

TRUCKEE TAHOE AIRPORT DISTRICT
BOARD OF DIRECTORS AGENDA ITEM SUMMARY

Topic: Approval of Memorandum of Understanding (MOU) –
Tahoe City Golf Course Acquisition Participation

Purpose	Information:	Guidance:	Decision: X
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Recommendation Staff recommends the Board of Directors approve the following:

1. Memorandum of Understanding (MOU) between the North Lake Tahoe Resort Association (NLTRA), Placer County, Tahoe City Public Utility District (TCPUD) and the Airport District for the acquisition of the Tahoe City Golf Course
2. Approve expenditure of \$500,000 from Land Acquisition/Open Space Fund, for the purchase of an easement facilitating the future construction of an emergency services helipad as per terms and conditions outlined in the MOU.

Last Action The Board of Directors discussed this item and reviewed the draft MOU at the February 23, 2012 Board Meeting. Various items were discussed and additional information was requested. Staff sent a follow up email to the Board on March 8, 2012 addressing these questions and providing the Board with a final draft of the proposed MOU. The March 8th Memo and associated MOU is attached for your reference.

Discussion The TCPUD reached agreement in late November of 2011 to purchase the Tahoe City Golf Course for \$5 million. The Tahoe City Golf Course, the largest land holding in Tahoe City, has been part of the community since 1917. Five parcels comprising approximately 45 acres make up the golf course property. The TCPUD has worked since then to create this funding partnership, short term operational plans, and negotiate further price reductions. The current estimated purchase price is \$4.7 million. Escrow is expected to close in early April.

While the appraisal only came in at \$3.5 million, it was agreed by the funding partners that the appraisal could not take into account the incomparable qualities of the property as evaluated against any of those used in the comparable sales due to the property's size, proximity to the Lake, proximity to the commercial core, and the location at one of the principal entrances to the Lake Tahoe Basin. The fair market appraisal methodology used in the appraisal is a snap-shot in time during one of the weakest real estate markets in well-over a decade and did not take into account the long term real estate market values in the Tahoe Basin nor several public acquisitions in Tahoe City for prices far greater per acre than the purchase price.

The Airport District's interest in this property has more to do with

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providing an essential public service and less to do with open space preservation. With the approval and construction of a helipad for emergency services, the District will essentially encumber approximately 7 acres of property. The Helipad site itself will require over an acre of property with physical improvements. There will be an additional 3 acres of land around the pad that may have certain land use restrictions as a result of the helipad. In addition, while the golf course is in operation, the District has protected an additional 4 acres of land on the 1st and/or 3rd Fairways as a landing site for distressed aircraft.

In all, the District will have physical facilities and/or encumbrances short and long term on approximately 7 acres of the 45 total acres. At the appraised value of \$76,000 per acre, the MOU participation price of \$500,000 is justified. The District is also a member of the Golf Course Oversight Committee and will have an ongoing voice in the future plans for the property.

Staff has been working with a consulting engineer to provide design and construction costs for the helipad improvements. Our engineer has assured that an FAA/Cal Aeronautics approved facility can be built on the property. We will have construction costs ready for Board review on March 20th. Staff estimates year to year ongoing maintenance costs for this facility to be \$5,000 to \$15,000. If approved, Staff will incorporate this facility into our ongoing pavement maintenance plan.

Fiscal Impact

The District has budgeted \$750,000 for property acquisition in the FY2012 Budget. None of this money has been expended to date but \$325,000 has been committed to the Jones property acquisition along with \$25,000 for the purchase of easements to protect District assets. In addition to funds in the FY 2012 Budget, the District will have an estimated \$2,250,000 unrestricted net asset fund balance at the end of the fiscal year for Land Acquisition. None of this funding is committed.

Communication Strategy

The TCPUD has been actively communicating with their constituency in various public meetings on this proposal. TCPUD and TTAD share the same constituency. The concept of a helipad for emergency services has been discussed in public meetings throughout the process.

Airport staff has also been communicating with potential heliport users regarding site design and usability. As property acquisition becomes more certain, TTAD will begin dialogue with neighboring property owners of intended helipad site.

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Attachments

Final Draft of MOU

March 8, 2012 Staff Memo and associated MOU