



Pierce County

Performance Audits

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To: Performance Audit Committee

From: Rick Talbert

A handwritten signature in black ink, appearing to be 'RT' with a flourish.

Re: Thun Field Airport Issues

By budget proviso, the Council required a performance audit of the Thun Field hangars, buildings, and other structures owned by Pierce County before Public Works is permitted to expend more than \$50,000 on consulting design work for hangar renovation and related work.

By further budget proviso, the Council directed that an appropriate amount of the budget be used to create a plan to market property at Thun Field for commercial development. The plan is to be presented to the Council by March 31, 2007. The plan is to include analysis of the capital investments needed to enhance the marketability of Thun Field property, including but not limited to road and sewer improvements.

In November of 2006 W&H Pacific completed a study for Public Works that examined the condition of the county-owned hangars and made recommendations on their replacement or refurbishment. The study also evaluated whether the county should continue to own the hangars or have them privately owned with land leases to the county.

The W&H Pacific study concluded that the best course of action is for the county to refurbish the existing five county-owned hangars, construct two new hangars, and build a small administration building. According to the report, this approach would result in a positive cash flow of \$6,405,464 after 40 years. From a fiscal point of view this was among the most favorable options.



In gathering information and preparing for a Request for Proposals, we discovered that the question posed in the proviso calling for a performance audit did not take into consideration the following two issues:

1. Much of the work called for in the proviso has already been accomplished or is currently underway. The W&H Pacific study contains relevant information that should be considered.
2. The underlying policy question, which has not been decided, is whether the airport should be treated solely as an enterprise fund or supported in some degree by taxes.

We want to hear from Public Works on these matters before making firm recommendations.

One possible course might be for the Performance Audit Committee to recommend to the Council that the performance audit on hangar renovation issues be delayed or the topic reformulated until the other related studies have been completed and the underlying policy question has been decided.

POST SCRIPT

After discussion of this memo at the Council's budget retreat in February 2007, the topic was referred to the Council's Economic Development and Infrastructure Committee, and the audit project was terminated.