

1 The following is a condensed version of the TRUCKEE TAHOE AIRPORT DISTRICT BOARD OF DIRECTORS regular
2 meeting held Thursday, September 27, 2012 at the Truckee Tahoe Airport District Community Room, 10356
3 Truckee Airport Road, Truckee, California at 9:00 am.

4 **CALL MEETING TO ORDER:** 9:05 a.m.

5 **DIRECTORS PRESENT:** President J. Thomas Van Berkem
6 Vice President John B. Jones Jr.
7 Director Kathleen Eagan
8 Director Mary Hetherington
9 Director James W. Morrison

10
11 **STAFF PRESENT:** Mr. Kevin Smith, General Manager
12 Ms. Jane Dykstra, Director of Finance and Administration
13 Mr. Phred Stoner, Director of Operations
14 Mr. Hardy Bullock, Environment and Technology Specialist
15 Mr. Brent Collinson, District Legal Counsel
16 Ms. Maria Martinez, District Clerk
17

18 **VISITORS PRESENT:** 17

19
20 **SPECIAL ORDERS OF BUSINESS**

21 Mr. Smith stated that the County Board of Supervisors held a meeting in the Board room a few weeks ago that
22 went very well. During that meeting Mr. Smith was able to have about an hour of dialogue about the airport. He
23 also gave them a tour of the airport. It was a good positive experience with them. District staff and ACAT
24 members participated in a block party in the Glenshire neighborhood. Approximately 11 agencies participated in
25 the event. About 400 people were in attendance and it went very well. There were a lot of comments from the
26 Glenshire residents about aircraft noise. The comments were mostly positive but staff learned that more
27 communication and noticing in Glenshire are necessary when Runway 11/29 is closed for significant periods.

28 **PUBLIC COMMENT**

29 Mr. Scott Ryan stated that he is a resident of Juniper Hill. He came to a Board meeting about 9 months ago to try
30 to help find solutions to the impact of the glider tows over his property. He thanked the Board, staff and Soar
31 Truckee as the issue has all but gone away. The only loser in this discussion is the local Rite Aid as he is not
32 purchasing ear plugs anymore. He can count on one hand the number of times he has been impacted by glider
33 tows this year compared to years past. He really appreciated President Van Berkem, Directors Eagan and
34 Hetherington for reaching out to him.

35 Ms. Sandy Hall with the North Lake Tahoe Resort Association stated that they are putting together a transit
36 summit on Friday, October 26, 2012. She invited the Board to attend. The main focus will be to discuss
37 transportation in and around the Lake Tahoe region and the economical impact of a good transit system.

38 **CONSENT CALENDAR**

- 39
- 40 • Minutes: August 23, 2012 Regular Board Meeting
 - 41 • Monthly Service Bills and Fees
 - 42 • Financial Report
 - 43 • Revision of PI 309 – Designation of Unrestricted Net Assets (Annual Update)
 - Revision of PI 505 – Fee Update for Use of TTAD Community Room

44 **PUBLIC COMMENT:** None

45 **MOTION #1 SEP-27-12:** Director Morrison moved to approve the items on the Consent Calendar. Director
46 Hetherington seconded the motion. President Van Berkem, Vice President Jones, Directors Eagan, Hetherington,
47 and Morrison voted in favor of the motion. The motion passed.

48 **ADMINISTRATION BUILDING – FINAL REPORT AND CONSTRUCTION CLOSEOUT**

49 Mr. Peter Beaupre of Prosser Building & Development, Inc. reported that the building is now complete. The
50 commissioning agent has checked on the snow melt system and has identified a few issues. Mr. Beaupre will
51 follow up with him to make sure those issues are resolved. Overall the Administration Building came in under
52 budget. Most of the savings were in furniture, fixtures and equipment. Some of the money was used for the
53 enhancements to the playground. Going forward, the next fiscal budget should include funds to cover ongoing
54 costs.

55 **PUBLIC COMMENT:** None

56 **AIRPORT COMMUNITY ADVISORY TEAM – MEMBER SELECTION**

57 President Van Berkem gave a brief overview of the selection process. Each candidate was given five (5) minutes to
58 address the Board and the public. Mr. Collinson stated that he would be the time keeper and alert the candidate when
59 they have thirty (30) seconds left to their presentation and again when time is up.

60 **PUBLIC COMMENT:** [None](#)

61 All candidates present gave a brief presentation. Mr. James Atchison was not present. President Van Berkem
62 encouraged all candidates to attend the meetings and become more actively involved in some of the work of ACAT.
63 Ballots were distributed to the Board members.

