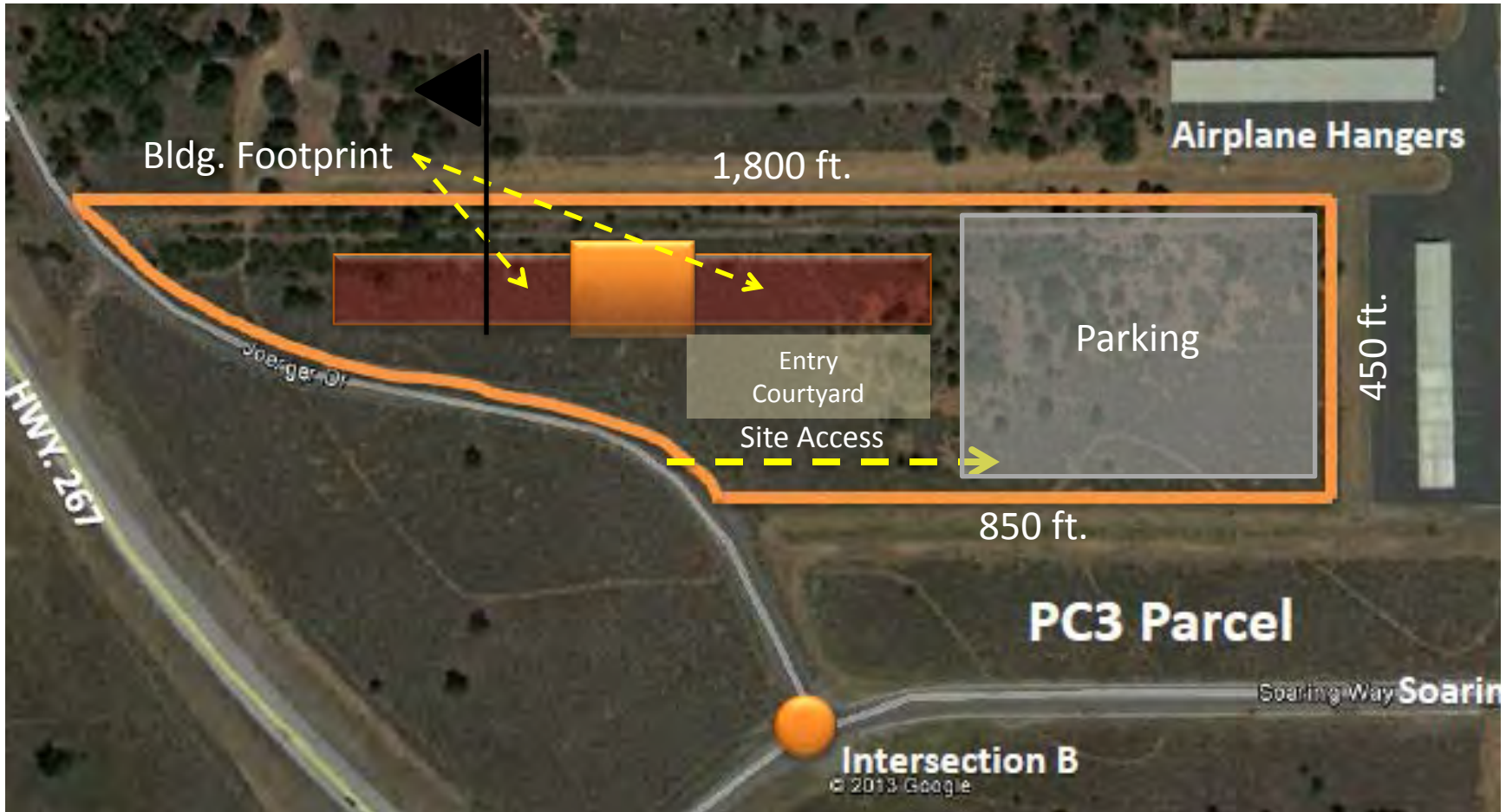
Site #2 – Southwest Corner Site

Criteria Score 149 (Site Feasible but Not Recommended)

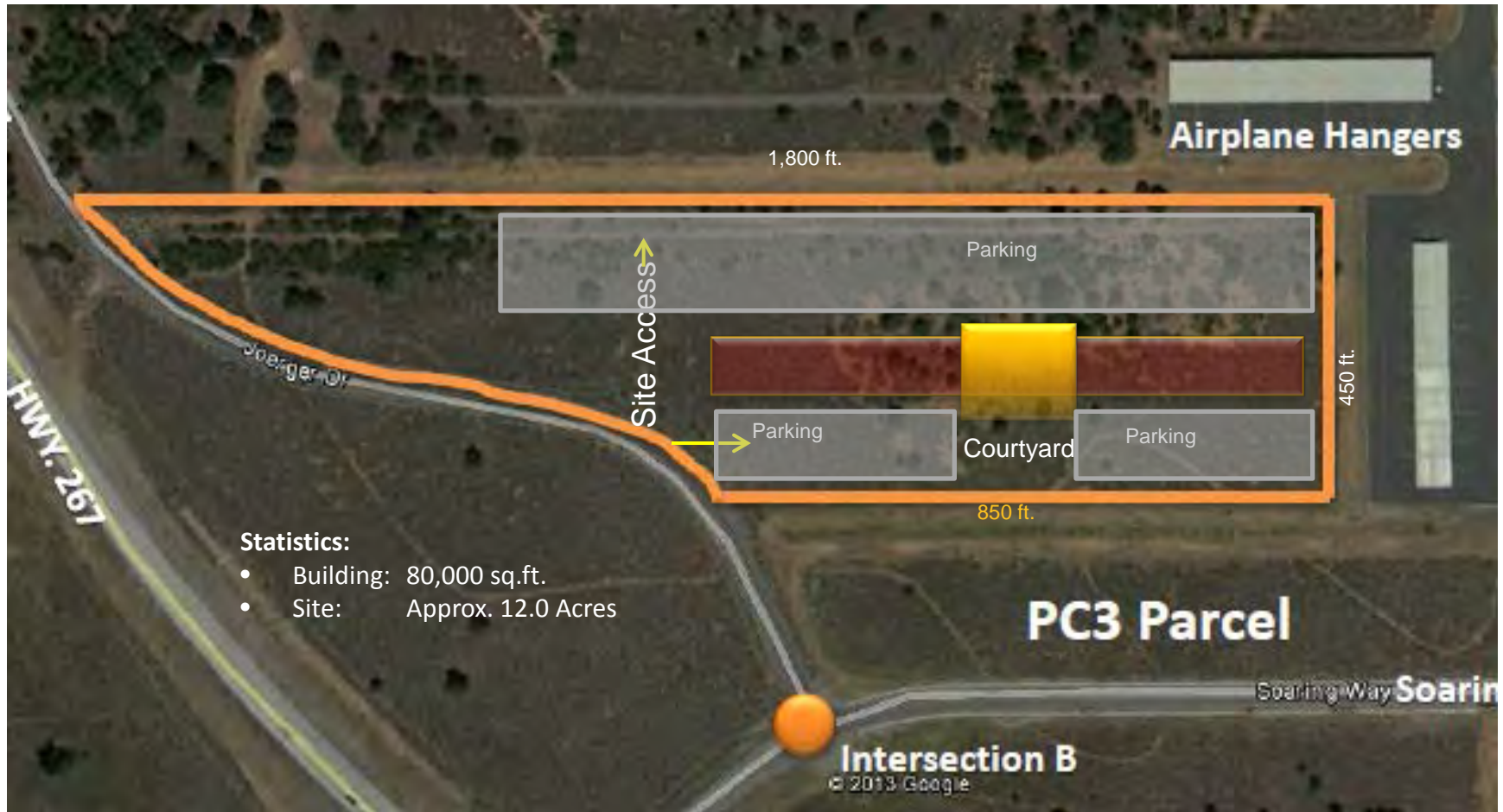


Site #2 – Site Design Study

Criteria Score 149 (Site Feasible but Not Recommended)



