

CLERK'S OFFICE

APPROVED

Date: 2-25-03

Submitted by: Chairman of the Assembly  
at the Request of the Mayor

Prepared by: Merrill Field Airport  
For reading: February 11, 2003

ANCHORAGE, ALASKA

AO NO. 2003-42

1 AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY AUTHORIZING  
2 THE LONG TERM LEASE BETWEEN THE MUNICIPALITY OF ANCHORAGE AS  
3 LESSOR AND AERO-METRIC INC., DBA AEROMAP U.S., AS LESSEE OF LOT 7A  
4 BLOCK 2, MERRILL FIELD REPLAT ADDITION NO. 4, LOCATED BETWEEN  
5 RUNWAY 6-24 AND EAST 5<sup>TH</sup> AVENUE.

6  
7  
8 WHEREAS, Aero-Metric Inc., dba AeroMap U.S. (AeroMap) has requested the  
9 use of Lot 7A, Block 2, Merrill Field Replat Addition No. 4 for the construction, operation  
10 and maintenance of a new 12,000 square foot office building and a new 6,000 hangar  
11 facility to house their existing operations; and,

12  
13 WHEREAS, AeroMap, an aviation oriented business, has served the Alaskan  
14 Community since 1960 by providing professional photogrammetric services; and,

15  
16 WHEREAS, AeroMap has provided those services from an existing leasehold at  
17 Merrill Field Airport; and,

18  
19 WHEREAS, the existing 30 year lease at that Merrill Field location expires in the  
20 fall of 2003; and,

21  
22 WHEREAS, the Municipality has elected not to enter into a new long term lease  
23 agreement at that existing Merrill Field location due to its location in reference to the  
24 Closed Municipal Landfill; and,

25  
26 WHEREAS, AeroMap desires to continue providing employment opportunities to  
27 their 60 employees at Merrill Field by relocating their business to a new location on the  
28 Airport; and,

29  
30 WHEREAS, Merrill Field Airport is very supportive of AeroMap's plans and  
31 recommends entering into a new Lease Agreement for the proposed development at  
32 the new location on the Airport; and,

33  
34 WHEREAS, disposal by lease of the real property described will permit  
35 development of Lot 7A by AeroMap, at its own cost and expense which further reflects  
36 a new sense of confidence and revitalization for our locally owned airport thereby  
37 having a positive economic benefit to the Municipality; and

WHEREAS, the current Merrill Field lease rate is consistent for all Merrill Field Airport land leases with like uses and considered to be the market rate for airport properties that are restricted to aeronautical uses; and


WHEREAS, AMC Section 25.30.020 states that disposal of Municipal land shall be by ordinance only; now, therefore

THE ANCHORAGE MUNICIPAL ASSEMBLY ORDAINS:

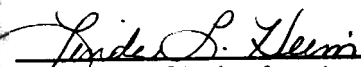
Section 1. The Municipality of Anchorage is authorized to lease Lot 7A, Block 2, Merrill Field Replat Addition No. 4, located within the Anchorage Recording District of the Third Judicial District, composed of approximately 153,547 square feet, to Aero-Metric Inc., dba AeroMap U.S., upon the terms and conditions summarized in Assembly Memorandum No. AM 133 -2003 submitted to the Assembly in conjunction with this ordinance and attached hereto.

Section 2. This ordinance shall take effect immediately upon passage and approval by the Anchorage Municipal Assembly.

