

**CITY OF PALMER
ACTION MEMORANDUM NO. 13-042**

Subject: Authorize the City Manager to Negotiate and Execute an Agreement with CIG LLC for the Lease of Approximately 1.48 acres of land on Yukon Drive at the Palmer Municipal Airport

Agenda of: September 24, 2013

Council Action: Authorized

Approved for presentation by:

City Manager *J Douglas B. Griffin*
City Attorney *[Signature]*
City Clerk *[Signature]*

Certification of Funds:

Total amount of funds listed in legislation:	\$ <u>3,301</u>
This legislation (√):	
<input type="checkbox"/> Has no fiscal impact	
Creates:	
<input type="checkbox"/> A negative fiscal impact in the amount of:	\$ _____
<input checked="" type="checkbox"/> A positive fiscal impact in the amount of:	\$ <u>3,301</u>
<input type="checkbox"/> Funds are budgeted.	
Funds are budgeted from this (these) line item(s):	
a) ➤	\$ _____
b) ➤	\$ _____
a) Funds originally budgeted in line item :	\$ _____
Difference in budgeted funds:	\$ _____
b) Funds originally budgeted in line item :	\$ _____
Difference in budgeted funds:	\$ _____
<input type="checkbox"/> Funds are not budgeted.	
Budget amendment required in the total amount of:	\$ _____
Affected line item(s):	
➤ 03-00-00-3431	\$ <u>3,301</u>
➤	\$ _____
➤	\$ _____
<input type="checkbox"/> General fund unassigned balance (after budget modification)	\$ _____
<input type="checkbox"/> Enterprise unrestricted net position (after budget modification)	\$ _____
Director of Finance signature certifying funds:	<u><i>[Signature]</i></u>

Attachment(s):

- Site Plan

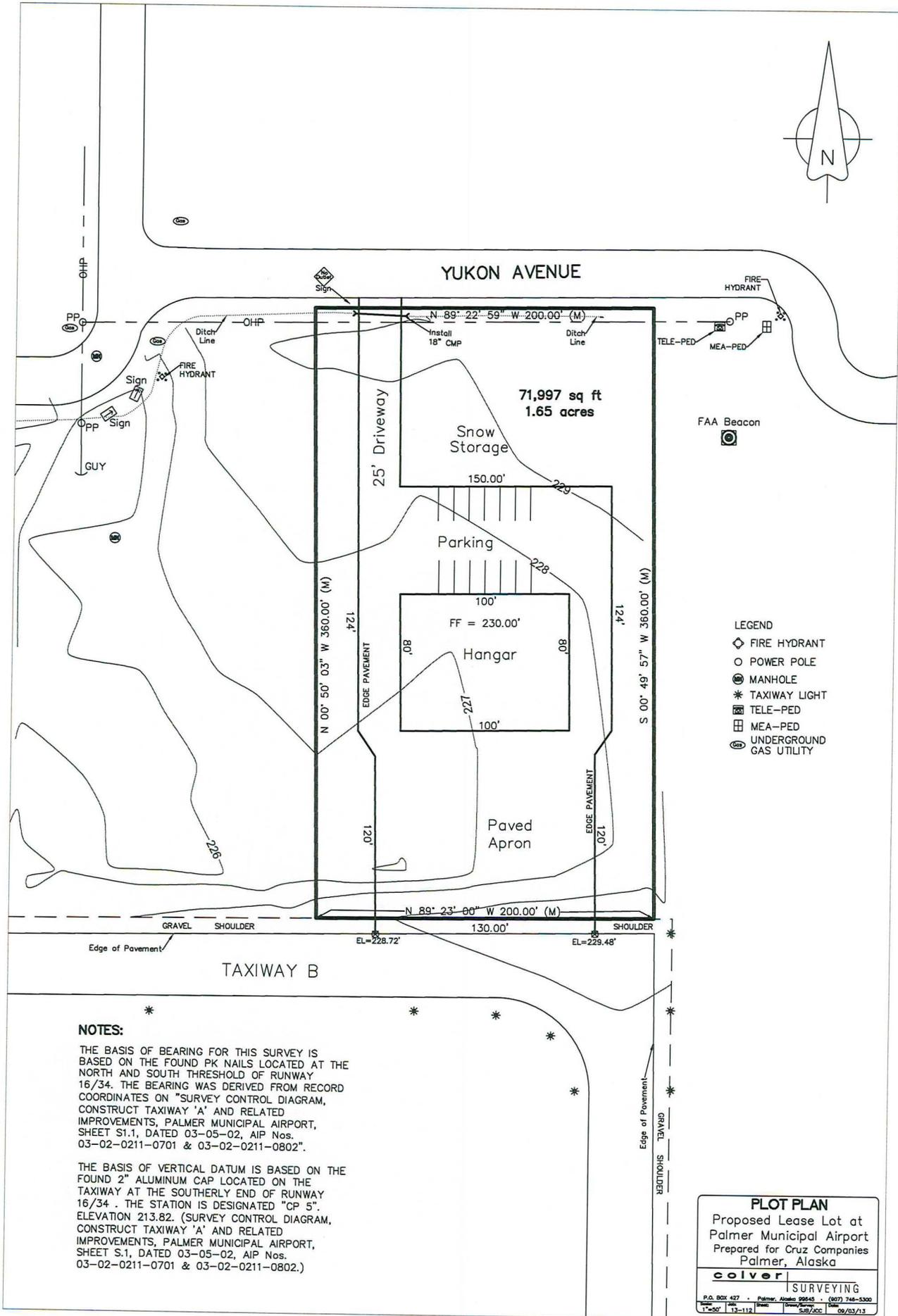
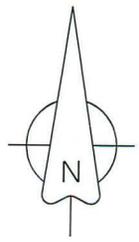
Summary statement: Cruz Investment Group (CIG LLC) has applied to lease a lot at the Palmer Municipal Airport for the site of a hangar for their corporate aircraft. The lot, located on Yukon Street, is immediately south and east of the intersection of Yukon Street and Airport Road. The site, depicted in the attachment, has been professionally surveyed and shown to be 64,719 square feet, or 1.48 acres.