Site #2 Site Design Study B

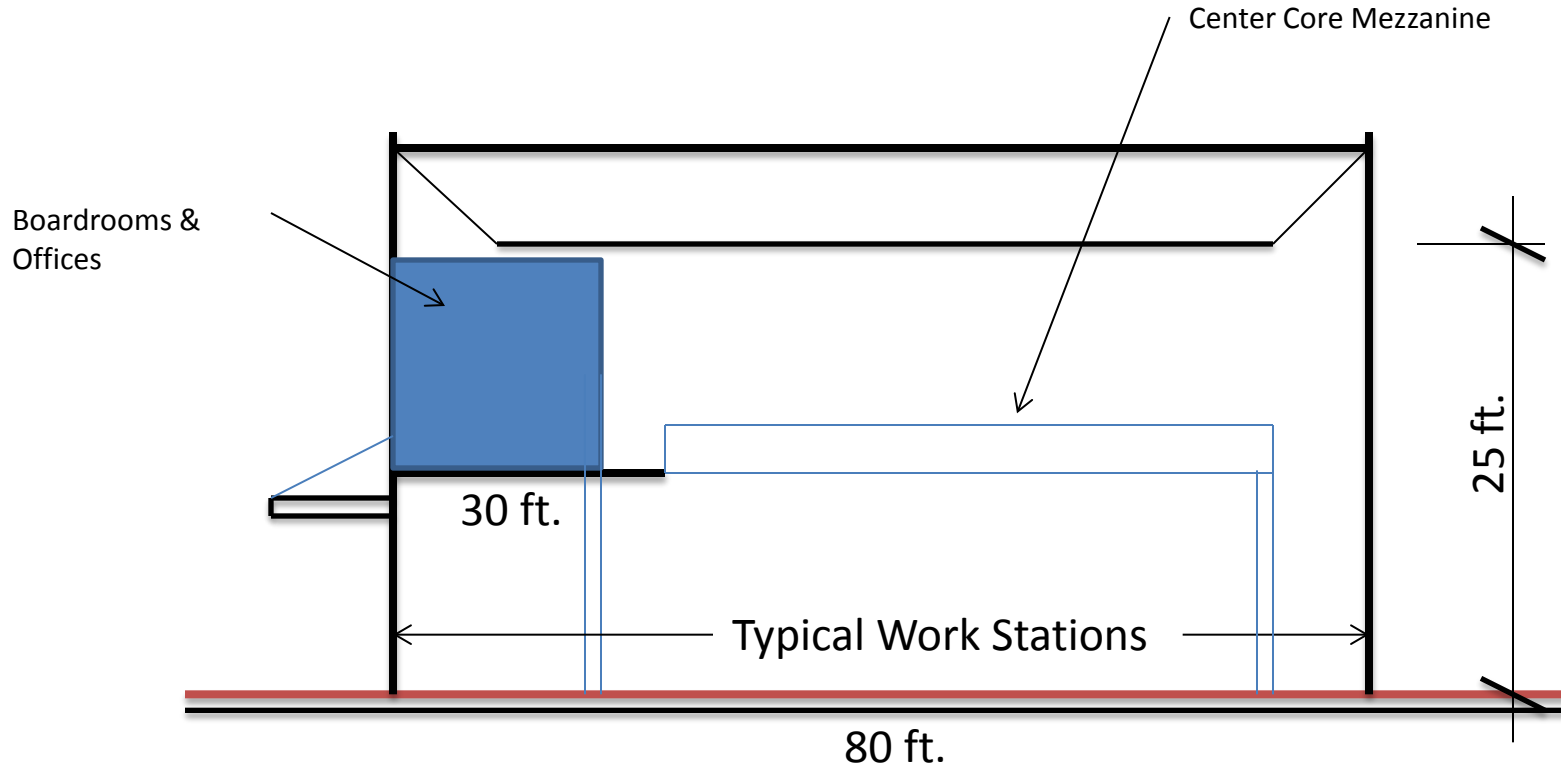


Statistics:

- Building: 80,000 sq.ft.
- Site: Approx. 12.0 Acres

Site #2 – Site Design Study

Criteria Score 149 (Site Feasible but Not Recommended)



Site #2 – Site Photos

Criteria Score 149 (Site Feasible but Not Recommended)

View from Joerger Dr. Towards Hangers



View from Soaring Way Towards Taxi-Way



Site #2 – Site Photos

Criteria Score 149 (Site Feasible but Not Recommended)

View from Joerger Dr.



View from Joerger Dr.



Site #2 – Site Criteria Analysis Detail

Criteria Score 149 (Site Feasible but Not Recommended)

1. Site Access

1. There is direct access off of Joerger Dr., however, Joerger has a narrow ROW and a round-about would be required at the intersection of Joerger & Soaring.

2. Utilities

1. There are significant utility extensions required. Utility easements will also be required across TTAD land.

3. Zoning

1. Town of Truckee
2. General Plan – Public
3. Current Zoning - PC (Planned Community); Re-zoning required

4. FAA Jurisdictional Overlay

1. There is an FAA overlay on this site.

5. Optimal Parcel Size/Geometry of Site

1. The parcel's geometry is one of the most challenging of the two proposed sites and would most likely push the building adjacent to the hangers (potential noise implications).

6. Consistency with Airport Master Plan (existing)

1. Master plan currently anticipates hangers.
2. Runway re-alignment and/or extension may impact site

7. Physical Site Characteristics

1. Topography and site vegetation will be challenging. With the size of structure proposed a flatter site is more advantageous. Significant tree clearing will be required thereby removing natural visual buffer at end of runway.

8. Clear Capital Program Requirements in Relation to Site

1. Ability to park 500 to 660 cars
2. Ability to accommodate 80,000 sq.ft.

9. Schedule Constraints

1. Specific Plan & Re-zone process with the Town of Truckee
2. Complexities with the FAA Overlay

10. Entitlement Process

1. Specific Plan/Re-Zone

11. Requires Relocation of Existing Infrastructure

1. Extension of utilities and utility requirements to cross TTAD lands.

12. Compatibility with Aviation Infrastructure

1. Adjacency to existing and planned Hangars
2. Adjacency to Runway 11

13. Potential for Future Aviation Uses

1. Yes

14. Commercial Viability (consideration for future reversion)

1. Good

15. Impact of Airport Related Noise on Site

1. Adjacency to existing and planned hangars
2. Adjacency to Runway 11 (departure route)

Site #2 – Zoning Analysis

Criteria Score 149 (Site Feasible but Not Recommended)

Item	Description	Site #2	Reference:
APN		19-620-37	
Zoning	1 Site Area	12 Acres	
	2 Zoning Agency	Town of Truckee (Not in PC3)	Not in PC-3 application, See JM Email
	3 General Plan	Public	TOT General Plan 2025 = Public
	4 Current Zoning	PC- Planned Community (TOT Map 24)	Town proposing to change to from PC-3 to PF (Public Facilities)
	5 Zoning Process	Specific Plan/RE-Zone	
	6 Allowed Uses	Specific Plan	
	7 Setbacks	Front	Specific Plan
	8	Rear	Specific Plan
	9	Sides	Specific Plan
	10 Height Limits	Stories/Ft	Specific Plan
	11 Impervious Coverage	Specific Plan	
	12 Floor Area Ratio	Specific Plan	
	13 Parking	Specific Plan	
	14 Workforce Housing	Specific Plan	
	15 Airport Safety Zone	Per TTALUCP	TOT Zoning Map #29
Airport Issues	16 Permanent Open Space	Specific Plan	
	17 Bicycle	Specific Plan	
	18 CLUP Zone	B1 and B2	Compatibility Map TTALUCP
	19 Ht Limits	B1 & B2 is 35' (2 max)	Table 2A TTALUCP
	20 Sound	60-65 CNEL	Min NLR of 25 dB
	21 Population - Average	B2 is 100 average/acre; B1 is Average 40/acre (Note 1)	Table 2A TTALUCP
	22 Population - Max per acre	B2 is 200 Max per 1 acre; B1 is Max 80/acre	Table 2A TTALUCP
	23 Require open land	B2 is NR	Table 2A TTALUCP
	24 Prohibited Use?	No	Appendix D: B1 is "Potentially Compatible with Restrictions"
	25 Req'd Easement	B1 & B2 - Aviation	
	26 CalTrans Airport Permit	TBD	
	27		

Notes:

1

Occupancy Calc:

380people/12 acres = 32p/a

500people/12 acres = 42p/a

Site #2 – Utility Analysis

Criteria Score 149 (Site Feasible but Not Recommended)

KEY POINTS

- Estimated Cost of Utility Improvements & Extensions (~\$495K)
- Access Easement Required Across TTAD Land



Site #2 – Traffic Analysis

Criteria Score 149 (Site Feasible but Not Recommended)

KEY POINTS

- Truckee Estimated Traffic Impact Fees: \$500K
- Nevada County Traffic Impact Fees: N/A
- Round-About at Intersection B (Soaring & Joerger): \$1.5-2M
- Potential Joerger Dr. Upgrades (\$TBD)
- Contribution to cost of roundabout upgrade at SR 267 bypass TBD (Intersection A)



Site #2 – Criteria Analysis

Criteria	Criteria Scores				Weighted Criteria Scores				Criteria Weight
	Option 1 North 40	Option 2 SW Corner	Option 3 Soaring Way	Option 4 267 access	Option 1 North 40	Option 2 SW Corner	Option 3 Soaring Way	Option 4 267 access	
1 Site Access	Site Removed From Consideration	8	12	Site Removed From Consideration					
A. Ability to access site		3	4		9	12			3
B. Physical Condition of Access Road		3	4		6	8			2
C. Traffic flow		2	4		6	12			3
2 Utilities (Capacity & Availability)		23	26						
A. Water		4	5		8	10			2
B. Electric		4	5		12	15			3
C. CATV		4	4		8	8			2
D. Telecommunications		4	4		12	12			3
E. Gas		3	3		6	6			2
F. Sewer		4	5		8	10			2
3 Zoning		1	3		3	9			3
4 FAA Jurisdictional Overlay		1	4		3	12			3
5 Optimal Parcel Size/Geometry of Site		3	5		9	15			3
6 Consistency with Airport Masterplan (existing)		3	3		6	6			2
7 Physical Site Characteristics	Site Removed From Consideration	17	23	Site Removed From Consideration					
A. Geotechnical (Soil Conditions)		3	3		6	6			2
B. Topography		3	5		9	15			3
C. Site Drainage		3	3		6	6			2
D. Vegetation		2	4		2	4			1
E. Habitat-Wildlife Considerations		3	4		6	8			2
F. Other Natural Features		3	4		3	4			1
8 Clear Capital Program Requirements in Relation to Site		11	15						
A. Ability to park 500+ vehicles		3	4		9	12			3
B. Ability to accommodate 60K sf + 20K sf expansion		3	4		9	12			3
C. Ability for campus-like setting		3	4		9	12			3
9 Schedule Constraints		2	3		6	9			3
10 Entitlement Process		3	6						
A. CEQA (MND vs EIR)		1	3		3	9			3
B. Consistency with other jurisdictional planning documents		2	3		6	9			3
11 Requires relocation of existing infrastructure		3	4		6	8			2
12 Compatibility with aviation infrastructure		4	4		8	8			2
13 Potential for future aviation uses		4	4		8	8			2
14 Commercial viability (consideration for future reversion)		4	5		8	10			2
15 Impact of Airport Related Noise on Site		2	3		2	3			1
Total Points		149	199		202	278			
Ranking		2	1		2	1			