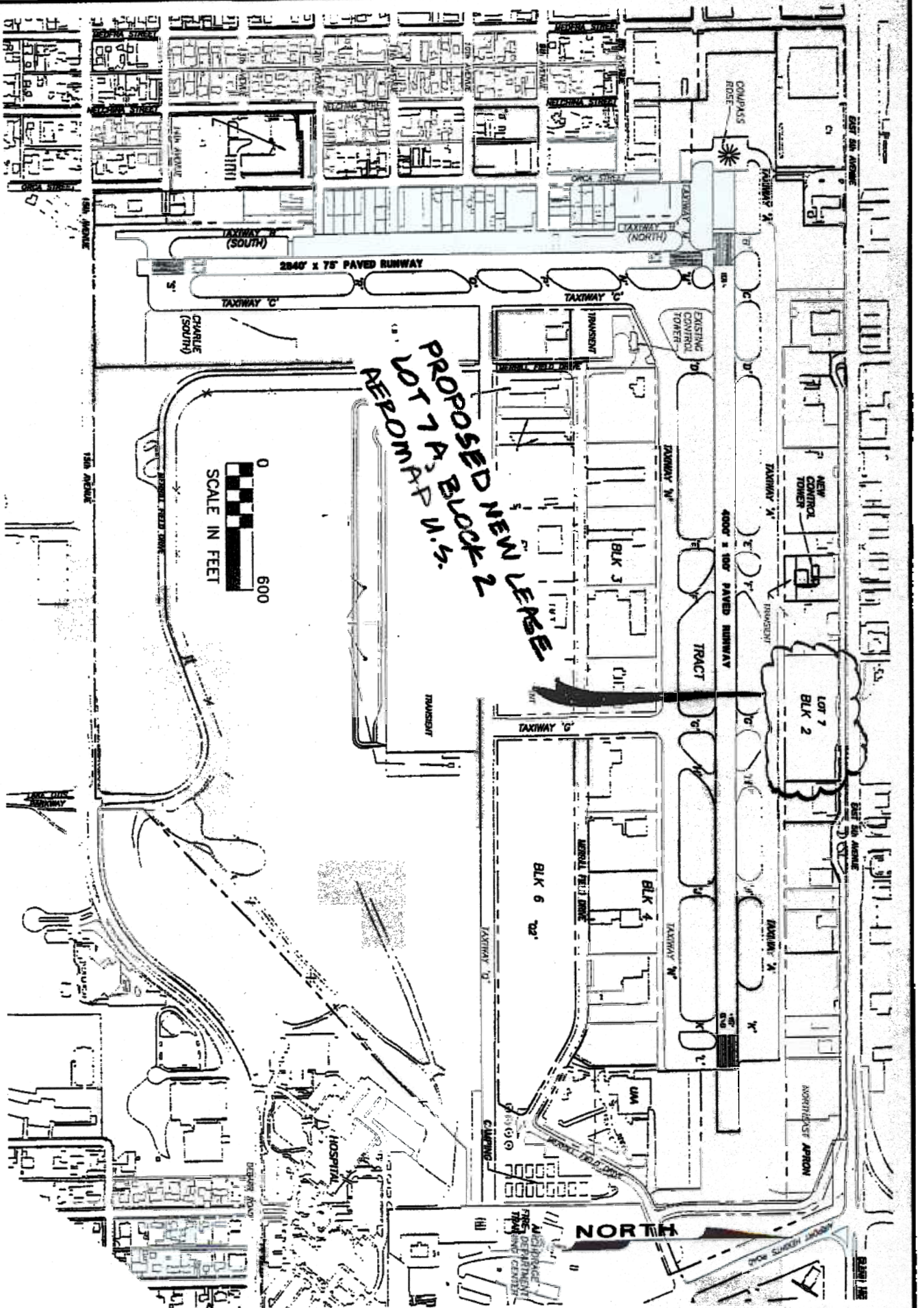
PASSED AND APPROVED by the Anchorage Municipal Assembly this 25<sup>th</sup> day of February, 2003.

  
Chairman

ATTEST:

  
Municipal Clerk (acting)

MERRILL FIELD AIRPORT  
ANCHORAGE, ALASKA



**MUNICIPALITY OF ANCHORAGE**  
**Summary of Economic Effects -- Utilities**

AO Number: 2003-42

Title: New Long Term Lease with Aero-Metric Inc., dba AeroMap U.S., for Lot 7A, Block 2, Merrill Field Replat Addition No. 4

Sponsor: David A. Lundeby  
Preparing Agency: Merrill Field Airport  
Others Impacted: None

**CHANGES IN REVENUES AND EXPENSES:**

(In Thousands of Dollars)

|                                 | <u>FY03</u> | <u>FY04</u> | <u>FY05</u> | <u>FY06</u> | <u>FY07</u> |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|
| Operating Revenues:             |             |             |             |             |             |
| <b>TOTAL OPERATING REVENUES</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> |

**Operating Expenses:**

|                                 |           |           |           |           |           |
|---------------------------------|-----------|-----------|-----------|-----------|-----------|
| <b>TOTAL OPERATING EXPENSES</b> | <b>\$</b> | <b>\$</b> | <b>\$</b> | <b>\$</b> | <b>\$</b> |
|---------------------------------|-----------|-----------|-----------|-----------|-----------|

**Non-Operating Revenues:**

|                                     |           |           |           |           |           |
|-------------------------------------|-----------|-----------|-----------|-----------|-----------|
| <b>TOTAL NON-OPERATING REVENUES</b> | <b>\$</b> | <b>\$</b> | <b>\$</b> | <b>\$</b> | <b>\$</b> |
|-------------------------------------|-----------|-----------|-----------|-----------|-----------|