64 Mr. Collinson stated that Mr. Leigh Golden and Mr. Andrew Terry were the two new members to be appointed to
65 ACAT.

66 **PUBLIC COMMENT**

67 Mr. Bob Fink stated that he is an unofficial member of ACAT and encouraged others to get involved. It is very
68 welcoming and easy to get involved. He highly recommended it to those that did not get elected.

69 **AIRPORT COMMUNITY ADVISORY TEAM**

70 Mr. Andrew Terry updated the Board on the current status of ACAT. Mr. Terry stated that there was a slight
71 change in the use of staff for ACAT. Staff will proactively help set the agenda for the meetings and prepare
72 agenda items for ACAT review. Staff will also be presenting the ACAT summary to the Board with ACAT members
73 presenting additional content if needed. This will also make it easier to transition people off of ACAT if and when
74 there are membership changes. Mr. Bullock has been working with ACAT on the Runway Utilization Report
75 criteria. ACAT is trying to get some Noise Abatement Procedure signage to be placed at the end of the runways.
76 Draft signage will be reviewed at the next ACAT meeting. The Pilot Appreciation event has been approved for
77 funding. The date is yet to be determined. This will be a good opportunity to get input from pilots. In addition,
78 the computer in Unicom has been upgraded to handle flight tracking.

79 **PUBLIC COMMENT:** None

80 **AIR FAIR COMMITTEE REPORT**

81 Mr. Smith stated that the Air Fair Committee is working on the Air Fair and Family Festival 2013 event. The
82 committee has prepared two separate budgets: (1) a \$114,900 budget for a similar event as last year but add an

83 "Air Show Lite" component to the event; (2) a \$82,700 budget for a static event very similar to the 2012 Air Fair
84 and Family Festival. Mr. Tim LoDolce, Chairman of the Air Fair stated that the either type of an event would be a
85 good choice. The Air Fair Committee has included final actual expenses for the 2012 event for the Board to
86 review and compare. If the Board decides to approve the Air Show Lite option, Air Fair Committee and staff
87 members will be attending ICAS to select the air show acts and make sure all safety measure are taken into
88 consideration for the event. Director Eagan asked if the budget of \$2,000 to attend ICAS was enough. Mr. Smith
89 stated the travel expenses come from two different sources. For Mr. Smith and Mr. Stoner to attend, the travel
90 expenses will come out of the District's Travel budget, for Mr. LoDolce and committee members to attend it will
91 come out of the budget approved by the Board.

92 **PUBLIC COMMENT**

93 Mr. Rick Tavan stated that the air show is one of the best things the airport has done in the last 10 years. There
94 were a lot of positive comments from pilots and non-pilots alike.

95 Mr. Pat Callaghan stated that the air show was great last year. He would love to see it again with acts it would be
96 wonderful. One suggestion would be some fuel for the static displays.

97 Mr. Andrew Terry stated that last year there was a \$25,000 contingency and this year the contingency has been
98 reduced to \$10,000. The committee has come up with a solid budget for the event taking into account costs for
99 the 2012 event.

100 Mr. LoDolce stated that Mr. Callaghan brought up a beautiful aircraft during this year's event and he thought they
101 had received some money for fuel. This will be taken care of for next year's event. He also thanked Mr. Terry as
102 he was the Treasurer for the event last year and did a great job. He is stepping down from that position this year.

103 **MOTION #2 SEP-27-12:** Vice President Jones moved to approve the budget for an Air Show Lite not to exceed
104 \$115,000. Director Hetherington seconded the motion. President Van Berkem, Vice President Jones, Directors
105 Eagan, Hetherington and Morrison voted in favor of the motion. The motion passed.

106 **FISCAL 2012 – 2013 BUDGET ADOPTION**

107 Ms. Dykstra stated that the revised budget is presented based on changes made at the Budget Workshop. Mr.
108 Smith stated that he would like to add an item to the budget for an Art Coordinator in the amount of \$5,000. This
109 line item was not originally included in the budget. Director Hetherington complimented Ms. Dykstra on a job
110 well done.

111 **PUBLIC COMMENT:** None

112 **MOTION #3 SEP-27-12:** Director Morrison moved to approve the revised 2012-2013 Fiscal Year Budget with the
113 addition of \$5,000 for the Art Program. Director Eagan seconded the motion. President Van Berkem, Vice
114 President Jones, and Directors Eagan, Hetherington and Morrison voted in favor of the motion. The motion
115 passed.

116 **BREAK:** At 10:15 a.m. the Board recessed for a short break. At 10:25 a.m. President Van Berkem reconvened the
117 meeting.