Point Rating Index

0=Not feasible

1=Poor

2=Marginal

3=Average

4=Good

5=Excellent/Optimal

Criteria Weight

1=low importance

2=medium importance

3=high importance

Site #3: Soaring Way Site

Criteria Score – 199 (Ranked 1st)

Recommended Site

Major Criteria Concerns:

Minor Zoning Modification

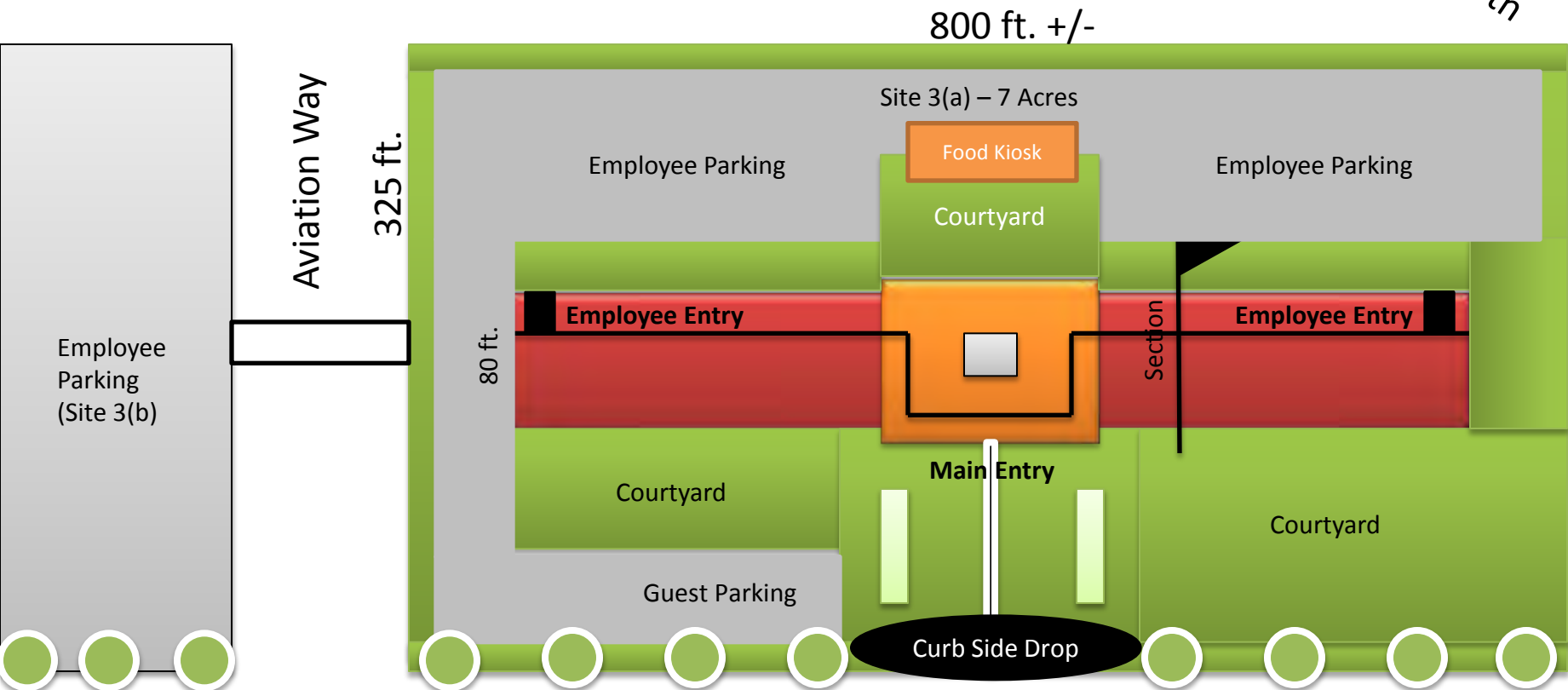
Major Criteria Attributes:

Site Access, Utility Capacity & Availability, Optimal Parcel Size & Geometry, Meets Clear Capital Program Requirements, Commercial Viability

Site #3 Site Design Study A



Site #3 Site Design Study A



Statistics:

- Building: 80,000 sq.ft.
- Site (a): Approx. 7.0 Acres (150 Stalls)
- Site (b): Approx. 3.0 Acres (450 stalls)

Site #3 – Soaring Way Site

Criteria Score 199 (Recommended Site)

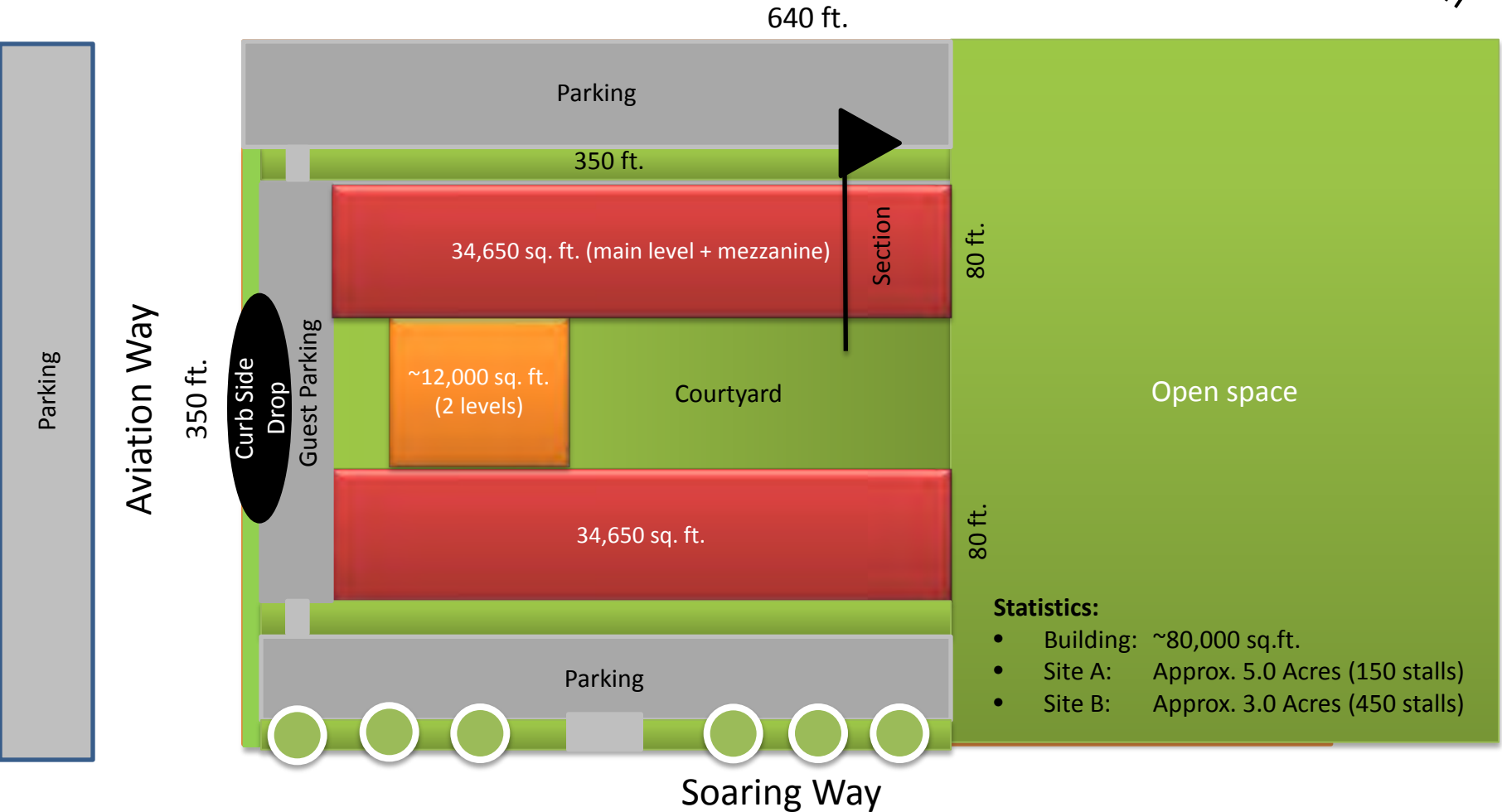


Site #3 – Site Design Study

Criteria Score 199 (Recommended Site)

