

	Approved	Denied
Date Action Taken:	11/8/10	
Other:		
Verified by:	<i>[Signature]</i>	

**WASILLA CITY COUNCIL ACTION MEMORANDUM**

**AM No. 10-31**

**TITLE:** APPROVAL OF 30 YEAR LEASE AGREEMENT FOR LOTS 17 AND 18, NEW WASILLA AIRPORT LEASE LOTS FOR HANGAR BUILDINGS GREATER THAN 10,000 SQUARE FEET.

**Agenda of:** November 8, 2010  
**Originator:** Public Works Director

**Date:** October 27, 2010

Route to:	Department	Signature/Date
X	Public Works Director	<i>[Signature]</i> 10/27/10
X	Finance Director	<i>[Signature]</i> 10/27/10
X	Deputy Administrator	<i>[Signature]</i>
X	City Clerk	<i>[Signature]</i>

**REVIEWED BY MAYOR VERNE E. RUPRIGHT:** *[Signature]*

**FISCAL IMPACT:**  yes \$ or  no Funds Available  yes

**Account name/number:**

**Attachments:** Lease Application

**SUMMARY STATEMENT:** Wasilla Municipal Code 5.32.120 requires City Council approval for airport leases that are greater than 10 years and for buildings greater than 10,000 square feet. The Wasilla Municipal Code also requires Planning Commission approval for structures greater than 10,000 square feet in industrial zones. The Planning Commission approved the use of Airport Lease Lots 17 and 18 for 15,000 square foot hangars at the October 26, 2010 meeting. The lease application is now being presented by Matthew Goettemoeller for City Council Approval.

Mr. Goettemoeller is proposing a partially enclosed T-Hangar type structure to provide a lower cost hangar for the market. Currently pilots have two options, renting a tie down space for \$40 per month or fully enclosed hangar for \$500 per month. Mr. Goettemoeller believes there is a market for partially enclosed hangars at \$200 per month. The administration believes this is a viable project to attract more users and development at the airport.

**STAFF RECOMMENDATION:** Authorize 30 year lease agreements for Lots 17 and 18, New Wasilla Airport Lease Lots for hangar buildings greater than 10,000 square feet.

**GOETTEMOELLER**

**APPLICATION FOR LEASING  
AIRPORT LAND AT THE WASILLA  
MUNICIPAL AIRPORT**

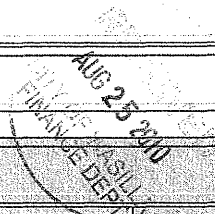
PUBLIC WORKS  
 Itemization Form-

Print Form

Na  
 Bu  
 Ma  
 Pro  
 Sul

BOETTENDELLER Date 8-25-10

City of Wasilla  
 \*\*\* CUSTOMER RECEIPT \*\*\*  
 Oper: CASHA Type: OC Drawer: 1  
 Date: 8/25/10 01 Receipt no: 4206



Description	Quantity	Amount
MS MISCELLANEOUS	1.00	\$25.00

Block	Lot / Tract
-------	-------------

G/L account number:  
 33043003561000

BOETTENDELLER, MATTHEW  
 AIRPORT LEASE APPLICATION  
 KB

Tender detail  
 CK CHECK 1214 \$25.00  
 Total tendered \$25.00  
 Total payment \$25.00

Trans date: 8/25/10 Time: 9:19:14

\*\*\* THANK YOU FOR YOUR PAYMENT \*\*\*

DESCRIPTION	AMOUNT
not paid on deposit	

8B	SEWER PILA CHARGE	
FC	SEWER GRANT APPLICATION FEE	
S2	CONSTRUCTION WATER	
P9	WATER MAIN EXTENSION DEPOSIT **Interest not paid on deposit	
FB	WATER CONNECTION CHARGE	
8A	WATER PILA CHARGE	
CA/CS <small>no tax - w/tax</small>	WATER METER CHARGE	METER #
	MODEL #	ORION #
	SIZE	TRACE #
CD/CB <small>NO TAX - W/TAX</small>	WATER MERCHANDIZING/JOBING	
	AIRPORT LEASE APPLICATION	\$25.00
C8	PLANS/SPECIFICATIONS	
	NAME OF PROJECT	
TX	TAX	
		TOTAL \$ 25.00

