

TRUCKEE TAHOE AIRPORT DISTRICT
BOARD OF DIRECTORS AGENDA ITEM SUMMARY

Topic: Runway Café Lease Assignment

Purpose	Information:	Guidance:	Decision: X
Recommendation	Ratify the execution of the Assignment of Leases and Consent Thereto.		
Last Action	<p>The District entered into 2-4 year Leases to Runway Café, LLC in March, 2009. The “main” Lease was for the deli and the second Lease was for the upstairs office area in Hangar 2 for office and administrative purposes. Amy Burke, on behalf of Runway Café, LLC, gave written notice on April 30, 2012 that she would be closing her deli business and vacating both of the leased properties. She indicated that she would cooperate with a transition to a new operator. After that Notice, the compressor went out on the new walk-in refrigerator (which is covered under warranty and has been replaced and repaired). However, due to that failure, all of Amy’s refrigerated inventory spoiled and could not be used, so she vacated the deli. At the April 18 Special Board Meeting, the Board indicated a strong desire to re-open the deli as soon as practicable.</p>		
Discussion	<p>Staff made inquiries to various local food service providers including Wild Cherries, Diego’s and North Tahoe Catering. Runway Café worked with Lawrence Abney, dba Big Red Truck to assume the existing lease to operate the deli (and occupy the office space)</p> <p>The remaining term of the lease expires on February 28, 2013. It is made clear in the Assignment and Consent Agreement that Mr. Abney is only entitled to the remaining term of the existing Lease and that Request for Proposals and a full vetting process with other interested providers will take place before a new Lease is negotiated. Due to the deli being the only realistic food source at the airport, the fact that we are entering the busy summer season, the use of the deli by both aeronautical users and the general public and the fact that the Lease expires in approximately 9 months, and the Board’s prior direction to use all reasonable efforts to keep the deli open, the District’s Consent to the Assignment was signed by the General Manager as promptly as possible so that the deli could be opened as soon as possible. Policy Instruction 504 3 B, guidance doesn’t mandate but does provide guidelines that Aeronautical-Commercial SASO Leases are non-transferable. Due to the unique factors noted above, the District proceeded with that Consent and now recommends that the Board ratify this action.”</p>		
Fiscal Impact	The café and office space leases generate \$442/ month.		
Communication Strategy	The District has worked closely with Red Truck during the transition. An e-blast was send to District subscribers on June 11,12012 announcing the opening.		

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Attachments

Lease Assignment and Transfer Agreement.