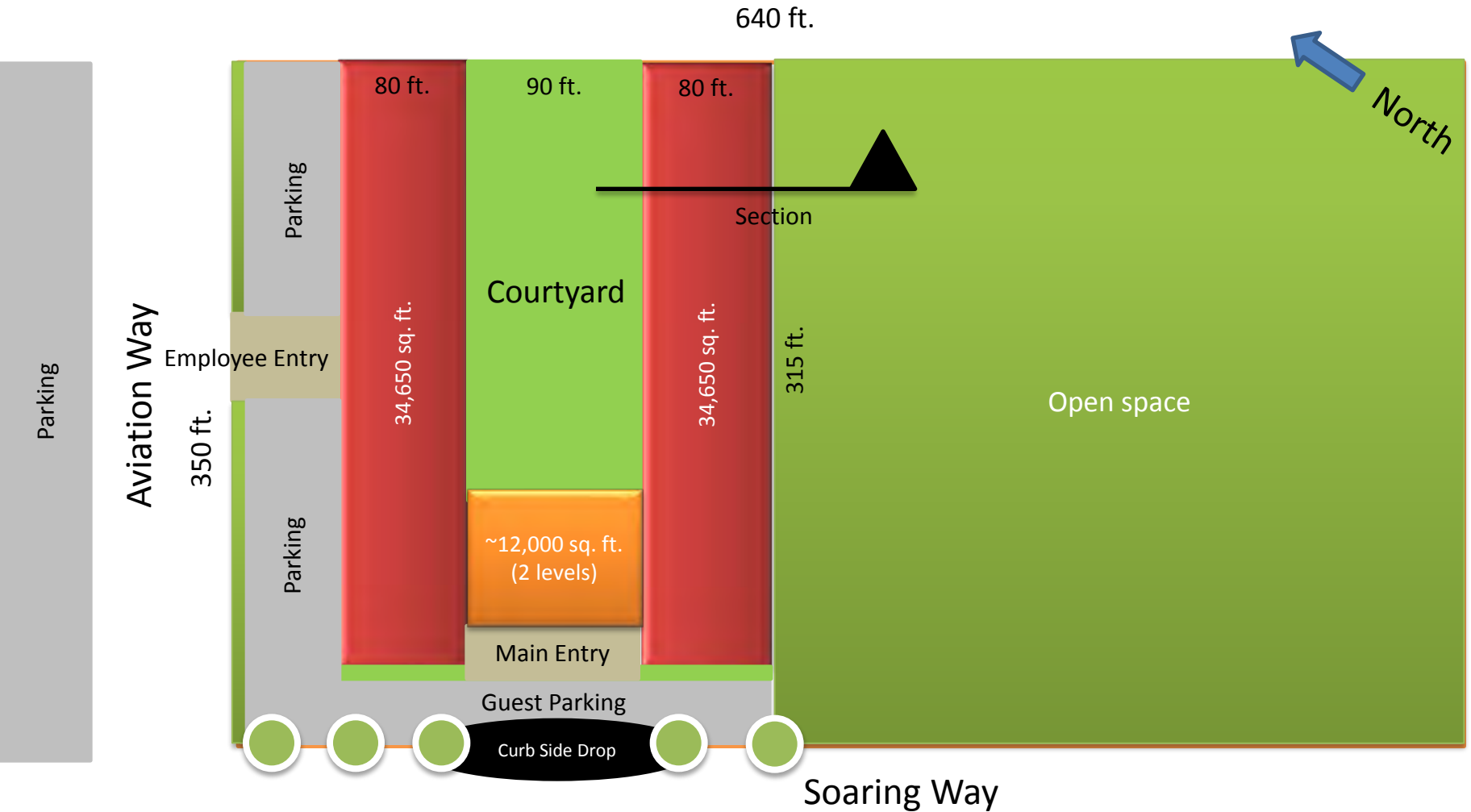


Site #3 Site Design Study B



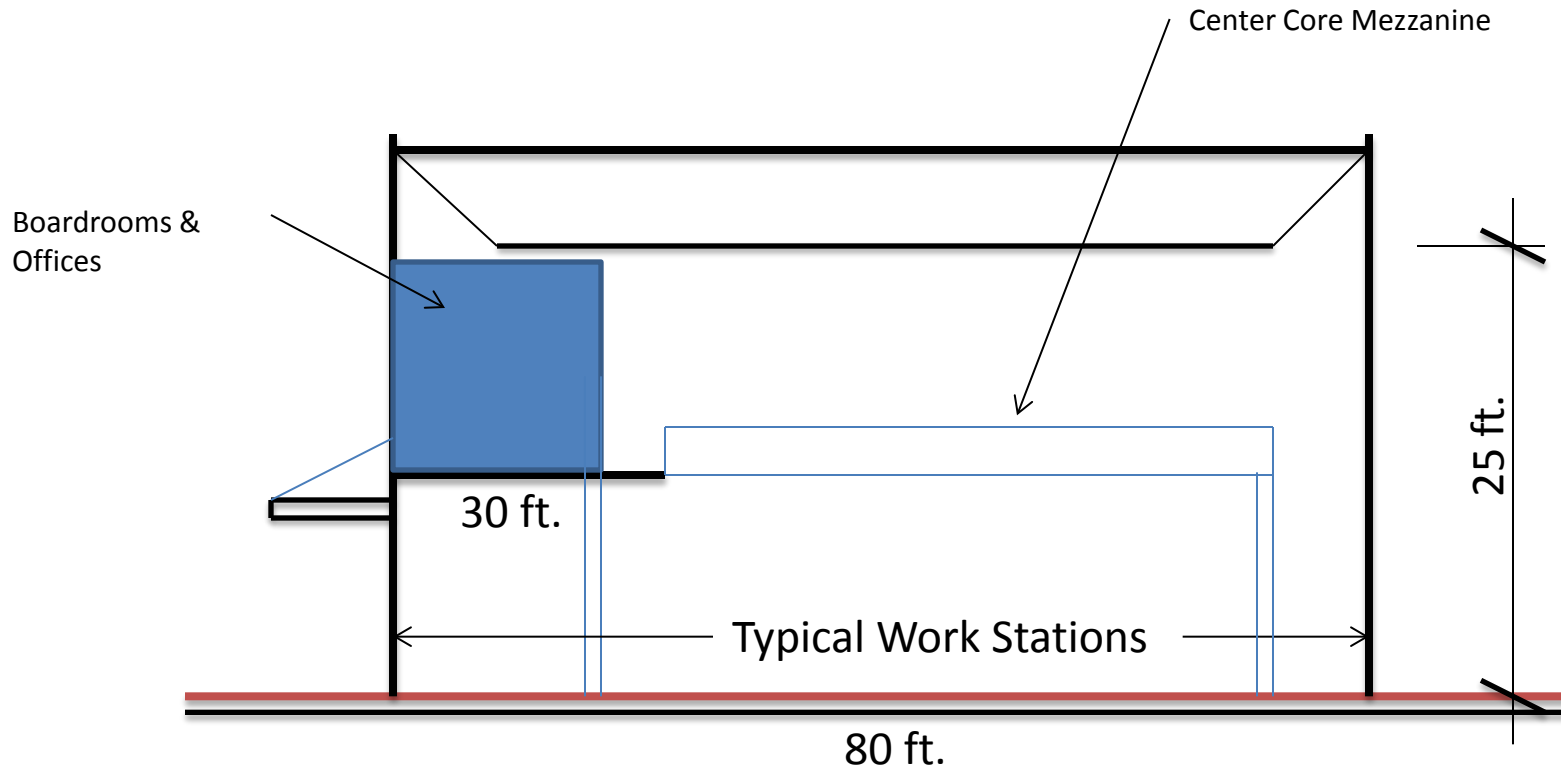
Site #3 – Site Design Study

Criteria Score 199 (Recommended Site)



Site #3 – Site Design Study

Criteria Score 199 (Recommended Site)



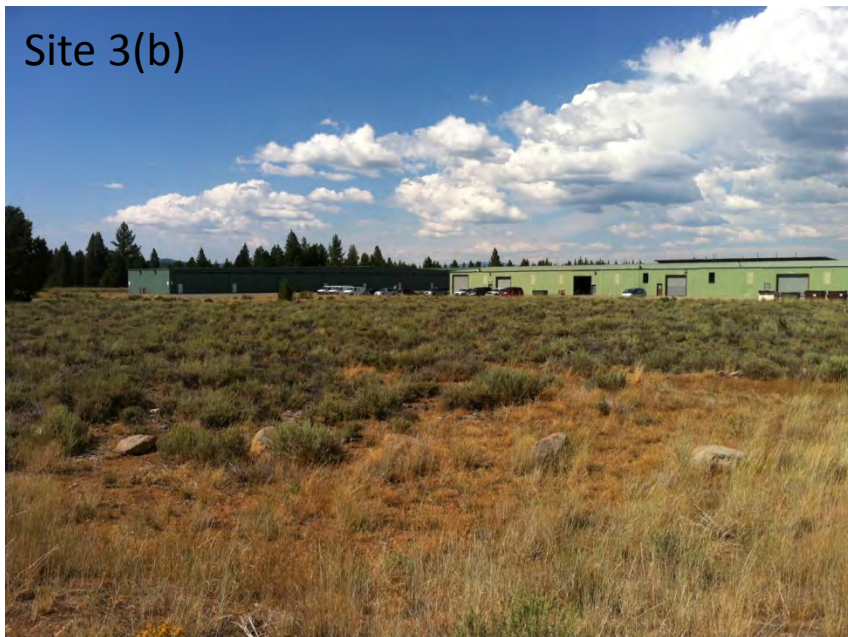
Site #3 – Site Photos

Criteria Score 199 (Recommended Site)

View from Soaring Way & Aviation Way

View from Soaring Way & Aviation Way

Site 3(b)



Site 3(a)



Site #3 – Site Criteria Analysis Detail

Criteria Score 199 (Recommended Site)