118 **MASTER PLAN – SCOPE OF WORK AND FEE PROPOSAL**

119 Mr. Smith stated that the proposal received from Mead & Hunt was substantially more than the projected
120 \$265,000 estimate. Mead & Hunt current proposed fee is \$495,000. They indicated that their price is in line with
121 the going rate for master plans. Mr. Smith has had many conversations with other airport managers all over the
122 country and Mead & Hunt's estimate is higher than what other airports seem to be paying for their master plans.

123 Although Mead & Hunt is well qualified and the District's first choice, staff recommends soliciting a scope and fee
124 from C & S Companies for comparison. Mr. Smith also indicated that we would also continue working with Mead
125 & Hunt to see if they can provide a product within our budget. Director Eagan stated that the Board and staff
126 have felt that both consultants are very equivalent and therefore does not have any reservations on soliciting a
127 scope and fee from C & S Companies. President Van Berkem stated that since the Community Outreach portion
128 was such a significant part of Mead & Hunt's bid, staff needs to make sure that there is enough detail in the
129 second bid for comparison.

130 **PUBLIC COMMENT**

131 Mr. Tavan agrees with Director Eagan. He would insist upon an apples to apples comparison for exactly the same
132 scope of work. C & S might suggest a somewhat different scope of work.

133 Ms. Margaret Skillcorn requested clarification on whether the scope of work was for one or two year's worth of
134 work. Mr. Smith stated that it was for two years.

135 President Van Berkem asked if their proposal was confidential or public record. Mr. Collinson stated that during
136 the negotiations process is should stay confidential, but once the negotiations are concluded then it would be
137 subject to public record.

138 **MOTION #4 SEP-27-12:** Vice President Jones moved to authorize staff to solicit a second scope and fee proposal
139 from C & S Companies. Director Morrison seconded the motion. President Van Berkem, Vice President Jones,
140 Directors Eagan, Hetherington and Morrison voted in favor of the motion. The motion passed.

141 Mr. Smith stated that he would make his final recommendation on a Master Plan consultant at the Oct. 25, 2012
142 Board Meeting.

143 **AIRPORT LAND LEASING PROCESS OPTIONS**

144 Mr. Smith stated that Clear Capital has expressed an interest in discussing land leasing opportunities here at the
145 airport. Staff has spent a significant amount of time reviewing the District's real estate holdings around the
146 airport and has had a number of meetings with the Town of Truckee as well regarding this subject. Staff would
147 like to approach land leasing by allowing individuals to make a proposal to the District. Any commercial venture
148 or community member could select a piece of land and submit a land leasing proposal to the District. Staff is
149 proposing to enter into a 180 day time frame to explore land leasing with Clear Capital. At the end of the 180 day
150 period, it is envisioned that a final detailed proposal would be developed and presented to the Board for its
151 consideration that would lead to the development of a model plan that would accommodate Clear Capital's
152 commercial and aviation needs in a manner consistent with the airport's desire to proceed on the path to
153 economic sustainability. This process can also assist in the development of an overall master plan for the airport
154 and not preclude other parties from proposing land lease opportunities on District property.

155 President Van Berkem expressed [a desire to assure transparency and his concern with](#) the risks involved in
156 approving the 180 day negotiation proposal with Clear Capital and having the minutes reflect that the District is
157 accepting land leasing proposals from the public as opposed to issuing an RFP for land lease / development
158 proposals. Mr. Smith stated that the biggest difference between the formal RFP process and the negotiation
159 proposed with Clear Capital is that the RFP process would require a very detailed scope of work which the District
160 will not have until the Master Plan is completed. The negotiation process with Clear Capital would allow the
161 District to step away from the process at any time staff feels it does not fit the District's vision. Mr. Collinson
162 stated that it was Clear Capital that approached the District with their interest in the parcel. Any other
163 community member could do the same thing. By doing an RFP we would be proactive in saying we are interested

164 in leasing airport land. However, in this situation we are not out of line being somewhat reactive because a
165 member of the community approached the District with their interest. Anyone else with interest could also
166 approach the District to discuss this option as well. Director Eagan requested clarification as to whether the 180
167 day period would allow enough time to gather the necessary information. Mr. Smith stated that based on the
168 information received from the developer, 180 days is enough to determine whether or not this proposed
169 development will work. However it is not a firm time frame.

170 [President Van Berkem stated that one of the reasons transparency is so critical is to really make sure that the](#)
171 [public knows what is going on before the item appears on the agenda as a proposal to contract with Clear Capital.](#)
172 [The aviation community needs to know that the District might be giving away land that has been designated as](#)
173 [aviation use. Something of this magnitude needs to be extremely transparent.](#)

174 **MOTION #5 SEP-27-12:**

175 Director Morrison moved that the District enter into a 180 day exclusive right to negotiate with Clear Capital to
176 determine the feasibility of developing a Clear Capital campus on airport property. In addition, an announcement
177 to that effect should be made through local media. Vice President Jones seconded the motion.

