

TRUCKEE TAHOE AIRPORT DISTRICT
BOARD OF DIRECTORS AGENDA ITEM SUMMARY

Topic: Soar Truckee Lease

Purpose	Information:	Guidance:	Decision: X
Recommendation	<p>Approve the proposed four-year lease with Soar Truckee (STI), as presented. Consider potential options for glider transponder installations. Direct staff to negotiate an agreement for installation of two transponders for a total cost not to exceed \$15,000. While staff is prepared to proceed with the lease at this time, if more information is request. further consideration could take place in April without delaying the scheduled opening for the season.</p>		
Last Action	<p>The Board approved a 1-year extension to the current lease (April 2008) in at the March 2012 Board Meeting. This decision followed discussion of issues related to tow plane equipage and operations at the January 26, 2012 Board meeting. At the February 23, 2012 Board meeting potential renewal and extension options were discussed. Soar Truckee was present and reported on their efforts to work with ACAT and staff to address operational issues and annoyance mitigation.</p>		
Discussion	<p>Staff recommends approval of the negotiated four-year lease. Soar Truckee provides gliders rides to the public, instruction and tow plane/handling services for private gliders. Truckee is considered one of the premier soaring areas in North America. While Soar Truckee conducts repetitive flight operations, occasionally creating complaints, staff has worked cooperatively with them to minimize impacts to the community. In addition to providing an opportunity for the pubic to engage with the airport and aviation, Soar Truckee provides services to gliders and pilots that could become challenging to TTAD staff if they were not available. There is a safety benefit to all users of the airport in having an organized and efficient glider operation.</p> <p>Term</p> <p>The proposed lease is a four year term. Staff has proposed a provision for a mutually agreeable renewal of the lease for an additional four-year term, if so desired by both parties. The rate could be reassessed at this time. A provision for annual review of alternative uses of the campground facility becomes effective in the second term. TTAD would retain the right to relocate portions of the campground, if higher and better uses were planned.</p> <p>Transponders</p> <p>Language in the lease strongly encourages the use of transponders by all aircraft in the interest of flight safety. The District is not able to require this equipage, as it would exceed FAA requirements. Staff requested Soar Truckee to investigate the installation of transponders for the two training/ride gliders. Soar Truckee</p>		

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provided additional information to include a price quote for equipment.

Attached is a quotation for a Trig transponder(s) for STI-owned gliders. The two tow planes have transponders. The Trig transponder is approved for use up to 15,000 feet. This is sufficient, given the typical flight profile of these gliders. A Garmin transponder (higher service ceiling) is about \$1,000 more. Auburn Airplane Works estimates \$650 +/- per installation. Inspection of both the 2-33 and 2-32 aircraft (which are now in winter storage at TRK) would be needed before a firm quote can be provided. Some potential issues could be room on the aircraft panels, and whether the current batteries would be sufficient to handle the extra electronics load.

Tow Plane Modification

TTAD's provided \$25,000 towards the anticipated \$32,000 total project. The final bill was to \$43,658 - with STI paying \$18,658. While engine would have to have been repaired at some point it could have had a few years of remaining service. The benefit to TTAD was the resultant (immediate) reduction in the "noise footprint" from the higher horsepower allowing the aircraft to get up higher and faster. The addition of the muffler and the reintroduction of the four-blade propeller also enabled this outcome.

Ramp Reconstruction

Three years ago grindings from the Runway 28 reconstruction we spread over the Soar Truckee aircraft parking areas. This was intended to be beneficial because it should have provided a firmer base on both internal roadways and on the main ramp. It also reduced the cost to TTAD and/or the contractor because the residue did not have to be hauled away. While the situation worked on the roadways, it was problematic on the ramp as the asphalt was not crushed small enough and it became very difficult to maneuver aircraft. Many Soar Truckee customers complained that the situation was unacceptable. Soar Truckee pilots contributed \$4,100 towards a final bill of \$9,173 (balance paid from STI funds) to crush and grade the parking areas. A team of STI pilots secured the necessary equipment and donated two weeks to the undertaking. TTAD provided some staff and equipment assistance to this project.

Future Plans

Soar Truckee has discussed future plans for the operation. When finances allow, they would like to purchase a glider (Grob 103 or ASK 21) that could enable flight instruction for physically handicapped persons, e.g. "wounded warriors", and turn the operation into a 501(c)(3). This is a program similar to a glider port in southern California.

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Fiscal Impact	<p>Policy Instruction 504 states, <i>Aeronautical lease rates are based on a “non-fully loaded” cost recovery formula. It is not fully loaded because the Board does not add to the rate for the cost of land or a sinking fund/replacement cost. The formula considers: Operating costs; Capital improvements and return on investment (ROI) at LAIF (Local Agency Investment Fund) rate, and; allocated costs (pro-rated air- and landside access costs)</i></p> <p>The proposed lease rate will be set according to the terms outlined in the lease. The formula uses a rolling 3-year average of the previous season’s rates. Staff studied various options, including the previous formula (based on self-reported tie-down and campground census), and a 5-year rolling average. The previous formula created issues for Soar Truckee, particularly when a slow season would follow a prosperous season, resulting in a higher lease rate to be supported in a slower business period. The previous lease also created additional administrative burden for staff. It is important to note that no other tenant on the airport has a rate structure with this sort of fluctuation. STI has a unique business model, i.e. a very short season, sensitivity to adverse weather and atmospheric conditions (rain, wind, fire), and ability to operate (airfield closures).</p> <p>Proposed seasonal fees have increased, reflecting increase to the District’s costs. The road fees for Martis Dam Road (owned by the U.S Army Corps of Engineers) are proposed to increase from \$500 to \$750 per season. Also, a new fee for the fuel truck usage has been added at \$250 per season.</p> <p>A detailed leased rate history and proposed schedule is attached</p>
Communication Strategy	<p>The north east corner of the airport along with the airspace used by Soar Truckee will be a topic of study as part of the Master Plan update.</p>
Attachments	<p>Soar Truckee Lease Soar Truckee Lease History Transponder Costs</p>