- 1. Site Access**
 1. Soaring Way and Airport Rd. are in Good Condition.
 2. A traffic analysis will be required to determine if the intersections will be able to meet the criteria of the additional traffic.
- 2. Utilities**
 1. There are minimal utility extensions required to service the site.
- 3. Zoning**
 1. Nevada County/Airport
 2. General Plan - IND (Industrial), Current Zoning M1-P (Light Industrial); Re-zone to Office/Professional required
- 4. FAA Jurisdictional Overlay**
 1. There no FAA overlay on this site, however FAA approval still required
- 5. Optimal Parcel Size/Geometry of Site**
 1. Parcel geometry is optimal for the type of development being proposed.
- 6. Consistency with Airport Master Plan (existing)**
 1. Consistent with Airport Master Plan.
- 7. Physical Site Characteristics**
 1. The site is flat, free of trees and faces streets on three sides.
- 8. Clear Capital Program Requirements in Relation to Site**
 1. Ability to park 500 to 660 cars
 2. Ability to accommodate 80,000 sq.ft.
- 9. Schedule Constraints**
 1. Zoning Amendment required from current Industrial land use to Office/Professional
- 10. Entitlement Process**
 1. Zoning Amendment with Nevada County
- 11. Requires Relocation of Existing Infrastructure**
 1. Minimal utility extensions required.
- 12. Compatibility with Aviation Infrastructure**
 1. Yes
- 13. Potential for Future Aviation Uses**
 1. Yes
- 14. Commercial Viability (consideration for future reversion)**
 1. Excellent
- 15. Impact of Airport Related Noise on Site**
 1. Minimized with the buffer of the main airport terminal and the runway.

Site #3 – Zoning Analysis

Criteria Score 199 (Recommended Site)

Item Description		Site #3	Reference:
APN		19-440-68	
Zoning	1 Site Area	10 Acres	
	2 Zoning Agency	NVCO/Airport	
	General Plan	IND (Industrial)	NVCO General Plan 1995 Sheet K
	3 Current Zoning	M1-SP (light Industrial)	NVCO Zoning Map. Office/Professional not listed in BP Zoning. -SP = Site Performance or Special Circumstance: 1. All uses consistent with Airport Master Plan; and 2: Per Ordinance 1971 (Bypass Issue)
	4 Zoning Process	Re-Zone/Dev Permit TBD	Zoning change for higher density?
	5 Allowed Uses	Office - not listed	NVCO Zoning pgs 50-53, 65, 234-238
	6 Setbacks	Front	10'-35' (2-42)
		Rear	0'-10' (2-42)
		Sides	10'-35' (2-42)
	9 Height Limits	Stories/Ft	45'
	10 Impervious Coverage		85%
	11 Floor Area Ratio		N/A
	12 Parking		1 space per 200sf GFA
	13 Workforce Housing		N/A
	14 Airport Safety Zone		Per TTALUCP
	15 Permanent Open Space		20%
Airport Issues	16 Bicycle		1 per 20 cars
	17 CLUP Zone		B2 and D
	18 Ht Limits		B2 is 35' (2 max)
	19 Sound		60-65 CNEL
	20 Population - Average		B2 and D is 100 average/acre (Note 1)
	21 Population - Max per acre		B2 is 200 Max per 1 acre; D is 300 max per 1 acre
	22 Require open land		B2 is NR
	23 Prohibited Use?		No
	24 Req'd Easement		B2 - Avigation
	25 CalTrans Airport Permit		TBD
	26		

Notes:

1 Occupancy Calc:

380people/10 acres = 32p/a

500people/10 acres = 50p/a

Site #3 – Utility Analysis

Criteria Score 199 (Recommended Site)

KEY POINTS

- Estimated Cost of Utility Improvements & Extensions (~\$225K)



Site #3 – Traffic Analysis

Criteria Score 199 (Recommended Site)

KEY POINTS

- Nevada County Traffic Impact Fees: +\$135K
- Truckee Estimated Traffic Impact Fees: TBD



Site #3 – Criteria Analysis

Criteria	Criteria Scores				Weighted Criteria Scores				Criteria Weight
	Option 1	Option 2	Option 3	Option 4	Option 1	Option 2	Option 3	Option 4	
	North 40	SW Corner	Soaring Way	267 corner	North 40	SW Corner	Soaring Way	267 corner	
1 Site Access	Site Removed From Consideration	8	12	Site Removed From Consideration					
A. Ability to access site		3	4			9	12		3
B. Physical Condition of Access Road		3	4			6	8		2
C. Traffic flow		2	4			6	12		3
2 Utilities (Capacity & Availability)		23	26						
A. Water		4	5			8	10		2
B. Electric		4	5			12	15		3
C. CATV		4	4			8	8		2
D. Telecommunications		4	4			12	12		3
E. Gas		3	3			6	6		2
F. Sewer		4	5			8	10		2
3 Zoning		1	3			3	9		3
4 FAA Jurisdictional Overlay		1	4			3	12		3
5 Optimal Parcel Size/Geometry of Site		3	5			9	15		3
6 Consistency with Airport Masterplan (existing)		3	3			6	6		2
7 Physical Site Characteristics		17	23						
A. Geotechnical (Soil Conditions)		3	3			6	6		2
B. Topography		3	5			9	15		3
C. Site Drainage		3	3			6	6		2
D. Vegetation		2	4			2	4		1
E. Habitat-Wildlife Considerations		3	4			6	8		2
F. Other Natural Features		3	4			3	4		1
8 Clear Capital Program Requirements in Relation to Site	Site Removed From Consideration	11	15	Site Removed From Consideration					
A. Ability to park 500+ vehicles		3	4			9	12		3
B. Ability to accommodate 60K sf + 20K sf expansion		3	4			9	12		3
C. Ability for campus-like setting		3	4			9	12		3
9 Schedule Constraints		2	3			6	9		3
10 Entitlement Process		3	6						
A. CEQA (MND vs EIR)		1	3			3	9		3
B. Consistency with other jurisdictional planning documents		2	3			6	9		3
11 Requires relocation of existing infrastructure		3	4			6	8		2
12 Compatibility with aviation infrastructure		4	4			8	8		2
13 Potential for future aviation uses		4	4			8	8		2
14 Commercial viability (consideration for future reversion)		4	5			8	10		2
15 Impact of Airport Related Noise on Site		2	3			2	3		1
Total Points		149	199			202	278		
Ranking		2	1			2	1		

Point Rating Index

0=Not feasible

1=Poor

2=Marginal

3=Average

4=Good

5=Excellent/Optimal

Criteria Weight

1=low importance

2=medium importance

3=high importance

Site #4: Airport Road Site

Criteria Score – 124 (Ranked 4th)

Site Not Feasible

Major Criteria Concerns:

Open Space Zoning, Wet Lands, Site Access

Major Criteria Attributes:

Access to Utilities

REMOVED FROM CONSIDERATION

Section #3: Clear Capital Facility Requirements

Proposed Office Facilities Programming

Interior Concept

Proposed Facility Programming

Proposed Clear Capital Building Program:

- Facility – 80,000 sq.ft.
- Projected 945 Employees
- Projected 921 Standard Stations
- 30 Offices
- 8 Large Boardrooms
- 8 Meeting Rooms
- 4 Break Rooms
- 4 Data Rooms
- 5 Janitorial/Sinks & Storage Rooms (Ph. 2 – additional 1 janitorial/sink & storage rooms)
- 660 Parking Stalls
- 1 Main Frame Room
- 1 Reception Area
- 2 Emergency Generators
- 1 Receiving/Warehouse
- 1 On-Site Long-Term Storage Facility
- Exterior Courtyard(s)
- Garbage Facility

Current Interior Concept



Clear Capital Benefits to Truckee Community and TTAD

- **Contributes \$25M+ in payroll & local spending to TTAD Area**
- **Increased Property Value for remaining TTAD Land Once Clear Capital is Anchor Tenant**
- **Revenue Generation Supporting:**
 - Airport Uses
 - Open Space Acquisition & Enhancement
- **One of Largest Employers in Truckee Area: +420 total employees**
 - ~80%+ of Total Employee Base in Truckee Area
 - Community Connected: ~200 Employees Live in Truckee Area
 - In 2013, 30+ New Hires in Truckee
- **At Build-out, 600 employees, +\$200M of Revenue**
 - Career Jobs – not seasonal work or service work
 - Employee Investment Back Into Community
- **Continued Support of Local Organization and Charities**

Letter of Intent (LOI)

Key Terms

- **Letter of Intent is non-binding**
- **Only binding with respect to expenses in next phase**
 - TTAD funds appraisal and economic analysis; both to be reimbursed upon final lease agreement
 - Clear Capital and JMA funds environmental, entitlement process, architectural, construction, etc.
- **Site #3 specifically designated as approved site**
- **Lease Term: 50 Years with 2 extension option of 20 years each**
- **TTAD shall have right to approve architectural design, landscaping and improvements to Leased Land**

Preliminary Timeline

– <i>TTAD Board Direction – TTAD/JMA/CC</i>	<i>08.22.13</i>
– <i>Letter of Intent (LOI) Approval – TTAD/JMA/CC</i>	<i>08.22.13 – 8.30.13</i>
– <i>TTAD Land Lease (incl. appraisal) – TTAD/JMA/CC</i>	<i>08.26.13 to 11.15.13</i>
– <i>FAA Approval – TTAD</i>	<i>08.26.13 to 12.01.13</i>
– Consultant Team Selection – Development	08.26.13 to 09.15.13
– Contractor Selection – Development	08.26.13 to 10.01.13
– Schematic Design – Development & TTAD Approval	08.26.13 to 10.15.13
– Entitlement Application/Environmental	08.26.13 to 10.15.13
– Re-Zoning (Nevada County) – Development	10.15.13 to 04.15.14
– Design Development & Construction Documents	10.15.13 to 04.15.14
– Building Permit (incl. partial permits) – Development	04.15.14 to 07.15.14
– Construction – Development	07.15.14 to 10.01.15
– Clear Capital Occupancy – Development	11.01.15



Aviation
Management
Consulting
Group

Client Memorandum

Market Rent Study (Non-Aeronautical Land)

Truckee Tahoe Airport District

TRUCKEE TAHOE AIRPORT

DRAFT – For Discussion Purposes Only

August 8, 2013



Aviation Management Consulting Group

DRAFT – For Discussion Purposes Only

August 8, 2013

Mr. Kevin Bumen
Director of Aviation and Business Services
Truckee Tahoe Airport District
10356 Truckee Tahoe Airport Road
Truckee, CA 96161

RE: Market Rent Study (Non-Aeronautical Land), Truckee Tahoe Airport

Dear Mr. Bumen:

As requested, this client memorandum outlines the scope of work, work plan (tasking), and schedule for Aviation Management Consulting Group to conduct a market rent study (for non-aeronautical land) at the Truckee Tahoe Airport.

