



TRUCKEE TAHOE AIRPORT DISTRICT - INTEROFFICE MEMORANDUM

TO: BOARD OF DIRECTORS
FROM: KEVIN SMITH, GENERAL MANAGER
SUBJECT: MEMORANDUM OF UNDERSTANDING (MOU) – TAHOE CITY GOLF COURSE ACQUISITION
DATE: 9/22/2014

Attached to this memo is the latest draft of the MOU detailing our participation in the acquisition of the Tahoe City Golf Course. We have been working closely with the North Lake Tahoe Resort Association (NLTRA), Tahoe City Public Utility District (TCPUD), and Placer County to craft a non-binding agreement which details the interest of all parties and lays out a plan to move forward with the purchase.

This new draft incorporates Board comments along with staff considerations into a new draft of the MOU. The attached draft has been accepted by staff and legal counsel of the various parties and is now quickly moving through the approval process with the County, NLTRA, and the TCPUD. Our three funding partners will have their final approvals completed by March 13th. I indicated to the group at our last meeting on March 5th that my Board will consider the MOU on March 22nd but I let them know that you had reviewed the first draft on February 23, 2012.

My main objective for sending this out early is to assure we have addressed Board comments well before the March 22nd Board Meeting. There is a purchase offer deadline we are working on with the sellers and the sooner we can complete the process the better.

There was some discussion at the Board level regarding profit sharing from the golf course operations or sale of the property. TCPUD did not want to share revenue with funding partners from Golf Course operations unless we were willing to agree to help pay for operational losses. I agree with their position and did not want the District to pay for losses on a golf course in Tahoe City. However, we will share in revenue from the sale of the property if we do not build a helipad and have not already been reimbursed.

So as not to violate Brown Act provisions, if you have questions or comments about the proposed MOU, please contact myself or Brent directly regarding any questions. Please do not discuss it amongst yourselves as this is an action item for the March 22nd Board meeting.

To assist in your review, I have highlighted portions of the agreement that may be of interest or specifically address issues raised by the Board.

Brent and I are working on language regarding the easement acquisition price. We feel we are in good shape to justify our participation level. I will have something for you on that in the Board Book.

Reinard Brandley has completed his design review of the site and we are 100% confident we can build a facility that meets FAA and Cal Aeronautics standards. There are a couple of good sites for the helipad that do not affect golf course operations. Reinard is now working up cost estimates for the various design options he has prepared. I will have pricing and construction costs for the facility on March 20th. We still need approvals from TRPA and Placer County to construct the facility but they are both aware of our intentions. As you can see from the agreement, Placer County is a signatory on the MOU.

In summary, look it over and let us know if you have any questions. As I mentioned earlier, Brent and I have reviewed it in detail and are comfortable recommending approval. This MOU will be followed up with an Easement Purchase Agreement with will be binding and final. Much of what is included in this MOU will also be included in the Easement Purchase Agreement.

Thank you for your consideration.