

Submitted by: Chair of the Assembly
at the Request of the Mayor
Prepared by: Merrill Field Airport
For reading: October 25, 2005

ANCHORAGE, ALASKA
No. AO 2005- 157

CITY CLERK'S OFFICE
APPROVED

Date: 11-22-05

1 AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY AUTHORIZING A
2 LONG TERM LEASE BETWEEN THE MUNICIPALITY OF ANCHORAGE AS LESSOR
3 AND GEORGE JANSSEN AS LESSEE OF LOT 4A, FAIRVIEW SCHOOL ADDN. NO.
4 1, LOCATED BETWEEN RUNWAY 16/34 AND ORCA STREET.
5

6
7 WHEREAS, the Municipality of Anchorage advertised an Invitation to Bid No. 25B075
8 for providing a lease of Lot 4A, Fairview School Addn. No. 1, located on the west side
9 of Merrill Field Airport; and

10
11 WHEREAS, Municipal Purchasing is prepared to award Invitation to Bid No. 25B075 to
12 George Janssen; and

13
14 WHEREAS, as a requirement of the bid award, George Janssen is required to execute
15 a Lease Agreement and pay an amount equal to the total bid offered to the Municipality;
16 and

17
18 WHEREAS, the new Lease Agreement requires George Janssen to provide
19 considerable improvements to the leasehold, including the demolition and/or removal of
20 an existing 2,000 square foot two story 4-unit apartment building and the construction,
21 operation and maintenance of a new multi unit hangar building with a minimum of six
22 (6) hangar units; and

23
24 WHEREAS, Merrill Field Airport is very supportive of new aircraft hangar development
25 and recommends entering into a new Lease; and

26
27 WHEREAS, disposal by lease of the real property described permits development of
28 Lot 4A by George Janssen at his own cost and expense, further reflecting a new sense
29 of confidence and revitalization for our locally owned airport and thereby having a
30 positive economic benefit to the Municipality; and

31
32 WHEREAS, the current Merrill Field lease rate is consistent for all Merrill Field Airport
33 land leases with like uses and considered to be the market rate for airport properties
34 restricted to aeronautical uses; and

35
36 WHEREAS, section 25.30.020 requires disposal of Municipal land shall be by
37 ordinance only; now, therefore
38
39

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

THE ANCHORAGE MUNICIPAL ASSEMBLY ORDAINS:

Section 1. The Municipality of Anchorage is authorized to lease Lot 4A, Fairview School Addn. No. 1, located within the Anchorage Recording District of the Third Judicial District, composed of approximately 45,753 square feet, to George Janssen, upon the terms and conditions summarized in the accompanying Assembly Memorandum submitted to the Assembly in conjunction with this ordinance.

Section 2. The approval of this ordinance will also approve the award of Invitation to Bid No. 25B075 to George Janssen.

Section 3. This ordinance shall take effect immediately upon passage and approval by the Anchorage Municipal Assembly.

PASSED AND APPROVED by the Anchorage Municipal Assembly this 20th day of November, 20 .

Anna H. Fairclough
Chair of the Assembly

ATTEST:

Bonita S. Dumont
Municipal Clerk

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- Utilities

AO Number: 2005- 157

Title: **AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY
 AUTHORIZING A LONG TERM LEASE BETWEEN THE MUNICIPALITY OF
 ANCHORAGE AS LESSOR AND GEORGE JANSSEN AS LESSEE OF LOT
 4A, FAIRVIEW SCHOOL ADDN NO. 1, LOCATED BETWEEN RUNWAY
 16/34 AND ORCA STREET.**

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

CHANGES IN REVENUES AND EXPENSES:

(in Thousands of Dollars)

	<u>FY05</u>	<u>FY06</u>	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>
Operating Revenues:					
TOTAL OPERATING REVENUES	\$ 76,000	\$ -	\$ -	\$ -	\$ -
Operating Expenses:					
TOTAL OPERATING EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Operating Revenues:					
TOTAL NON-OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Operating Expenses:					
TOTAL NON-OPERATING EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -
NET INCOME (REGULATED)	\$ 76,000				
POSITIONS: FT/PT and Temp					

PUBLIC SECTOR ECONOMIC EFFECTS:

The highest responsive bidder for ITB No. 25B075 was George Janssen in the amount of \$76,000 which is a one time payment to be credited to the Merrill Field Airport revenue account.