If you have any questions, require any additional information, or would like to discuss any aspect of this client memorandum, please feel free to contact me at (303) 792-5202 (direct) or (303) 792-2700 (main) or e-mail me at pmeyers@aviationmanagement.com.

Sincerely,

Paul A. Meyers
Principal in Charge
Aviation Management Consulting Group



ii. TABLE OF CONTENTS

- i. Cover Letter
- ii. Table of Contents
 - 1. Scope of Work
 - 2. Work Plan (Tasking)
 - 3. Schedule

1. Scope of Work

Conduct a Market Rent Study (Non-Aeronautical)

Understanding of the Scope of Work

The project team will conduct a rent study to determine the market rental rate for certain properties located at the Truckee Tahoe Airport (Airport).

It is the understanding of the project team that there are several properties that are currently be considered for non-aeronautical use (hereinafter referred to as the “subject properties”) and that there are no improvements located on the subject properties.

Within this context, the scope of work would be limited to land “only” and non-aeronautical use (of the land).

Approach to the Scope of Work

To derive the market rental rate for the subject properties, the project team will survey land sales and listings in the local area. Each parcel identified by the project team will be analyzed from a comparability standpoint giving consideration to such factors as location (access and exposure), zoning, size and configuration (of the parcel), topography, site utilization, utilities, etc.

When airport land is leased, the land exhibits partial rights of ownership – as the lessor has the ability to generate income by charging rent. However, the lessor is not able to use the land. This is different than fee simple ownership wherein the land exhibits all (or the full bundle of) rights. Moreover, airport land is restricted to certain types of uses by 14 CFR Part 77 requirements and/or any additional limitations that may be imposed by the airport sponsor.

As such, to ascertain the market rental rate for the non-aeronautical use of airport land, depending on the situation and/or circumstances, it may be reasonable to discount off-airport land sales and/or listings and apply an appropriate rate of return to the discounted value. Additionally, it may be reasonable to consider the cost of airport land and apply an appropriate rate of return to the cost. If fees are being charged in lieu of rent, it would be reasonable and appropriate to consider that also.

To accomplish the scope of work, the project team will consider all of these approaches and use (and reconcile) the approaches which are considered most reasonable and appropriate for the subject properties, the situation, and/or the circumstances.

The project team will also analyze rental rates (on a comparative basis) for similar land at comparable airports and rental rates at national and regional airports as well.

The selection of comparable airports and the assimilation and analysis of data for similar properties (including, but not limited to, the type, use, attributes, and zoning) at the comparable airports is essential to the market rent study process.

AMCG maintains an extensive database of airport properties (located throughout the United States) specifically for this purpose.

Identification and Selection of Comparable Airports (Criteria)

When identifying and selecting comparable airports, the project team will consider a number of variables including, but not limited to, the following:

- Infrastructure (number, configuration, and capacity of runways and taxiways)
- Approaches (precision, non-precision)
- Presence or absence of an air traffic control tower
- Number and type of aviation businesses located at the airport (including the number of fuel providers)
- Amount of land that is available for aviation development (and related land use considerations)
- Type of market
- Number and type of airports in the market
- Activity levels (based aircraft, aircraft operations, and fuel volumes)

Consideration of Regional and National Airport Data

As a supplement to the comparable airports, the rental rates being charged at airports within the Federal Aviation Administration's (FAA's) Western-Pacific Region as well as those being charged at airports located throughout the United States – as maintained within AMCG's proprietary database – will be considered by the project team.

Identification and Selection of Similar Properties (Criteria)

When identifying and selecting similar properties at comparable airports, the project team will consider the following factors including, but not limited to:

- Use (aeronautical, non-aeronautical, commercial, non-commercial)
- Size (usable, unusable)
- Location and (landside and airside) access (to/from the subject properties, infrastructure, and utilities)
- Zoning
- Lease terms and conditions
- Type, quality, and condition, and functional utility or limitations of land (this includes, but is not necessarily limited to, any restrictions on the development of the land, the availability of utilities, and the ability of the land to support the aircraft that normally frequent the subject airport)

The rental rates being charged for similar non-aeronautical properties at competitive airports may be considered by the project team as well (as appropriate). Additionally, if fees are being charged in lieu of rent, the project team will consider that as well.

Marketplace Considerations

General conditions, trends, and demographics in the market will be considered by the project team (as deemed reasonable and appropriate). Other factors such as amenities and proximity (thereto) will also be considered by the project team (as deemed reasonable and appropriate).

Other Considerations

The project team will assume that the highest and best use of the subject properties is non-aeronautical use.

Determining Market Rents

Based on an analysis of the data compiled, the project team will derive a market based and supported rental rate for the subject properties. A written summary report will be provided as the final work product. Unless otherwise noted, market rents will be conveyed in the summary report on a “per square foot per year” and a “triple net” basis. In addition to the project team’s conclusions, the summary report will identify the approach(es) used by the project team.

As part of this process, the project team will also evaluate the market rent conclusions for reasonableness to ensure compliance with federal obligations and related guidance including, but not limited to, the Airport Sponsor (Grant) Assurances and Order 5190.6B Airport Compliance Handbook.

2. Work Plan (Tasking)

Conduct a Market Rent Study (Non-Aeronautical)

To accomplish the scope of work, the project team envisions the following work plan (tasking):

1. Compile relevant and pertinent information, data, and documentation on the community, market, Airport, operators, tenants, and subject properties.
2. Review and analyze initial information, data, and documentation provided/obtained and conduct internal research.
3. Conduct field visit to include: (1) a project “kick-off” (initialization) meeting with the Truckee Tahoe Airport District Board (Board) and/or its representatives (e.g., Airport management/staff), (2) a tour of the Airport, (3) a tour of the subject properties, (4) tours (inspections) of land sales and listings in the local area, and (5) meetings with other stakeholders – as desired.

While on-site, the project team will review the location of (and access to) the subject properties and work with Airport management/staff to verify/confirm (as necessary) the type, use, attributes, and zoning of the subject properties.

4. Review and analyze additional information, data, and documentation provided/obtained and conduct additional research.
5. Develop a profile of the Airport using information provided/obtained.
6. Identify comparable and competitive airports using the Airport profile.
7. Develop a preliminary list of comparable and competitive airports and provide to Airport management/staff for review.

Airport management/staff review

8. Identify regional airports.
9. Obtain and/or validate pertinent/relevant information/data from comparable, competitive, regional, and national airports using AMCG’s proprietary database, reference library, and/or directly from the airports identified.
10. Obtain and/or validate pertinent/relevant information/data from land sales and listings in the local area.
11. Analyze the information/data obtained on a comparative basis.



12. Derive the market rental rate for the subject properties with consideration given to rent comparisons, land values (and cost – if applicable), and rate of return.
13. Develop a draft summary report conveying the market rental rate for the subject properties and provide to Airport management/staff for review for factual accuracy.

Airport management/staff review

14. Conduct a telephonic working session with Airport management/staff to review the draft summary report for factual accuracy.
15. Finalize the summary report and provide the final report to the Board for review.

Board review

If desired, additional detail can be provided.

3. Schedule

Notwithstanding circumstances beyond the project team's control and based on current workload and known commitments, it is anticipated that the scope of work can be completed within 10 weeks – as depicted in the schedule that follows:

WEEK OF	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10
Market Rent Study (Non-Aeronautical)										
1. Compile initial information										
2. Review/analyze initial information										
3. Conduct field visit										
4. Review/analyze additional information										
5. Develop Airport profile										
6. Identify comparable and competitive airports										
7. Develop Preliminary List										
Client review of Preliminary List										
8. Identify regional airports										
9. Obtain/validate information from airports										
10. Obtain/validate information from land sales/listings										
11. Analyze information										
12. Derive market rents										
13. Develop and provide draft report										
Client review of draft report										
14. Conduct working session										
15. Finalize and provide final report										
Client review of final report										
WEEK OF	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10



M E M O R A N D U M

TO: TTAD Board

FROM: Tony Tezla, Project Manager

DATE: August 19, 2013

SUBJECT: On-Airport Land Use Options

PROJECT No. 2013700-114396

The purpose of this memo is to provide a timely master plan perspective to the Board related to a proposal to construct a large non-aviation business on airport land.

