

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

Prepared by: Merrill Field Airport

For reading: September 30, 2008

CITY OF ANCHORAGE

APPROVED

Date: 10/14/2008

ANCHORAGE, ALASKA

AO No. 2008-64

1 AN ORDINANCE AUTHORIZING A LONG TERM LEASE BETWEEN THE
2 MUNICIPALITY OF ANCHORAGE, AS LESSOR, AND AERO-METRIC INC., AS
3 LESSEE, OF LOT 4, BLOCK 5, MERRILL FIELD REPLAT, LOCATED
4 BETWEEN TAXIWAY QUEBEC AND MERRILL FIELD DRIVE.
5

6
7 WHEREAS, Aero-Metric, Inc., an aviation oriented business, and its predecessors in
8 interest have served the Alaskan Community since 1960 by providing professional
9 photogrammetric services; and,
10

11 WHEREAS, Aero-Metric, Inc. currently occupies Lot 4, Block 5, Merrill Field Replat, on
12 a month to month holdover basis, as the existing 30 year lease expired in the fall of 2003;
13 and,
14

15 WHEREAS, over the past few years Merrill Field Airport has made considerable
16 improvements to the existing aircraft apron area on Lot 4 resulting in usable lease space for
17 Aero-Metric, Inc.; and,
18

19 WHEREAS, Aero-Metric, Inc. desires to continue providing employment opportunities to
20 their 60 employees at Merrill Field by acquiring the existing building located on Lot 4 and
21 providing considerable improvements to the existing building, including building code
22 upgrades and the installation of a secondary landfill gas abatement system; and,
23

24 WHEREAS, Merrill Field Airport is very supportive of Aero-Metric, Inc. plans and
25 recommends entering into a new Lease Agreement; and,
26

27 WHEREAS, disposal by lease of the real property described permits development of Lot 4
28 by Aero-Metric, Inc. at its own cost and expense, further reflecting a new sense of
29 confidence and revitalization for our locally owned airport, and having a positive economic
30 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

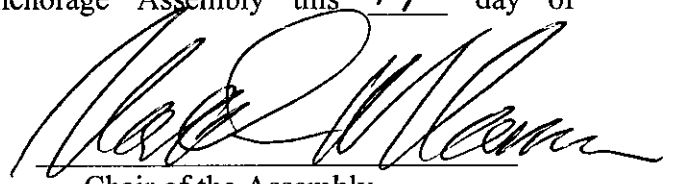
36 WHEREAS, Anchorage Municipal Code section 25.30.020 requires disposal of municipal
37 land shall be by ordinance only; now therefore,
38
39

THE ANCHORAGE ASSEMBLY ORDAINS:

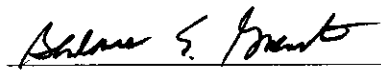
Section 1. The Municipality of Anchorage is authorized to enter into a long term lease, at market rates, for Lot 4, Block 5, Merrill Field Replat, located within the Anchorage Recording District of the Third Judicial District, composed of approximately 137,901 square feet, with Aero-Metric, Inc. upon the terms and conditions summarized in the Assembly Memorandum submitted to the Assembly in conjunction with this ordinance.

Section 2. This ordinance shall become effective immediately upon passage and approval by the Assembly.

PASSED AND APPROVED by the Anchorage Assembly this 14th day of October, 2008.


Chair of the Assembly

ATTEST:


Municipal Clerk

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- Utilities

AO Number: 2008-64

Title: **AN ORDINANCE AUTHORIZING A LONG TERM LEASE BETWEEN THE MUNICIPALITY OF ANCHORAGE, AS LESSOR, AND AERO-METRIC INC., AS LESSEE, OF LOT 4, BLOCK 5, MERRILL FIELD REPLAT, LOCATED BETWEEN TAXIWAY QUEBEC AND MERRILL FIELD DRIVE.**

Sponsor: **MAYOR**
Preparing Agency: **Merrill Field Airport**
Others Impacted: **None**

CHANGES IN REVENUES AND EXPENSES:		(In Thousands of Dollars)				
	FY08	FY09	FY10	FY11	FY12	
Operating Revenues:						
TOTAL OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	
Operating Expenses:						
TOTAL OPERATING EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	
Non-Operating Revenues:						
TOTAL NON-OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	
Non-Operating Expenses:						
TOTAL NON-OPERATING EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	
NET INCOME (REGULATED)	\$ -					
POSITIONS: FT/PT and Temp						

PUBLIC SECTOR ECONOMIC EFFECTS:

No effect. The square footage of Lot 4, Block 2, Merrill Field Replat, is remaining the same.

