

TRUCKEE TAHOE AIRPORT DISTRICT  
BOARD OF DIRECTORS AGENDA ITEM SUMMARY

Topic: Airport Land Leasing Update: Review of 180-Day Study Plan

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Purpose Information: **X** Guidance: **X** Decision:

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Recommendation Review and provide guidance to staff regarding the non-exclusive 180-day study period with Clear Capital/JMA Ventures. Direct Staff to work the process, where practicable, in parallel with the Master Planning process as a potential land leasing “test case”.

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Last Action At the September 2012 Board meeting, staff presented options for the Board to proceed in the study of leasing options. After significant deliberation the Board approved Motion #7 directing staff to provide public notice for proposals from parties interested in leasing/developing airport property. The motion stated this was to occur two weeks prior to notification that the District was entering into a 180-day negotiation period with Clear Capital. Staff received direction from the Board to explore options for developing a parallel track process involving land leasing that could be considered consistent with the Master Plan process.

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Discussion Staff provided notice by electronic and print media for parties interested in leasing airport land in October 2012. Four parties responded including:

1. JMA Ventures (representing Clear Capital)
2. Truckee River Associates/ Tom Watson
3. Tahoe Food Hub/ Susie Stuphin
4. Undisclosed developer interested in senior living facility development

Staff met with or had telephone discussions with potentially interested parties. No formal proposals were received from any other parties during this process, however staff gained insight into other potential development ideas for airport land. The lack of clear requirements for the type of development and space available on the airport made this process somewhat difficult. It was challenging for staff to ascertain if the ideas and interests of some of these parties were in alignment with the Districts vision for potential development on the airport.

Staff met with JMA Ventures, representatives of Clear Capital, to discuss the study plan and proposed time lines. It is understood by all parties that the study period is non-exclusive and the District could engage with another party during this period for a similar type of process. The attached plan summarizes the work of staff and JMA. The plan includes many elements. Existing airport plans will be reviewed. Site alternatives and analysis will be conducted in the first 60 days. A consultant team will be developed to assist in this process. While District staff will be a part of the study team, Clear

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Capital will retain and compensate all consultants if a suitable and promising site is identified and reviewed by the Board. After the 180-day period TTAD may agree to provide, at its expense, a suitable appraisal on the property to assist in the market pricing evaluation. The District may need to retain additional outside technical or legal counsel to complete this process.

Staff and JMA plan to update the Board bi-monthly. This will allow for feedback and guidance as the study plan moves forward, The result of the process will be a mutually agreeable location, technical review, negotiation of business terms and letter of intent.

The 6-month non-exclusive period would begin February 1 and be completed by August 1. The August Board meeting would be the final presentation about the study process and findings.

Staff will work to coordinate efforts of this process with the Master Plan. While the projects will be on separate timelines, it is likely there will be some ability to provide mutual benefit in this process. The Board could be presented with a letter of intent in August, in advance of the completion of the Master Plan, although by that time some results and findings should be available for review.

The District reserves the right not to accept any land leasing options and has no stated or implied obligation to JMA or Clear Capital by engaging in the study period. Staff will assure that any parties engaged in this process will be formally notified of this provision.

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**Fiscal Impact**

While undetermined at this time, the District has a significant revenue opportunity from land leases. The Master Plan will inform the broader fiscal implications of land leasing. The study process will require considerable staff time and likely some consultant work. Should we decide to proceed, staff estimates that costs to the District (not including staff time) could range from \$10,000 to \$15,000. The services would likely include an appraisal, technical review and legal counsel fees.

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**Communication Strategy**

Staff will work closely with the Board of Directors, Master Plan Consultant and Clear Capital to assure collaboration and symmetry between master plan process and District goals. Staff will also assure an open and transparent process on critical decisions as land leasing policy and procedures are developed.

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**Attachments**

JMA Study Plan Outline and Meeting Notes.