Background

The Board is currently working with JMA/Clear Capital to: 1) determine whether a long-term land lease supportive of a non-aviation business is an appropriate use of undeveloped airport land and 2) which site is best. In addition to these two key questions, the Board is also interested in related topics such as the terms that would be in place, and the value that would be produced. This memo provides feedback on the issues as they relate to the ongoing master plan. Subsequent analysis is needed to address the issues related to terms and value.

Is it appropriate to support non-aviation business development on airport?

It can be and often is appropriate for an airport to pursue non-aviation development. The rationale is as follows:

- Community input was supportive.
- TTAD owns sufficient property (2,624 acres) to accommodate all of the community interests identified.
- Revenue supports airport operation and maintenance and/or aviation facility improvements.
- Direct benefit to local employment growth, payrolls, and tax revenues plus indirect [multiplied] benefits.
- TTAD will retain the option to reclaim the land for aviation use at the end of the lease term, or useful life of the improvements.

Given that the airport has more than enough land to support foreseeable aviation needs, the primary argument against non-aviation development is generally limited to the role of government engaging in local competitive business arrangements such as master developments and leased facilities. The reality is that airports have competitive business functions and there is nothing inherently wrong with adding competitive choices to a market. Holistically, even with new elements of competition, increased business development seems more likely to enhance the local economy than detract from it.



Master Plan Input: A common goal of many master plans is the identification of surplus property that can be used to enhance and diversify revenue generation. The proceeds can often be reinvested into the facility, improve the overall image/appeal of the airport, and contribute significantly to the local economy in terms of creating/retaining jobs and the induced local spending associated with those jobs (i.e., tax revenue, local spending/investing, etc.).

Which Site is Best (#2 or #3)?

Based on the amount of land owned by TTAD and present use-allocations, the district owns sufficient property holdings to accommodate all of the goals identified during the outreach phase regardless of current Clear Capital site discussion. That said, of the two finalist sites Clear Capital is investigating, Site #3 has more airport planning advantages over Site #2. This assessment is predicated on the following elements: aviation facility development, land use compatibility, FAA land release considerations, and financial considerations.

From an aviation facility development perspective:

Concentrated aviation development at Site #3 is complicated by the depth of the site and its geometry relative to existing facilities and established circulation patterns. It is difficult to achieve an aviation development pattern using the southern portion of the 20-acre site north of Soaring Way without reconfiguring many of the existing facilities further north. Beyond the 2025 year planning horizon, it may be more logical to reconfigure and reallocate space north before proceeding with aviation development at Site 3.

The west area of the airport (Site #2) is ideal for aviation development not requiring a central location such as an aviation (i.e., FBO-type) business requires. Suitable non-central uses include aircraft hangars, based tie-down apron, and/or emergency service support operators.

The most logical development pattern for the foreseeable future is reflected in the current airport layout plan: hangar development west (nearest Site 2), aviation reserve at center (north of Site 3), and non-aviation fronting Soaring Way (including Site #3).

From a land use compatibility perspective:

Both sites are presently classified within Airport Land Use Compatibility Zone B2 "adjacent to runway". The development being pursued by Clear Capital would likely comply with the established limitations in terms of people per acre.

Site 3 is set back a greater distance from the centerline of Runway 11-29 and is also a greater distance from the approach end of Runway 11. The location of Site #3 is set further away from low altitude maneuvering flight associated with takeoffs and landings on Runway 11-29 and thus is better suited to high-intensity uses than is Site #2.

The master plan is currently in the alternatives analysis phase. Four alternatives are being explored that modify the runway system. Two alternatives shift landings to Runway 11 more than 1,000 feet to the east. If implemented, the change would further reduce the distance between Site #2 and the west runway end. The Site #2 area would likely be re-designated from B2 "Adjacent to Runway" to B1 "Inner Approach/ Departure Zone", which is more restrictive in terms of people/ acre limitations. The two alternatives related to Runway 2-20 will have no effect on either site in terms of changing land use classifications.

MEMORANDUM

August 19, 2013

Page 3 of 3

From an FAA perspective:

In our opinion, TTAD will need to formally request and obtain FAA approval to develop either site for non-aviation use. Site #3 has several advantages over Site #2 in this regard.

- Site #3 is currently identified for non-aviation development on the Land Use sheet of your approved Airport Layout Plan (ALP). A letter from TTAD accompanied by a revised property map may be all that is necessary for the FAA to release the property for non-aviation use.
- The FAA considers plan consistency over time when making such determinations. The development pattern included on the current ALP is a logical pattern to retain. In our opinion it is more functionally efficient than the reverse: non-aviation at Site #2 and aviation at Site #3.

From a financial perspective:

Site #3 was acquired in 1967 using the Federal-Aid Airports Program (FAAP). The FAAP program matched only 50%. Also, grant assurance requirements under the FAAP program are generally the least restrictive of the airport funding programs and are also less restrictive than federal land conveyances (from military to civilian use airports following World War II). FAAP grant assurances generally had expiration terms and usually did not include in-perpetuity clauses. If there are any restrictions to the use of revenue received for non-aviation use, they will likely be less restrictive than those associated with newer property purchases.

Site #2 was acquired more recently using an Airport Improvement Program (AIP) grant. Federal match under AIP are 90-95%. AIP grant assurances for land acquisition are more stringent and remain in effect in perpetuity or until released. The disposition of any proceeds must be specifically allocated in accordance with the terms of release. Generally, funds must be allocated into the airport fund for use to support the operation and maintenance of the airport or to provide matching funds in support of an airport project.

1 **LETTER OF INTENT**

2
3 This non-binding Letter of Intent (LOI) is made on this ____ day of ____, 2013 by and
4 between **ClearCapital.com, Inc.** of 10875 Pioneer Trail, Truckee, CA 96161 ("Clear
5 Capital"), **JMA Ventures, LLC** of P.O. Box 3938, Truckee, CA 96161 ("JMA") and **the**
6 **Truckee Tahoe Airport District** of 10356 Truckee Tahoe Airport Road, Truckee, CA
7 96161 ("TTAD") relating to a land lease for land owned by TTAD (the "Project").
8

9 WHEREAS Clear Capital, JMA and TTAD wish to outline the process by which they
10 would proceed with their negotiation of the Project;
11

12 THEREFORE the parties wish to enter into this non-binding LOI on the following basic
13 terms and conditions.
14

15 **General Non-binding Nature of the LOI**

16 The parties acknowledge that no binding obligations are created by this LOI, except as
17 specifically set forth below in the section "Binding Obligations of the Parties."
18

19 TTAD reserves the right not to accept any land leasing options and has no stated or
20 implied obligation to JMA or Clear Capital by entering into this LOI.
21

22 **Binding Obligations of the Parties**

23 Clear Capital, with JMA acting as the project manager on behalf of Clear Capital,
24 agrees to bear the cost of any architectural and construction analysis.
25

26 TTAD agrees to bear the cost of an economic return analysis and a land appraisal. In
27 the event that a definitive land lease is entered into by the parties in connection with the
28 Project, Clear Capital, with JMA acting as the project manager on behalf of Clear
29 Capital, would agree to reimburse TTAD for the costs of the land appraisal and
30 economic return analysis (AMCG Study).
31

32 Other expenses and fees related to the Project will be agreed upon by the parties in
33 writing at their reasonable discretion.
34

35 **Application Fee**

36 JMA agrees to pay a \$3000 (non-refundable) application fee, due at the signing of this
37 agreement. This fee is assessed to assist with cost recovery for District staff time
38 incurred in the review process.
39

40 **Indicative Lease Terms**

41 **1. TENANT:** JMA acting as the project manager on behalf of Clear Capital or an
42 ownership entity formed by the owners of Clear Capital and/or JMA.
43

44 **2. LANDLORD:** TTAD
45

- 46 **3. LEASED LAND:** Site #3 – Soaring Way Site, as more fully described in Exhibit
47 A attached hereto.
- 48
- 49 **4. LEASE TERM:** To be negotiated, compliant with FAA requirements, District
50 policy and tenant needs.
- 51
- 52 **5. LEASE COMMENCEMENT:** Final lease would be negotiated and presented for
53 consideration to the Board of Directors by December 5, 2013, subject to FAA
54 concurrence.
- 55
- 56 **6. RENT SCHEDULE:** JMA and District will work with AMCG and/or other real
57 estate and or land leasing professionals to establish market rent and fees
58 appropriate for the project and will propose a final rent schedule to the Board with
59 the final lease agreement.
- 60
- 61 **7. LANDLORD APPROVAL OF DESIGN AND LANDSCAPING:** Landlord would
62 retain the right to approve the architectural design and landscaping and any
63 improvements to the Leased Land, which approval would not be unreasonably
64 withheld.
- 65
- 66 **8. USE OF ADJACENT LAND:** Landlord shall have the right to use any land
67 adjacent to the Leased Land for purposes consistent with the existing TTAD
68 Master Plan, or as such Master Plan as amended in the future. This would
69 include potential aviation uses, and non-aviation uses such as office space, retail
70 space, or light industrial space. Tenant would retain the right to approve the
71 intended use of any land adjacent that would interfere with Tenant's quiet
72 enjoyment of the Leased Land, which approval would not be unreasonably
73 withheld.
- 74
- 75 **9. PAYMENT OF RENT:** First month rent due upon lease execution, or as
76 otherwise agreed by the parties
- 77
- 78 **10. PROVISIONS FOR USE OTHER THAN INTENDED USE OF LEASE:** JMA nad District
79 will investigate and provide terms in lease agreement establishing provisions for
80 permitted and non-permitted uses of leased property.
- 81
- 82 **11. REVERSION:** Terms and conditions to be negotiated per lease agreement and FAA
83 grant assurance requirements.
- 84
- 85 **12. MAINTENANCE OF SITE AND FACILITIES:** JMA and District will develop terms and
86 conditions for ongoing site and facility maintenance.
- 87
- 88
- 89
- 90

91 **To be studied as part of lease negotiation:**

- 92
- 93 **1. Traffic Mitigation:** Further study to determine impact and necessary mitigations
- 94 needed or required for areas along Soaring Way, Aviation Way, Truckee Airport
- 95 Road and Highway 267.
- 96
- 97 **2. Entitlement and land use approval process with Town of Truckee and**
- 98 **Nevada County:** JMA and the District will investigate project compatibility,
- 99 feasibility and impacts with both the Town of Truckee and Nevada County. Based
- 100 on the 10/16/97 Memorandum of Understanding between the District and the
- 101 Town of Truckee, further study regarding the Town's sphere of influence as it
- 102 relates to this project may be necessary.
- 103
- 104 **3. Conformance with Master Plan:** As the Master Plan continues to study various
- 105 future development alternatives and relevant impacts related to this project will
- 106 be studied.