Check # 1214 Cash \$ Credit Card \$ By: [Signature]

Customer Verified By:

# Goettemoeller Airport Lease Application CONTENTS

**The following documents are included within this application to lease airport land at the Wasilla Municipal Airport:**

- |                                       |                |
|---------------------------------------|----------------|
| 1. Airport Property Lease Application | 3 Pages total  |
| 2. Business Plan                      | 4 Pages total  |
| 3. Building Layout Plan               | 1 Page (11x17) |

## CONTACT INFORMATION

If you have any questions or require further information, please don't hesitate to call me at (907) 646-3934.

Thank you in advance for your time and consideration.



Matthew W Goettemoeller  
4003 Resurrection Drive  
Anchorage, Alaska  
99504

APPLICATION

AIRPORT PROPERTY LEASE

(1) Name of Applicant Matthew W. Goettemoeller  
Name of Business To be determined  
Mailing Address 4003 Resurrection Dr  
Anchorage, Alaska  
Phone and Fax #s (907) 646-3934

(2) Application is for Lease Lot Number 17 & 18. If you will accept another lot, please list that number \_\_\_\_\_.

(3) If applicant is a Corporation or Partnership, list the Principals.

Name <u>Not Applicable</u>	Name _____
Address _____	Address _____
Phone _____ fax _____	Phone _____ fax _____
Name _____	Name _____
Address _____	Address _____
Phone _____ fax _____	Phone _____ fax _____

(4) Describe the specific type of business activities to be conducted on the lease property: Shade Port type aircraft storage for 13 aircraft on each lease.

- (4) Describe the specific type of business activities to be conducted on the lease

property: See last page

---

---

---

---

APPLICATION AIRPORT  
PROPERTY LEASE  
Page 2

- (5) Attach a scale drawing of the requested lot and depict the location and size, including heights of any buildings proposed to be constructed or placed on the leased lot.

See attached 11x17 drawing

NOTE: Some lots have a B.R.L. (building restriction line) beyond which no portion of a building may extend.

Depict the proposed location of sewer and water facilities, if any.

- (6) Describe the type of structure, the dollar value and type of materials proposed for the structure.

The Shade Ports will be standard  
T Hangar type buildings without  
walls or hangar doors. The Shade  
Ports will be all metal construction.  
Preliminary estimates for the total  
cost of construction for each  
Shade Port is \$167,500.

(7) Date construction is estimated to commence is: See below

Date construction is estimated to be complete: See below

(8) Provide a written business plan including capital investments, services to be provided and number of employees.

See attached business plan.

(7) Cont.

Construction to commence in early Spring of 2011, with the possibility of breaking ground this fall.

Two-thirds of the first building to be completed by summer of 2011

# Goettemoeller Airport Lease Application

## BUSINESS PLAN

### Introduction

Current options for aircraft storage in the Anchorage/Wasilla bowl are extremely limited. Private owners of small single engine aircraft are compelled to decide between storing their investment on an inexpensive outdoor tie-down space, or opt to spend \$700 or more per month to store their aircraft inside of a heated hangar. I would like to fill the void that currently exists between these two options by constructing two 15,000 sq ft Shade Port Hangars at the Wasilla airport.

### Background

As an owner of a small aircraft in the Anchorage area, I am familiar with how much time it requires to maintain an aircraft that resides outdoors. I would say that I easily spend more time removing snow and ice from my aircraft and tie-down area than I do actually flying during the winter months.

After looking around last year for some hangar space, I realized that none could be found for much less than around \$700/mo. I also realized that a finished hangar offered me substantially more than what I really required; heat that I would not be able to justify turning on for an aircraft which only flies a few times a month, concrete floors which only get worked on once a year during an annual, and running water, which would do little more than require that the heat be kept on to keep the water from freezing up.