178 [President Van Berkem asked if the word "exclusive" could be removed from the motion. His concern is that if the](#)
179 [District only allows exclusive discussions within this 180 day time period, the District is then going to be in a](#)
180 [situation where the opportunity then has to be given to everyone else in the community.](#)

181 **PUBLIC COMMENT**

182 Mr. Tavan stated that it was a great motion and a good thing to do. Mr. Jack Ellis stated that he understood
183 President Van Berkem's concern. This is a small town. It is hard to believe that every business person in town
184 does not know that Clear Capital is interested in property at the airport. In addition to putting a public notice in
185 the newspaper, the District may want to include it in another media source. Mr. Terry stated that from a District
186 perspective there is no rush on this other than some urgency that is being forced by Clear Capital. What happens
187 this year and next is unknown until the District has the Master Plan. What seems to be happening is that the
188 District would entertain proposals for this land and not that land, for this public use or that public use. It is not
189 unprecedented that the District has developed non-aviation use of airport land such as the airport warehouses.
190 Mr. Terry added that if the District is going to let the community know that the airport land is up for grabs then
191 the advertisement should be done every year.

192 [Director Morrison stated that he does not think that Clear Capital or any other entity would come to the District](#)
193 [to propose a land lease in an exclusive manner. It would be a very public open discussion and something that](#)
194 [would benefit the airport and the community. The District would review all parameters of the proposal.](#)
195 [Therefore he proposed removing the word "exclusive" from his motion.](#)

196 **AMENDMENT #1 MOTION #5 SEP-27-12:**

197 Director Morrison moved that the District enter into a 180 day right to negotiate (~~removed "exclusive"~~) with Clear
198 Capital to determine the feasibility of developing a Clear Capital campus on airport property right after it is
199 publicly announced that the District is doing so. Vice President Jones seconded the motion. No vote was taken.
200 Discussion followed.

201 Director Eagan stated that it is important to note that the District needs to be thinking regionally. Clear Capital is
202 out of space in their existing facility and it is beginning to affect the other business in that area. The District
203 should be focusing on being a part of the solution to keeping a business like Clear Capital in the region. The
204 District should obtain the expertise necessary to determine what can be done. President Van Berkem concurred

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205 with Director Eagan's comments and asked staff what type of resources would be brought into this. Mr. Smith
206 stated that as part of the development proposal, the District can assess fees to cover the consultant costs to assist
207 with the process.

208 **PUBLIC COMMENT**

209 Mr. Tavan stated that the District really does not need to invite the public. The District is going to enter into a
210 discussion with Clear Capital. If there is someone out there that wants to talk to the airport they will. He added
211 that the District should do a press release and just make it visible.

212 Mr. Smith stated that within the next few days he will issue something that states that the District is entertaining
213 options for land leasing on airport property. What may happen is that Clear Capital may decide they want look at
214 a different piece of property at the airport. Mr. Smith will update the Board as to interest in land leasing after the
215 notice goes out at the October 25, 2012 Board meeting. After the notice has been distributed for a few weeks,
216 then the District can begin its negotiations with Clear Capital.

217

218 **RESTATED AMENDMENT #1 MOTION #5 SEP-27-12:**

219 Director Morrison moved that the District enter into a 180 day right to negotiate (removed "exclusive") with
220 Clear Capital to determine the feasibility of developing a Clear Capital campus on airport property right after it is
221 publicly announced that the District is doing so. Vice President Jones seconded the motion. Vice President Jones,
222 Directors Eagan and Morrison voted in favor of the motion. President Van Berkem and Director Hetherington
223 opposed the motion. The motion passed.

224 President Van Berkem stated that he was very disappointed with the Board's decision. Director Morrison's
225 motion states that the District is going into negotiations with Clear Capital and not what Mr. Smith has stated is
226 going to occur.

227 Mr. Smith stated that the District will issue notice for approximately 2 weeks to the public that the District is
228 entertaining land leasing options. It is the developer's responsibility to explore grant assurances, airport incurred
229 costs for sustainability and market analysis, zoning compatibility with the Town and the County and they have 180
230 days to research and produce a proposal that meets these requirements.