107 **Dispute Resolution**

108 In the event of a dispute between the parties in the negotiation of the final binding

109 contract relating to the Project, a dispute resolution group will convene consisting of the

110 Chief Executives of each of the parties together with one other person independent of

111 the parties appointed by the Chief Executives. The dispute resolution group may

112 receive for consideration any information it thinks fit concerning the dispute. The parties

113 agree that a decision of the dispute resolution group will be final, pending final approval

114 by the TTAD Board of Directors. In the event the dispute resolution group is unable to

115 make a compromise and reach a final decision, it is understood that neither party is

116 obligated to enter into any binding contract to complete the Project.

117 **Notice**

118 Any notice or communication required or permitted under this LOI shall be sufficiently

119 given if delivered in person or by certified mail, return receipt requested, to the address

120 set forth in the opening paragraph or to such other address as one party may have

121 furnished to the other in writing.

122 **Governing Law**

123 This LOI shall be construed in accordance with the laws of the State of California.

124

125

Assignment

Neither party may assign or transfer the responsibilities or agreement made herein without the prior written consent of the non-assigning parties, which approval shall not be unreasonably withheld.

Amendment

This LOI may be amended or supplemented in writing, if the writing is signed by the party obligated under this LOI.

Understanding

It is mutually agreed upon and understood by and among the parties of this LOI that:

- a. Each party will work together in a coordinated fashion for the fulfillment of the Project.
- b. In no way does this agreement restrict involved parties from participating in similar agreements with other public or private agencies, organizations, and individuals.
- c. Any endeavor involving reimbursement or contribution of funds between the parties of this LOI will be handled in accordance with applicable laws, regulations, and procedures.
- d. Except as otherwise specified herein, this LOI is not intended to and does not create any right, benefit, or trust responsibility.
- e. This LOI will be effective upon the signature of all parties.
- f. Any party may terminate its participation in this LOI by providing written notice to the other parties.

Understood and agreed:

JMA Ventures, LLC
By Art Chapman, its President and CEO

DATE: _____

ClearCapital.com, Inc.
By Kevin Marshall, its President

DATE: _____

Truckee Tahoe Airport District
Kevin Smith, its General Manager

DATE: _____

**MEMORANDUM OF UNDERSTANDING BETWEEN THE TRUCKEE TAHOE
AIRPORT DISTRICT AND THE TOWN OF TRUCKEE**

WHEREAS, the Truckee Tahoe Airport District is a California Special District which operates a unique multi-county regional facility serving general and commercial aviation within Placer and Nevada Counties and shares the same aviation-oriented concerns of other airports in California; and

WHEREAS, the Truckee Tahoe Airport District will be updating and modernizing its Master Plan and desires to cooperate with all interested agencies; and

WHEREAS, the Town of Truckee is an incorporated town existing under the laws of California which serves an area in eastern Nevada County adjacent to the Truckee Tahoe Airport and has recently adopted the Truckee General Plan to regulate development within the boundaries of the Town of Truckee; and

WHEREAS, the County of Nevada is a California county which includes a substantial amount of land located within the boundary of the Truckee Tahoe Airport District and is involved in regulating development within said area; and

WHEREAS, the County of Placer is a California county which includes the majority of the land located within the boundary of the Truckee Tahoe Airport District and is involved in regulating development of land within the immediate area of the airport facility; and

WHEREAS, the County of Placer is the supervising county for the Truckee Tahoe Airport District and is in the process of updating and modernizing the Martis Valley General Plan, which plan has both direct and indirect impacts on all surrounding areas; and

WHEREAS, the parties to this Memorandum of Understanding mutually agree that important issues concerning the Truckee Tahoe Airport regional are best addressed through a comprehensive memorandum of understanding where all parties will have an opportunity to participate in a forum.

THEREFORE, IT IS NOW MUTUALLY AGREED BETWEEN THE TOWN OF TRUCKEE AND THE TRUCKEE TAHOE AIRPORT DISTRICT AS FOLLOWS:

1. In order to facilitate cooperation, insure proper and timely communication between the parties and to provide a mechanism to resolve conflict and respond to opportunities that may arise, the parties agree to periodically meet and discuss issues of common interest, including local development and coordination, present and future needs, present and planned land uses, present and probable need for public facilities and services, present capacity of public facilities and adequacy of public services, and existence of social or economic communities of interest.

2. The Truckee Tahoe Airport District agrees to notify the Town of Truckee of all projects and plans on District property which could impact the Town of Truckee and/or its residents as early as practical in the planning process.

3. The Town of Truckee agrees to notify the Truckee Tahoe Airport District of all projects, plans and code amendments that may impact airport operations as early as practical in the review process.

4. The Town of Truckee and the Truckee Tahoe Airport District agree to pursue and support regional cooperation with the County of Nevada and the County of Placer on issues of mutual interest.

5. The Truckee Tahoe Airport District and the Town of Truckee agree that consideration of including all or a portion of the Airport property into the Town of Truckee Sphere of Influence area is premature and that any future annexation of Truckee Tahoe Airport District land into the Town of Truckee will require a cooperative effort between the parties. The Town of Truckee agrees not to request that the Nevada County LAFCo include all or a portion of Truckee Tahoe Airport District land within the Town of Truckee Sphere of Influence without coordinating and consulting with the Truckee Tahoe Airport District. The Truckee General Plan recognizes the significance of the Airport to Truckee and the region and sets forth policies to avoid incompatible land uses within the Airport Vicinity. The Town of Truckee is committed to working with the Truckee Tahoe Airport District in evaluating future development which could impact Airport operations.

6. The Truckee Tahoe Airport District has identified the need to update the Airport Master Plan which designates future development on Truckee Tahoe Airport District lands. In recognition of the potential benefits and impacts of the Master Plan to the Town of Truckee, the Truckee Tahoe Airport District has expressed an interest in inviting the Town of Truckee to work with the District on the Master Plan, the Truckee Tahoe Airport District agrees to coordinate and consult with the Town of Truckee in the preparation and adoption of an updated Master Plan for the Airport. Prior to updating the Master Plan, the Truckee Tahoe Airport District agrees not to pursue or allow on District lands any significant new development not directly related to Airport operation. Within the context of this section, "significant" means larger than 5,000 sq. ft. of building ground coverage per structure and "directly related to Airport operations" means hangars, tiedowns, runways, taxiways, aircraft maintenance and refueling facilities and District administrative offices, terminal, multipurpose and maintenance facilities. This limitation may be waived with the mutual consent of the Truckee Tahoe Airport District and the Town of Truckee. The Town of Truckee recognizes a currently proposed warehouse facility which the Truckee Tahoe Airport District intends to build and lease to a beverage distributor and other tenants. The Town of Truckee agrees to exclude this project from the limitations of this Memorandum of Understanding. The Town of Truckee further agrees not to object to the project if it can be demonstrated through technical analysis that Truckee General Plan Land Use Policy 3.5 is complied with and that the Eastern Nevada County Design Guidelines are adhered to. This proposed warehouse building is considered a stand alone facility and shall not be considered by

either party as a precedent for future development of the area. The revised Airport Master Plan is recognized as the appropriate planning document to define future uses on the Airport property.

7. The parties to this Memorandum of Understanding agree to develop notification criteria to the satisfaction of all parties. The notification criteria may be modified from time to time. Each party agrees to provide due consideration to input from other parties.

8. This Memorandum of Understanding is intended to provide a process for discussion and resolution of issues in a mutually agreeable manner. Entry into this Memorandum of Understanding, however, does not waive any legal rights or remedies any party may have. This Memorandum of Understanding may be terminated by any party upon 30 days written notice to other parties. Prior to any such termination notice being effective, the cause for such termination shall be discussed at a joint meeting of all parties.

9. For the purpose of implementing the provisions of this Memorandum of Understanding the primary contacts and responsible parties are the Truckee Tahoe Airport District Manager and the Truckee Town Manager.

10. The parties to this Memorandum of Understanding agree that it would be highly desirable for other agencies with planning authority, such as the County of Placer and County of Nevada, to join in this or other similar memoranda of understandings, and agree to cooperate in that regard.


Executed this 30 day of October, 1997, at Truckee, California.

Truckee Tahoe Airport District



President, Board of Directors

Town of Truckee



Mayor