

Attachment(s):

- Site Diagram

Summary statement: In late 2009 the City advertised the property for rent seeking a minimum bid of \$500 per month. This produced no results. A few months later, Jim Hill offered to lease the building for the minimum bid. In May 2010, the City Council authorized the City Manager to enter into a three month lease of the property known as the "Old Woods Hangar" with Mr. Hill. The lease has been continued on a month-to-month basis since. The administration is recommending that the City enter into and negotiate a lease for this property with Mr. Hill for a period of five years. The building lease includes the lease of a 250 feet by 140 feet lot surrounding the building. The lease of this property does not hinder access to the land to the east in any way.

Since the inception of the lease, Mr. Hill has repaired the hangar door, restoring it to an operational bi-fold door. He spliced three sections of 4" X 5" X20' square tubing to repair a hole that was cut by the city to allow the hangar to be used in time past as a storage area.

Further, he added about ten internal stringers to support the door. He ground down or cut all of the welds on the door which had prevented it from opening. He spent approximately \$4,000 for the steel, and expended about 100 hours in labor. He replaced the motor used to raise the door at a cost of \$350. He spent \$2,500 on electrical work to bring part of the hangar up to the building code. He has built new work benches and storage areas to make the space suitable for aircraft repair; is filling in gravel around the door to assist in proper drainage.

In the future he plans to paint the building and waterproof the roof; to reinforce interior walls with all-weather wood; and to install siding on the addition.

PMC 3.20.90 (E) allows for a waiver of public notice and lease auction under the following circumstances: "The council may waive the requirement of public notice and auction for a lease of property on which substantial improvements are to be placed, or have been placed, when the council, in its discretion, determines from the circumstances of the transaction, the size, location, nature, rentals, terms, proposed use and purpose of the property that a negotiated lease of the property would not substantially affect the fair rental value of the property."

The administration believes that Mr. Hill's improvements (past and planned) to the Old Woods Hangar meet the requirements described in this code section for waiver of the public notice and lease auction.

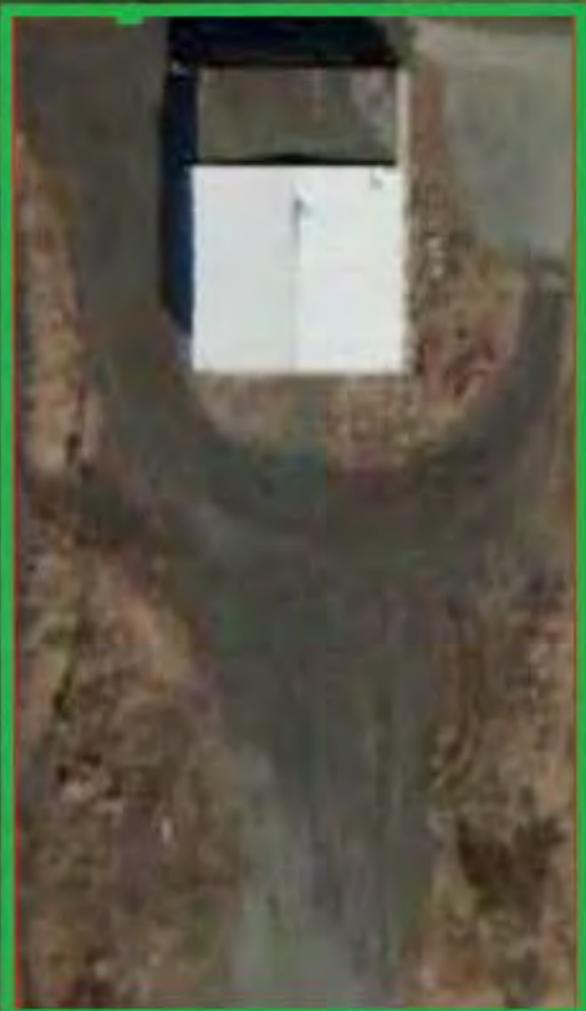
The administration is recommending the lease rate be set at \$500 per month. This rate is recommended due to the fact that the public notice (2009) which set a minimum lease rate of \$500 per month produced no results; and (2) Mr. Hill has leased this facility since May 2010, has performed building improvements, and plans future improvements.

The lease will be for aeronautical purposes.

Administration recommendation: Approve action memorandum 13-081.



140 feet



250 feet



Google earth