

TRUCKEE TAHOE AIRPORT DISTRICT
BOARD OF DIRECTORS AGENDA ITEM SUMMARY

Topic: Aeronautical Facilities Lease- Sierra Aero

Purpose	Information:	Guidance:	Decision: X
Recommendation	Staff recommends approval of the Sierra Aero lease for Hangar II as attached which includes changes, clarifications, and formatting corrections as discussed at the Oct. 27, 2011 Board Meeting.		
Last Action	The Board reviewed language and policy parameters in the various leases presented at the October 2011 Board Meeting. The Board approved the lease for Clear Capital and Care Flight with the requirement that staff modify language and amend leases so language is consistent. Specific to the Sierra Aero lease, the Board asked staff to clarify required vs. authorized services and investigate insurance requirements to assure they are accurate and adequately cover the District. We also corrected formatting and removed duplicate items. The Board asked that this item be returned for Board consideration at the December 1, 2011 Board Meeting.		
Discussion	<p>Attached you will find the clean copy of the Sierra Aero lease. Staff has incorporated changes as discussed at the October 27, 2011 Board meeting including:</p> <ul style="list-style-type: none"> • Additional language regarding business operations on days adjacent to District holidays. • Clarification of required and authorized aircraft types and limits in Article 3(A), items 7 and 3(B) item 2. • Additional language regarding hangar keepers insurances and verification of limits • Clean up of language in Article 6(B) regarding time of payment • Removal of duplicate item in Article 19(T) and corrected formatting issues. <p>We have reviewed this corrected language with the District insurance provider and our legal counsel. Staff is confident the lease agreement adequately and reasonably allows for a new SASO to begin operations on the airport beginning in February 2012 while protecting the District's interests.</p>		
Fiscal Impact	Monthly Rate: \$1,093. Annual gross profit: \$13,116. This is slightly less revenue than has been generated in previous years, but still covers all District costs associated with this facility and realizes some net revenue. It is staff's hope that as the General Aviation industry begins to recover, this facility will be more in demand as it		

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was in years past.

Staff will be thinking about the long term future of this facility and whether or not multiple SASOs are necessary at TRK. This will be a topic of discussion during our upcoming Master Plan discussion particularly as it relates to services we provide and airport development alternatives.

Communication
Strategy

N/A

Attachments

Sierra Aero Lease