PRIVATE SECTOR ECONOMIC EFFECTS:

The construction improvements 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 264-2008

Meeting Date: September 30, 2008

1 **From:** MAYOR

2
3 **Subject:** AN ORDINANCE AUTHORIZING A LONG TERM LEASE
4 BETWEEN THE MUNICIPALITY OF ANCHORAGE, AS LESSOR,
5 AND AERO-METRIC INC., AS LESSEE, OF LOT 4, BLOCK 5,
6 MERRILL FIELD REPLAT, LOCATED BETWEEN TAXIWAY
7 QUEBEC AND MERRILL FIELD DRIVE.
8

9 Since 1960, Aero-Metric Inc., an aviation-oriented business, and its predecessors in
10 interest, served the Alaskan Community by providing professional photogrammetric
11 services. The existing 30-year lease with the original leaseholder, Air Photo Tech, Inc.,
12 expired in the fall of 2003. With the consent of the Municipality, Air Photo Tech, Inc., and
13 its sublessee, Aero-Metric, Inc., continued to operate the leasehold property as holdover
14 tenants, on a month-to-month basis. Air Photo Tech plans to sell, and Aero-Metric plans to
15 purchase, the improvements on the leasehold property.
16

17 In conjunction with the acquisition of the improvements, Aero-Metric desires to enter into
18 a new long-term lease for Lot 4, Block 5, Merrill Field Replat, and continue providing
19 employment opportunities to their 60 employees at Merrill Field. The leasehold property
20 includes a 9,500 square foot office building needing considerable improvements, including
21 building code upgrades and the installation of a secondary landfill gas abatement system.
22 To make the required improvements feasible Aero-Metric, Inc. requests a new lease.
23

24 Portions of the aircraft apron area on Lot 4 are located over the closed Merrill Field
25 Municipal Landfill. Over the past few years, Merrill Field Airport made considerable
26 improvements to the aircraft apron resulting in new usable lease space. In addition, these
27 improvements greatly reduce any potential liability concerns associated with development
28 over the closed Landfill. Merrill Field Airport is very supportive of Aero-Metric's plans
29 and recommends entering into a new Lease.
30

31 The proposed development of the property is expected to result in a positive economic
32 benefit for the citizens of the Municipality. The proposed use of the property supports the
33 operational objective of Merrill Field to operate, maintain and develop airport facilities, to
34 provide an environment meeting the need of the general aviation community and to
35 encourage private business while maintaining a viable financial position.
36

37 Because of the federal interest in promoting civil aviation, the Federal Aviation
38 Administration authorizes programs for granting funds, property and other assistance to
39 local communities for the development of Airport facilities. The Municipality, as a local
40 sponsor, received numerous grants for the development of Merrill Field Airport and
41 assumed certain obligations, either by contract or by restrictive covenants and deeds,
42 requiring it to maintain and operate its airport facilities safely and efficiently and in

1 accordance with certain specified and agreed upon conditions. Airport property, as a
2 condition, is restricted to aeronautical uses unless a determination is made by the FAA that
3 it is in surplus of that need. Also, all revenue derived from the use of obligated airport
4 property must be used for the operation, maintenance or development of the airport and the
5 airport should be as self-sustaining as possible under the circumstances. These obligations
6 and grant assurances impact property values and must be complied with at all times for the
7 airport to retain and continue to receive its Federal grant funding assistance.