It then occurred to me that there would probably be a real demand for a simple Shade Port; a structure which would not require heat, insulation, or running water, and would offer the basic necessity of keeping snow, ice, rain, and sun off of an aircraft. With these basic advantages, an owner would be able to reduce winter maintenance to running a block heater with an engine cover and utilizing wing covers to combat frost. Also, an owner would no longer have to worry about that once a year large dump of snow falling while he was gone for the holidays.

### Lot Layout

The proposed building layout plan is as shown on the attached 11x17 drawing. After reviewing the available lease lots it was decided that only Lease Lots 17 and 18 would be suitable for the construction of a large Shade Port structure. Wasilla's building setback requirements of 10' from side lot lines indicate that both Lots 17 & 18 can support the construction of a Shade Port 294'L x 51'W (15,000 sq ft). It should be noted that this size of structure would stand only 11'6" from each side lot line.



## **Utilities**

The only utility to be brought into the building is sufficient power to run lighting and receptacles.

## **Structure**

The proposed structure is an all-metal, standard T Hangar design. The structure will utilize a gravel floor with poured cement under each support. The structure will be built sturdy enough to withstand a 100MPH wind load and a static snow load of 60 lbs/sq ft. Roof pitch will be standard 1:12. The structure will be built sturdy enough to support the installation of Bi-fold doors even though there is no immediate intention to have them installed. Bay height is planned to be 16', which should put the roof peak at just below 20' above grade.

## **Target Market**

My target market will consist of three different groups of people. The first is the group which are currently utilizing tie-downs but spend excessive time caring for their investment by removing snow and ice almost daily, regardless of whether or not they actually fly their plane. This group is very concerned with the care of their airplane and would opt for a heated hangar if they only possessed the disposable income.

The second group is those which are currently renting hangar space but whom are having a hard time justifying the ongoing expense.

The third group is those whom simply cannot care for their airplane due to economic or physical reasons and are having a hard time keeping the snow off of the wings during the winter. This group of people would also include those whom are forced to move out of state and need a place to store their aircraft until it can be sold or brought with them.

## **Phased Construction Plan**

To minimize my total initial investment, as well as to delay some of the building costs to a later date, I am planning on immediately building roughly 2/3 of the Shade Port on Lot 17 as shown on the attached 11x17 drawing. As these spaces fill up, and a cash flow develops, I will then complete the construction of the Shade Port on Lot 17. The idea is to not construct a large Shade Port that may end up sitting empty for a long period of time in the unlikely event that there is not currently a large demand for this type of storage.

After the Shade Port on Lot 17 is fully rented out, and a positive cash flow is developed, I would then like to begin construction on the second Shade Port on Lot 18. The construction of the second Shade Port will double the income potential of the entire investment while introducing only marginal increases in maintenance, snow removal, and

operating costs, therefore I am fully intending on constructing both buildings just as rapidly as they can fill up with aircraft.

### **Terms of Lease**

- **Lot 17**

I would like to commit to a 30-year lease for lot 17.

- **Lot 18**

I would like to commit to a 2-year lease for lot 18. At the two-year mark, I would then like to be given the option to either be released from the lease, or extend the lease for an additional 28 years. I believe that two years should be sufficient time to recognize the true demand for these types of buildings, at that time I will be in a much better position to decide whether or not to pursue building the second Shade Port on lot 18.

### **Capital Investment**

Preliminary estimates for the total cost of construction for each Shade Port is roughly \$167,500 per structure. This breaks down as follows:

\$100,000 for the structure itself  
\$5,000 for foundation cement to support pillars  
\$5,000 site prep  
\$2,500 to provide electric lights and receptacles to each space  
\$15,000 for labor  
\$40,000 for shipping to Alaska

### **Gross Income**

The only similar storage I can find is located in Soldotna, Alaska. Rent there is currently \$150 per month. I am anticipating that the larger population density around the Wasilla area should allow me to charge at least \$150 per month for each space.

### **Employees**

I do not expect to require any employees other than for snow removal and general building maintenance.