The administration is recommending that the lease be for a period of 20 years with an option for a 20 year renewal. CIG LLC will make a considerable investment in improving this property, including the construction of a hangar (80 feet by 100 feet) with administrative office space; construction of an apron (120 feet deep by 130 feet wide) fronting Taxiway B; paved parking lot, and pavement of 25 feet around the hangar; exporting of 6,000 yards of dirt; importing of 10,000 yards of gravel; extension of 120 feet of 6 inch water line and 120 feet of 4 inch sewer line. Civil work alone is projected to cost at least \$200,000.

The aircraft, not yet purchased, will fall under the current weight restriction of 12,500 pounds for runway 9/27.

The administration is recommending the lease rate be set at \$.051 per square foot per year. This is based on the 2010 appraisal by Eric Follett & Associates of similar airport properties. In 2012, the City hired Eric Follett to update one appraisal of airport land. The updated appraisal came in unchanged from 2010.

Administration recommendation: Approve action memorandum 13-042.



- LEGEND**
- ◊ FIRE HYDRANT
 - POWER POLE
 - ⊙ MANHOLE
 - * TAXIWAY LIGHT
 - ⊞ TELE-PED
 - ⊞ MEA-PED
 - ⊞ UNDERGROUND GAS UTILITY

NOTES:

THE BASIS OF BEARING FOR THIS SURVEY IS BASED ON THE FOUND PK NAILS LOCATED AT THE NORTH AND SOUTH THRESHOLD OF RUNWAY 16/34. THE BEARING WAS DERIVED FROM RECORD COORDINATES ON "SURVEY CONTROL DIAGRAM, CONSTRUCT TAXIWAY 'A' AND RELATED IMPROVEMENTS, PALMER MUNICIPAL AIRPORT, SHEET S1.1, DATED 03-05-02, AIP Nos. 03-02-0211-0701 & 03-02-0211-0802".

THE BASIS OF VERTICAL DATUM IS BASED ON THE FOUND 2" ALUMINUM CAP LOCATED ON THE TAXIWAY AT THE SOUTHERLY END OF RUNWAY 16/34. THE STATION IS DESIGNATED "CP 5". ELEVATION 213.82. (SURVEY CONTROL DIAGRAM, CONSTRUCT TAXIWAY 'A' AND RELATED IMPROVEMENTS, PALMER MUNICIPAL AIRPORT, SHEET S.1, DATED 03-05-02, AIP Nos. 03-02-0211-0701 & 03-02-0211-0802.)

PLOT PLAN
 Proposed Lease Lot at
 Palmer Municipal Airport
 Prepared for Cruz Companies
 Palmer, Alaska

colver SURVEYING

P.O. BOX 427 - Palmer, Alaska 99645 - (907) 746-5300
 Date: 03/13/12 Scale: 1"=50' Sheet: 13-112 Drawn/Checked: SJS/ACC Date: 09/03/13

**PALMER MUNICIPAL AIRPORT
LAND LEASE APPLICATION FORM**

1. Applicant Name: CIG LLC
2. Lessee Name: _____
(If different than Applicant)
Address: 3852 N. CLARK WOLVERINE RD
PALMER AK 99645
Phone: 907 373-8209
E-mail (optional): dcruz@cruzconstruct.com

3. Type of Business: Partnership Sole proprietorship LLC
 Corporation Government Other

If business entity is not a sole proprietorship, provide a separate sheet of paper and list of all partners, shareholders, members, etc. of entity. These persons will each be required to sign as guarantors of the Lease.

4. Proposed use of the Lease Area:

hangar with offices

5. Airport lot requested to lease: 13-14
If requested lot is not available, list other lot(s) preferred: _____
6. Lease term requested, in years (20 plus 20 years maximum): 20 plus 20
7. Rental rate proposed: six cents per square foot per year.

8. SITE DEVELOPMENT:

Month and year plans and specification submitted 09-13

Month and year construction to start 09-13

Month and year construction to be completed 08-14

Cost estimate of proposed building improvements 850,000

Cost estimate of proposed site improvements 190,000

(See Section 2.11 of the Airport Lease Agreement regarding performance guarantee requirements and Section 4.3 for Insurance requirements.)

9. Size of hangar (s): _____ square feet. 100 x 80 8000 s.f.
Size and type of Other Structures:
Size: _____; Type: _____
Total area of asphalt paving": _____ square feet. 31,150 s.f.

SITE PLAN: Attach a site plan drawn to scale that includes, at a minimum, the following information.

- Vehicle access and parking areas
- Areas to be paved
- Location and dimension of building(s) to be constructed. Plan must indicate building height and type of construction.
- Aircraft access and parking/tie-down areas.
- Location of utilities on the leased lot.
- Snow storage areas.

SUBMITTED BY:

Mark Lacrosse
Signature

8-27-13
Date

MARK LACROSSE (AGENT)
Printed Name