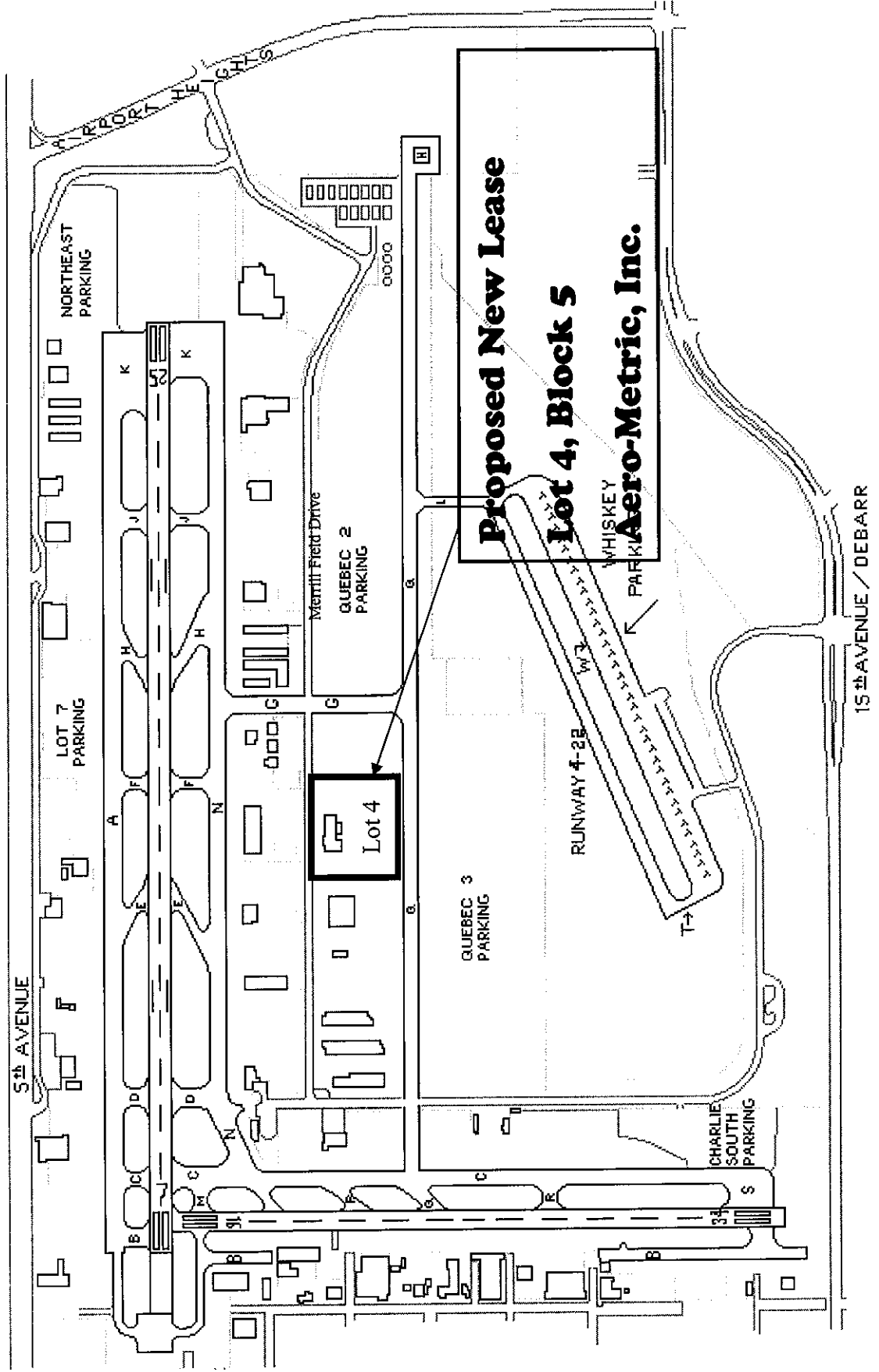
8
9 The proposed payments in the Lease represent the current per square foot rate paid by the
10 other existing long term leaseholders at Merrill Field. The lease rates at Merrill Field are
11 reviewed yearly and the current rate is considered to be the market rate, taking into account
12 the restrictions and obligations imposed on the property. The Administration believes the
13 use of the premises under the provisions of the Lease furthers the operational objective of
14 Merrill Field Airport. A summary of the Lease information follows:

15
16 Lessee: Aero-Metric, Inc.
17 Location: Lot 4, Block 5, Merrill Field Replat; approx. 137,901 sf, between
18 Taxiway Quebec and Merrill Field Drive.
19 Rent: Rental rate is \$0.17 per sq. ft. per year.
20 Rent Adjustment: Annually and at five year intervals.
21 Term: 35 years plus two additional ten-year renewal options.
22 Lessee services: Utilities and maintenance of Lessee improvements.
23 Special Provisions: Lessee, at its own cost and expense, shall provide improvements to
24 the existing building, remodeling selected building areas for
25 esthetics and operational efficiency, installation of a secondary
26 landfill gas abatement system and building code upgrades and other
27 improvements as may be required; improvements shall be completed
28 within the first three years of lease at an approximate value of
29 \$600,000. Property usage shall be restricted to aeronautical uses.
30

31 **THE ADMINISTRATION RECOMMENDS APPROVAL OF AN ORDINANCE**
32 **AUTHORIZING A LONG TERM LEASE BETWEEN THE MUNICIPALITY OF**
33 **ANCHORAGE, AS LESSOR, AND AERO-METRIC INC., AS LESSEE, OF LOT 4,**
34 **BLOCK 5, MERRILL FIELD REPLAT, LOCATED BETWEEN TAXIWAY**
35 **QUEBEC AND MERRILL FIELD DRIVE.**
36

37
38 Prepared by: Merrill Field Airport
39 Approved by: David A. Lundebly, Manager, Merrill Field Airport
40 Concur: James N. Reeves, Municipal Attorney
41 Concur: Michael K. Abbott, Municipal Manager
42 Respectfully Submitted, Mark Begich, Mayor
43

MERRILL FIELD AIRPORT



Content ID: 006787**Type:** Ordinance - AO

Title: AN ORDINANCE AUTHORIZING A LONG TERM LEASE BETWEEN THE MUNICIPALITY OF ANCHORAGE, AS LESSOR, AND AERO-METRIC INC., AS LESSEE, OF LOT 4, BLOCK 5, MERRILL FIELD REPLAT, LOCATED BETWEEN TAXIWAY QUEBEC AND MERRILL FIELD DRIVE.

Author: luebke

Initiating Dept: Merrill

Description: AN ORDINANCE AUTHORIZING A LONG TERM LEASE BETWEEN THE MUNICIPALITY OF ANCHORAGE, AS LESSOR, AND AERO-METRIC INC., AS LESSEE, OF LOT 4, BLOCK 5, MERRILL FIELD REPLAT, LOCATED BETWEEN TAXIWAY QUEBEC AND MERRILL FIELD DRIVE.

Keywords: AN ORDINANCE AUTHORIZING A LONG TERM LEASE BETWEEN THE MUNICIPALITY OF ANCHORAGE, AS LESSOR, AND AERO-METRIC INC., AS LESSEE, OF LOT 4, BLOCK 5, MERRILL FIELD REPLAT, LOCATED BETWEEN TAXIWAY QUEBEC AND MERRILL FIELD DRIVE.

Date Prepared: 9/15/08 11:10 AM

Director Name: David A. Lundebly

Assembly Meeting Date: 9/30/08

Public Hearing Date: 10/14/08

<u>Workflow Name</u>	<u>Action Date</u>	<u>Action</u>	<u>User</u>	<u>Security Group</u>	<u>Content ID</u>
Clerk_Admin_SubWorkflow	9/19/08 12:52 PM	Exit	Joy Maglaqui	Public	006787
MuniMgrCoord_SubWorkflow	9/19/08 12:52 PM	Approve	Joy Maglaqui	Public	006787
MuniManager_SubWorkflow	9/19/08 12:45 PM	Approve	Michael Abbott	Public	006787
Legal_SubWorkflow	9/19/08 12:28 PM	Approve	Dean Gates	Public	006787
Finance_SubWorkflow	9/16/08 5:16 PM	Approve	Sharon Weddleton	Public	006787
OMB_SubWorkflow	9/16/08 4:15 PM	Approve	Wanda Phillips	Public	006787
Merrill_SubWorkflow	9/15/08 12:07 PM	Approve	David Lundebly	Public	006787
AllOrdinanceWorkflow	9/15/08 11:13 AM	Checkin	Linda Luebke	Public	006787