### **Services To Be Provided**

The only service to be provided is shade port rental space for aircraft. One future possibility is to enclose and finish out one of the larger end unit spaces into a hangar in

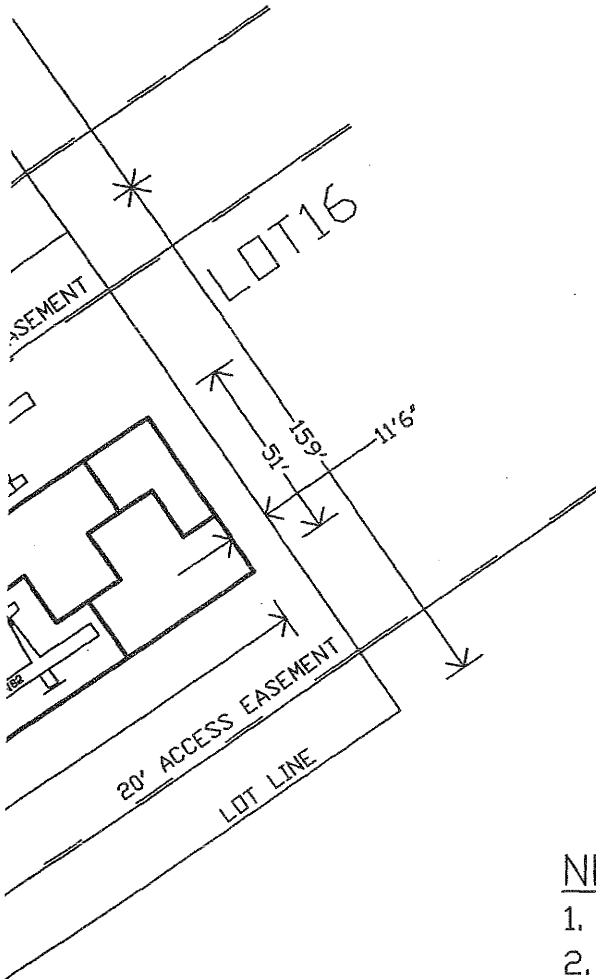
which the owners could rotate their planes thru in order to perform maintenance to their aircraft in a sheltered and heated environment.

## **Backup Plan**

In the unlikely event that there is no demand for open Shade Port aircraft storage, partitions would be added to the structure between all of the bays to protect the aircraft from excessive winds. If this proved unsuccessful in attracting aircraft, then Bi-fold doors would be added to upgrade the entire structure to an Enclosed Unheated T Hangar that would keep the wind and snow drift off of the aircraft. It should be stressed that none of these additions would look like an add-on if they were ever to be completed. These are all finished options for the building I am selecting and they can be added on at any time after the initial construction of the Shade Port.

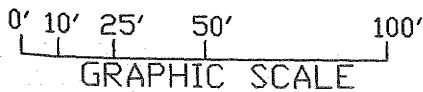
## **Conclusion**

I believe that a large Shade Port building would fit the needs of the general aviation community as well as fit in nicely with the Wasilla Municipal Airport Master Plan. Although I realize that the payback on this investment may not be anything spectacular, I want to proceed with this project, as I believe that it is a sound investment that will not be subject to the booms and busts of the economy. I also would like to have the opportunity to give my fellow pilots a 3<sup>rd</sup> option when it comes to aircraft storage in the Anchorage/Wasilla Bowl.