The new lease requires George Janssen to complete leasehold improvements (the construction of a new aircraft hangar building) at a cost of approximately \$400,000 within the first 2 years of the lease which will expand the existing tax base for General Government.

PRIVATE SECTOR ECONOMIC EFFECTS:

The construction improvements will provide business and employment opportunities to the local community.

Prepared by: David A. Lundeby, Manager, Merrill Field Airport

Telephone: 343-6303

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 783 -2005

Meeting Date: October 25, 2005

1 **From:** MAYOR

2
3 **Subject:** AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY
4 AUTHORIZING A LONG TERM LEASE BETWEEN THE MUNICIPALITY
5 OF ANCHORAGE AS LESSOR AND GEORGE JANSSEN AS LESSEE
6 OF LOT 4A, FAIRVIEW SCHOOL ADDN. NO. 1, LOCATED BETWEEN
7 RUNWAY 16/34 AND ORCA STREET.
8

9 Municipal Purchasing Department advertised and received bids on Invitation to Bid No. 25B075
10 to provide a lease of municipal land at Merrill Field Airport. The purpose of the proposed lease
11 is to allow a private entity to construct a multi-unit hangar building with a minimum of six (6)
12 hangar units for purpose of sale, lease or rent of the individual hangar units to others.
13

14 Merrill Field Airport has made a Recommendation of Award (Memorandum dated October 4,
15 2005 attached) and the Municipal Purchasing Department is prepared to award Invitation to Bid
16 No. 25B075 to George Janssen. Assembly approval of this ordinance will also approve the
17 award of ITB No. 25B075 to George Janssen.
18

19 As a requirement of the bid award, George Janssen is required to execute a Lease Agreement
20 and pay an amount equal to the bid offered to the citizens of the Municipality. The new Lease
21 Agreement requires George Janssen to provide considerable improvements to the leasehold,
22 including the demolition and/or removal of an existing 2,000 square foot, two-story, 4-unit
23 apartment building and the construction, operation and maintenance of a new multi unit hangar
24 building with a minimum of six (6) hangar units. The use of the multi-unit hangar building is
25 limited to non-commercial storage and maintenance of small aircraft. Merrill Field Airport is
26 very supportive of the new aircraft hangar development.
27

28 The proposed development of the property is expected to result in a positive economic benefit
29 for the citizens of the Municipality. The proposed use of the property supports the operational
30 objective of Merrill Field to operate, maintain and develop airport facilities, to provide an
31 environment meeting the need of the general aviation community and to encourage private
32 business while maintaining a viable financial position.
33

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

1 complied with at all times for the airport to retain and continue to receive its Federal grant
2 funding assistance.
3

4 The rent, as set forth in the Lease, is the current per square foot rate paid by the other existing
5 long term leaseholders at Merrill Field. The lease rates at Merrill Field are reviewed yearly and
6 the current rate is considered to be the market rate taking into account the restrictions and
7 obligations imposed on the property. The Administration believes the use of the premises
8 under the provisions of the Lease furthers the operational objective of Merrill Field Airport.
9

10 A summary of the Lease information follows:

11
12 Lessor: Municipality of Anchorage

13
14 Lessee: George Janssen

15
16 Location: Lot 4A, Fairview School Addn. No. 1, consisting of approximately 45,759
17 square feet (located between Runway 16/34 and Orca Street).
18