**Non-Operating Expenses**

|                                     |           |           |           |           |           |
|-------------------------------------|-----------|-----------|-----------|-----------|-----------|
| <b>TOTAL NON-OPERATING EXPENSES</b> | <b>\$</b> | <b>\$</b> | <b>\$</b> | <b>\$</b> | <b>\$</b> |
|-------------------------------------|-----------|-----------|-----------|-----------|-----------|

**NET INCOME (REGULATED)**

**POSITIONS: FT/PT and Temp**

**PUBLIC SECTOR ECONOMIC EFFECTS:**

**No Effects to Utilities:**

Aero-Metric Inc., dba AeroMap U.S., currently has an existing leasehold at Merrill Field Airport that will expire in 2003. The Municipality has elected to not enter into a new lease at that existing location. The referenced Ordinance will provide Aero-Metric Inc., dba AeroMap U.S., a new lease at a new location on Merrill Field Airport. The existing leasehold and the new leasehold are approximately the same square footage and have the same lease rate.

The new lease requires AeroMap to complete leasehold improvements (the construction of a new building at a cost in excess of \$2,000,000) within the first two years of the lease which will expand the existing tax base for General Government.

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**PRIVATE SECTOR ECONOMIC EFFECTS:**

The construction of a \$2,000,000 building will provide business and employment opportunities to the local community.

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Prepared by: David A. Lundeby

Telephone: 343-6303

Validated by OMB: \_\_\_\_\_

Date: \_\_\_\_\_

Approved by: \_\_\_\_\_  
(Director, Preparing Agency)

Date: \_\_\_\_\_

Concurred by: \_\_\_\_\_  
(Director, Impacted Agency)

Date: \_\_\_\_\_

Approved by: \_\_\_\_\_  
(Municipal Manager)

Date: \_\_\_\_\_

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# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

AM NO. 133 -2003

Meeting Date: February 11, 2003

1 From: Mayor

2  
3 Subject: An Ordinance Authorizing the Long Term Lease of Lot 7A, Block 2, Merrill Field  
4 Replat Addition No. 4 to Aero-Metric Inc., dba AeroMap U.S.  
5

6 Aero-Metric Inc., dba AeroMap U.S. (AeroMap) proposes to enter into a Lease Agreement  
7 with the Municipality of Anchorage to acquire a leasehold interest in Lot 7A, Block 2, Merrill  
8 Field Replat Addition No. 4. The new leasehold is located along the north side of Runway  
9 6-24 and is currently being utilized for open aircraft parking. AeroMap is planning to make  
10 considerable improvements to the leasehold, which include the construction, operation and  
11 maintenance of a new 12,000 square foot office building to house all of AeroMap's services.  
12 Leasehold improvement plans also include the construction of a new hangar facility for the  
13 maintenance and operation of AeroMap's four high-tech remote sensing aircraft.  
14

15 AeroMap, an aviation oriented business, has served the Alaskan Community since 1960 by  
16 providing professional photogrammetric services. For most of those years, AeroMap has  
17 provided those services from an existing leasehold at Merrill Field Airport. The existing 30  
18 year lease at that location, 2014 Merrill Field Drive (Lot 4, Block 5, Merrill Field Replat),  
19 expires in the fall of 2003. The Municipality has elected not to enter into a new long term  
20 lease agreement for Lot 4 due to its location in reference to the closed Municipal Landfill  
21 and the potential liability concerns associated with that location. AeroMap desires to  
22 continue providing employment opportunities to their 60 employees at Merrill Field by  
23 relocating their business to a new location on the Airport. Merrill Field Airport is very  
24 supportive of AeroMap's plans and recommends entering into a new Lease Agreement for  
25 the proposed development at the new location.  
26

27 The proposed development of the property should result in a positive economic benefit for  
28 the citizens of the Municipality. The proposed use of the property supports the operational  
29 objective of Merrill Field to operate, maintain and develop airport facilities, to provide an  
30 environment that meets the need of the general aviation community and to encourage  
31 private business while maintaining a viable financial position.  
32

33 Because of the federal interest in promoting civil aviation, the Federal Aviation  
34 Administration authorizes programs for granting funds, property and other assistance to  
35 local communities for the development of Airport facilities. The Municipality, as a local  
36 sponsor, has received numerous grants for the development of Merrill Field Airport and has  
37 assumed certain obligations, either by contract or by restrictive covenants and deeds, which  
38 require it to maintain and operate its airport facilities safely and efficiently and in accordance  
39 with certain specified and agreed upon conditions. Airport property, as a condition, is  
40 restricted to aeronautical uses unless a determination is made by the FAA that it is in  
41 surplus of that need. Also, all revenue derived from the use of obligated airport property  
42 must be used for the operation, maintenance or development of the airport and the airport  
43 should be as self-sustaining as possible under the circumstances. These obligations and

grant assurances have an impact on property values and must be complied with at all times for the airport to retain and continue to receive its Federal grant funding assistance.