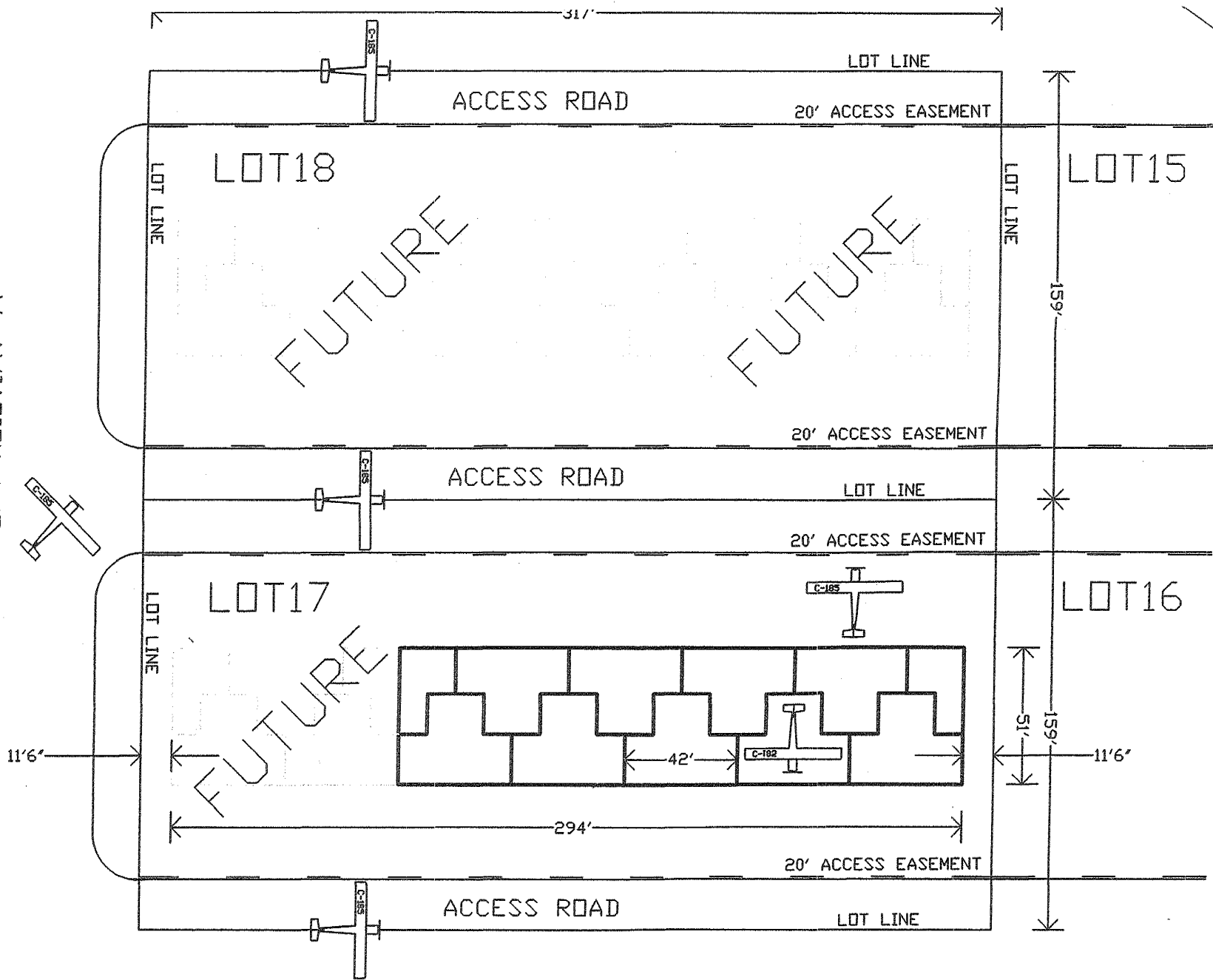
### NOTES:

1. BUILDING PEAK LESS THAN 20' ABOVE GRADE.
2. COMPLETED BUILDINGS TO BE 294'L X 51' W
3. ENDS OF BUILDINGS ARE 11'6" FROM LOT LINES. THIS APPROACHES WASILLA'S BUILDING SETBACK REQUIREMENT OF 10' FROM SIDE LOT LINES.
4. BUILDINGS WILL BE ALL STEEL CONSTRUCTION
5. BUILDINGS WILL BE SHADE PORT STYLE
6. GROUND SURFACE WILL REMAIN GRAVEL
7. CONSTRUCTION WILL ALLOW POSSIBLE FUTURE ADDITION OF BI-FOLD HANGAR DOORS



GOETTEMUELLER AIRPORT LEASE APPLICATION (WASILLA)		
SCALE: SEE GRAPHIC SCALE	AUG 23/2010	REV A

W. AVIATION AVE.



TRACT 6

NOTES:  
1. B/L