19 Rent: Rental rate is \$0.16 per sq. ft. per year.
20

21 Rental Adjustment: Annually and at five year intervals.
22

23 Term: 35 years plus two additional ten-year renewal options.
24

25 Services provided: Utilities and maintenance of Lessee improvements.
26 by Lessee
27

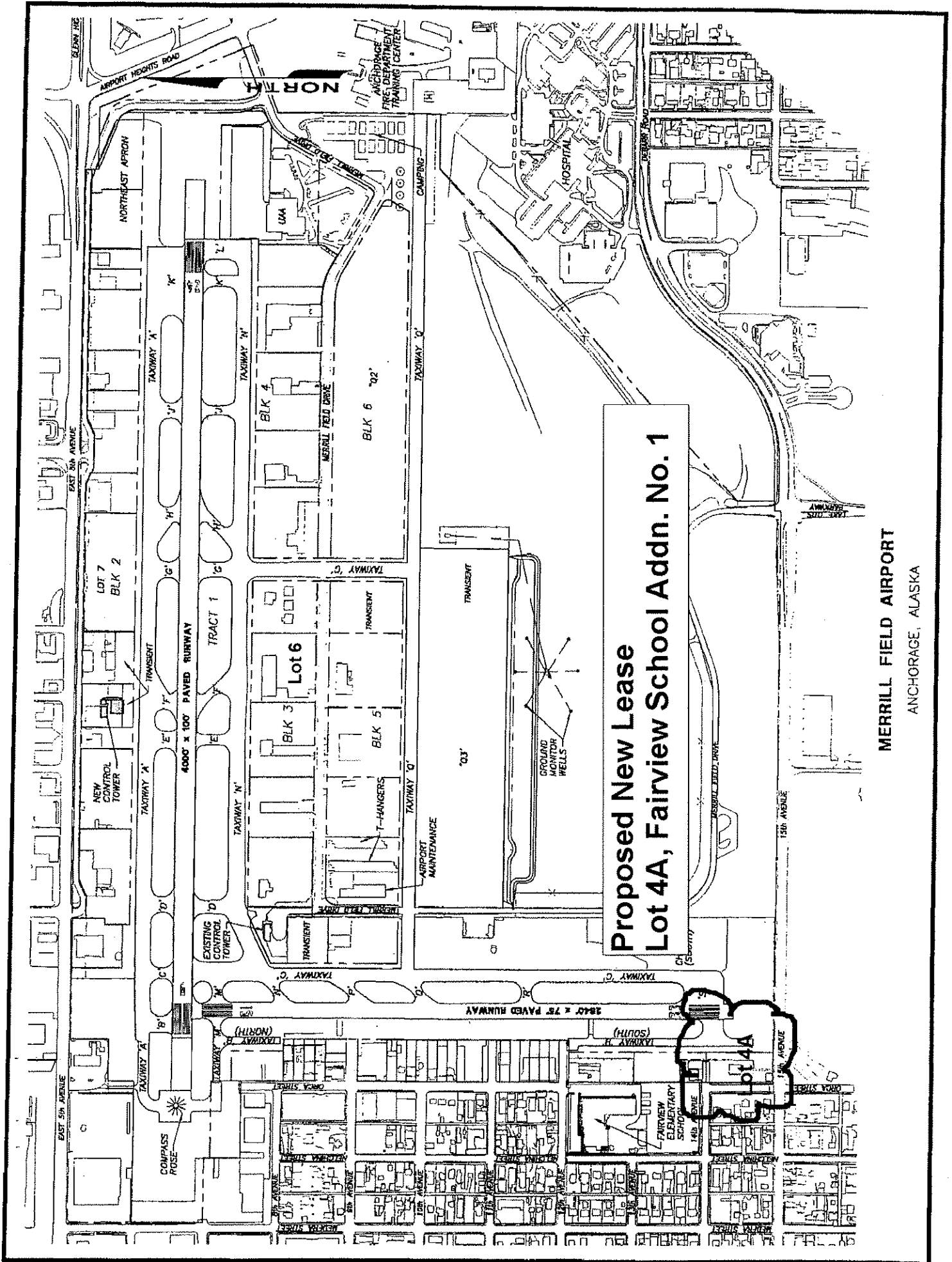
28 Special Provisions: Lessee, at its own cost and expense, shall provide improvements to
29 include demolition and/or removal of an existing 2,000 square foot two
30 story 4-unit apartment building and the construction, operation and
31 maintenance of a new multi unit hangar building with a minimum of six (6)
32 hangar units and other improvements as may be required in conjunction
33 with said improvements; all to be completed within the first two years of
34 lease at an approximate cost in excess of \$400,000. Property usage
35 shall be restricted to non-commercial storage and maintenance of small
36 aircraft.
37