231 Director Eagan requested clarification from staff that the advertisements and any article that might be written,
232 clearly state that the District is entertaining options and anyone willing to submit a proposal should discuss their
233 proposal with staff. She asked if staff felt constrained to being able to say that in the advertisement. Mr. Smith
234 stated that would not be a problem and that he would circulate the public notice to the Board before it is issued.

235 **MOTION #6 SEP-27-12:**

236 Director Morrison moved that the District enter into a 180 day right to negotiate with Clear Capital to determine
237 the feasibility of developing a Clear Capital campus on airport property. In addition, that the District notice for a
238 period of two weeks that the District is entertaining land leasing options on airport property. Conditionally it is
239 the developer's responsibility to explore grant assurances, airport incurred costs for sustainability and market
240 analysis, zoning compatibility with the Town and the County and they have 180 days to research and produce a
241 proposal that meets these requirements. Motion died for lack of second.

242 President Van Berkem stated that there needs to be transparency and that it is important to make
243 announcements to the public the District's intentions to entertain proposals for land leasing prior to beginning
244 negotiations with Clear Capital.

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245 **MOTION #7 SEP-27-12:**

246 Vice President Jones moved that the District notice to the public the District's intentions to entertain proposals for
247 development on airport property two weeks prior to noticing that the District is entering into negotiation with
248 Clear Capital to determine the feasibility of developing a Clear Capital campus on airport property. Conditionally
249 it is the developer's responsibility to explore grant assurances, airport incurred costs for sustainability and market
250 analysis, zoning compatibility with the Town and the County and they have 180 days to research and produce a
251 proposal that meets these requirements. Director Morrison seconded the motion. President Van Berkem, Vice
252 President Jones, Directors Eagan, Hetherington and Morrison voted in favor of the motion. The motion passed.

253 **PUBLIC COMMENT**

254 Mr. Greg Jellinek stated that everyone is concerned about transparency. Someone needs to say that the
255 negotiation with Clear Capital is not an exclusive deal. That needs to be emphasized. The public needs to know
256 that.

257 **GENERAL MANAGER'S PERFORMANCE REVIEW PROCESS**

258 President Van Berkem stated that he has distributed the Performance Review forms to the Board. He is
259 requesting that Board members return completed forms to him by October 16, 2012.

260 **PUBLIC COMMENT:** None

261 **GENERAL MANAGER'S REPORT**

262 Mr. Smith updated the Board on his outreach efforts in the community. Staff is still waiting for some information
263 and a timeline from the plaque manufacturer for the community park. The dedication date is still to be
264 determined. The District has submitted the necessary forms to the FAA to change the runway load bearing from
265 60/100 to 50/80 for Runway 10/28 (to be 11/29) and 12,500 to 35/50 for Runway 1/19 (to be 2/20). This update
266 will also change the District's runway numbers to 11/29 and 2/20 and add language requiring a Prior Permission
267 Request for aircraft over the airport's weight limit. Once approved, the information will appear in airport
268 publications within 45 days. The District is currently working with the Alder Hill Homeowner's Association on an
269 access agreement. There are a couple of issues that are being worked on with a few of the property owners
270 however, there is progress. Runway 11/29 should be open today. Staff is checking the runway lighting prior to
271 opening the runway for use. The project came in under budget. The Forester has completed the draft Forest
272 Management Plan which is currently under staff review. The Forester will present the updated plan to the Board
273 at either the October 25th or Nov. 29th 2012 Board meeting. The last Board meeting of the year will be held on
274 November 29, 2012. The Holiday Party is scheduled for December 1, 2012. Staff is still working on the location
275 for the event. The Ad Hoc Engineering Selection Committee has reviewed the RFQs submitted by interested
276 engineering firms. Three local engineers will give a brief presentation at the October 25, 2012 Board. In addition
277 C & S Companies and Reinard Brandley Consulting Airport Engineer will be presenting as candidates for Aviation
278 Specialized Engineers. Mr. Smith also reviewed the Project Tracking List with the Board.

279 **PUBLIC COMMENT:** None

280 **INTERNAL CONTROL REVIEW**

281 Director Hetherington detailed her Internal Control Review report with the Board.

282 **PUBLIC COMMENT:** None

283 **BOARD MEMBER ANNOUNCEMENTS:** None

284 **PUBLIC COMMENT:** None

285 **ADJOURN**

286 **MOTION #8 SEP-27-12:** Director Morrison to adjourn. Vice President Jones seconded the motion. President Van
287 Berkem, Vice President Jones, Directors Eagan, Hetherington and Morrison voted in favor of the motion. The
288 motion passed.

289 At 11:57 a.m. the September 27, 2012 regular meeting of the Truckee Tahoe Airport Board of Directors
290 adjourned.

DRAFT