The rent, as set forth in the Lease, is the current per square foot rate paid by other existing long term leaseholders at Merrill Field. The lease rates at Merrill Field are reviewed yearly and the current rate is considered to be the market rate taking into account the restrictions and obligations imposed on the property. The Administration believes the use of the premises under the provisions of the Lease furthers the operational objective of Merrill Field Airport.

The following provisions are pertinent to the new Lease Agreement:

|                             |  |
|-----------------------------|--|
| Lessor:                     | Municipality of Anchorage  |
| Lessee                      | Aero-Metric Inc., dba AeroMap U.S.   |
| Location                    | Lot 7A, Block 2, Merrill Field Replat Addition No. 4, consisting of approximately 153,547 square feet (between Runway 6-24 and East 5 <sup>th</sup> Avenue).   |
| Rent                        | Rental rate is \$0.15 per sq. ft. per year.  |
| Rental Adjustment           | Annually and at five year intervals  |
| Term                        | 35 years plus two additional ten-year renewal options  |
| Services provided by Lessee | Utilities and maintenance of Lessee improvements   |
| Special Provisions          | Lessee, at its own cost and expense, will provide the construction, operation and maintenance of a new 12,000 square foot building, a new hangar facility, and other improvements as may be required in conjunction with said improvements, to house all of AeroMap's services, including flight operations, all to be completed within the first two years of lease term at a cost in excess of \$2,000,000. Property usage shall be restricted to aeronautical uses. |

THE ADMINISTRATION RECOMMENDS APPROVAL OF THE ORDINANCE AUTHORIZING EXECUTION OF THE NEW LEASE AGREEMENT CONTAINING THE ABOVE TERMS AND CONDITIONS BETWEEN THE MUNICIPALITY OF ANCHORAGE AND AERO-METRIC INC., dba AEROMAP U.S.

|                         |  |
|-------------------------|--|
| Prepared by:            | David A. Lundeby, Manager, Merrill Field Airport |
| Concur:                 | Harry J. Kielsing, Jr., Municipal Manager        |
| Respectfully Submitted, | George J. Wuerch, Mayor                          |

## Content Information

Content ID : 000544

Revision: 0

Type: Ordinance - AO

Long Term Lease Between the Municipality of Anchorage as  
Title: Lessor and Aero-Metric Inc. dba Aeromap US as Lessee of Lot  
7A, Block 2 MF Replat Add. 4

Author: pebsworthla

Initiating Dept: Merrill

Description: Ordinance Authorizing the Long Term Lease between the  
Municipality of Anchorage as Lessor and Aero-Metric Inc dba  
Aeromap US as Lessee of Lot 7A, Block 2 Merrill Field

Keywords: Merrill Field Aero-Metric

Date Prepared: 1/29/03 2:00 PM

Director Name: David A. Lundebay

Requested Assembly

Meeting Date 2/11/03 12:00 AM

MM/DD/YY:

Requested Public

Hearing Date 2/25/03 12:00 AM

MM/DD/YY:

Web Location:

[HTTP://hufflepuff/stellent/groups/public/documents/ordinance/000544.zip](http://hufflepuff/stellent/groups/public/documents/ordinance/000544.zip)

## Workflow History

| Workflow Name            | Action Date        | Action  | User        | Security Group | Content ID | Revision |
|--------------------------|--------------------|---------|-------------|----------------|------------|----------|
| AllOrdinanceWorkflow     | 1/29/03<br>2:25 PM | Checkin | pebsworthla | Public         | 000544     | 0        |
| Merrill_SubWorkflow      | 1/29/03<br>2:43 PM | Approve | lundebayda  | Public         | 000544     | 0        |
| OMB_SubWorkflow          | 1/30/03<br>9:13 AM | Approve | leblancdc   | Public         | 000544     | 0        |
| Legal_SubWorkflow        | 2/4/03<br>10:54 AM | Approve | wheelerda   | Public         | 000544     | 0        |
| MuniManager_SubWorkflow  | 2/6/03 8:15<br>AM  | Approve | kielinghj   | Public         | 000544     | 0        |
| MuniMgrCoord_SubWorkflow | 2/6/03 8:33<br>AM  | Approve | bealejl     | Public         | 000544     | 0        |

## INTRODUCTION

*David A. Lundebay*

*A 2003-42*

2003 FEB-6 AM 9:10  
CLEAN OFFICE