38 THE ADMINISTRATION RECOMMENDS APPROVAL OF THE ORDINANCE AUTHORIZING A
39 LEASE AGREEMENT CONTAINING THE ABOVE TERMS AND CONDITIONS BETWEEN
40 THE MUNICIPALITY OF ANCHORAGE AND GEORGE JANSSEN.
41

42 Prepared by: David A. Lundeby, Manager, Merrill Field Airport

43 Concur: Denis C. LeBlanc, Municipal Manager

44 Respectfully Submitted, Mark Begich, Mayor
45



MERRILL FIELD AIRPORT
ANCHORAGE, ALASKA

MUNICIPALITY OF ANCHORAGE

MEMORANDUM

DATE: October 4, 2005
TO: Barton R. Mauldin, Purchasing Officer
FROM: David A. Lundeby, Manager, Merrill Field Airport
SUBJECT: Recommendation of Award, ITB No. 25B075
The Lease of Land at Merrill Field Airport
Lot 4-A, Fairview School Addn. No. 1

Bids for Lease of Land at Merrill Field Airport were opened in the office of the Purchasing Officer on September 15, 2005, at 9:00 A.M., A.D.S.T. The intent of this project is to offer the public an opportunity for the award of a lease of Lot 4-A, Fairview School Addn. No. 1. The purpose of the proposed lease is to allow a private entity to construct a multi unit aircraft hangar building for the purpose of sale, lease or rent of the individual hangar units to others.

Merrill Field has reviewed the bids and recommends award to the highest responsive bidder, George Janssen, in the total amount of \$76,000.00, to be credited to the Merrill Field Airport revenue account as follows:

9798-580-8980 0000-000 2005 898000 \$76,000.00

Based upon the attached bid summary, it is recommended that the award be made to:

George Janssen

Attachments: Bid Tab

Content Information

Content ID : 003370

Type: Ordinance-InvolvingFunds - AO

AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY
AUTHORIZING A LONG TERM LEASE BETWEEN THE

Title: MUNICIPALITY OF ANCHORAGE AS LESSOR AND GEORGE
JANSSEN AS LESSEE OF LOT 4A, FAIRVIEW SCHOOL ADDN. NO.
1, LOCATED BETWEEN RUNWAY 16/34 AND ORCA STREET

Author: curtiscr2

Initiating Dept: Merrill

Review Depts: Purchasing

Keywords: Merrill Field Airport, Long Term Lease, George Janssen

Date Prepared: 10/4/05 4:42 PM

Director Name: David A. Lundeby

Assembly

Meeting Date 10/25/05

MM/DD/YY:

Public Hearing

Date ~~11/8/05~~ 11/22/05

MM/DD/YY:

M.O.A.
 2005 OCT 17 AM 11:36
 CLERKS OFFICE

Workflow History

<u>Workflow Name</u>	<u>Action Date</u>	<u>Action</u>	<u>User</u>	<u>Security Group</u>	<u>Content ID</u>
AllFundOrdinanceWorkflow	10/4/05 4:51 PM	Checkin	luebkela	Public	003370
AllFundOrdinanceWorkflow	10/5/05 8:31 AM	Reject	lundebyda	Public	003370
AllFundOrdinanceWorkflow	10/5/05 8:45 AM	Checkin	luebkela	Public	003370
Merrill_SubWorkflow	10/5/05 9:46 AM	Approve	lundebyda	Public	003370
Purchasing_SubWorkflow	10/5/05 11:44 AM	Approve	kaltenbachf	Public	003370
OMB_SubWorkflow	10/7/05 2:48 PM	Approve	mitsonjl	Public	003370
CFO_SubWorkflow	10/11/05 12:26 PM	Approve	sinzje	Public	003370
Legal_SubWorkflow	10/11/05 6:25 PM	Approve	fehlenrl	Public	003370
MuniManager_SubWorkflow	10/12/05 9:19 AM	Checkin	curtiscr2	Public	003370
MuniManager_SubWorkflow	10/13/05 5:24 PM	Approve	leblancdc	Public	003370
MuniMgrCoord_SubWorkflow	10/14/05 3:17 PM	Approve	abbottmk	Public	003370