

City Council Regular Meeting: July 14, 2015

Agenda Item: 8-C

To: Mayor and City Council

From: Martin Pastucha, Director of Public Works/Airport Director

Subject: Supplemental Information Regarding the Unblended Rates Listed for the Proposed Airport Leases on the Council Agenda for July 14, 2015, Item 8-C

This supplemental staff report provides additional information further clarifying the composition of proposed lease rates at the Airport. Blended market rates for the proposed leaseholds were provided as a part of Item 8-C on the Council agenda for July 14, 2015. The blended market rates are outlined with additional detail in Attachment A.

The proposed leases recommended to Council for approval are based on specified terms and market valuations. After the July 14, 2015 Council agenda was posted there were requests by members of the community for a breakdown of the blended rates in Item 8-C for each of the proposed leaseholds. Attachment A of this supplemental staff report provides a breakdown by square foot by type of property within each of the leaseholds, the annual appraised rates per square foot provided in the April 23, 2015 appraisal report and the proposed annual and monthly rates negotiated per square foot.

Prepared By: Stelios Makrides, Airport Manager

Approved:

Forwarded to Council:

Martin Pastucha

Director of Public Works/Airport Director

Rick Cole

City Manager

Attachment: A – [Breakdown of Lease Rates](#)

Attachment A Breakdown of Lease Rates

RUSKIN GROUP THEATER COMPANY					
TYPE	SQ.FT	APPRAISED VALUES	ANNUAL RSF	ANNUAL RENT	MONTHLY RENT
Theater	2,663	\$ 16.20	\$ 16.20	\$43,140.60	\$3,595.05
ATLANTIC AVIATION					
TYPE	SQ.FT	APPRAISED VALUES	ANNUAL RSF	ANNUAL RENT	MONTHLY RENT
16 Executive Hangars	7,350	\$ 4.50	\$ 4.50	\$33,075.00	\$2,756.25
8 Corporate Hangars (<3,000 sq.ft.)	15,317	\$ 4.68	\$ 4.68	\$71,683.56	\$5,973.63
10 Large Hangars (>3,000 sq.ft.)	41,670	\$ 4.32	\$ 4.32	\$180,014.40	\$15,001.20
Aviation - First Floor Main Bldg	10,434	\$ 9.00	\$ 12.00	\$125,208.00	\$10,434.00
Aviation - Annex Hangar	1,200	\$ 6.75	\$ 6.75	\$8,100.00	\$675.00
				\$418,080.96	\$34,840.08
Land - Included *	253,236		-	\$0.00	\$0.00
Concrete Apron	56,404	\$ 0.70	\$ 0.70	\$39,482.80	\$3,290.23
Additional Land	64,460	\$ 3.12	\$ 3.12	\$201,115.20	\$16,759.60
TOTAL				\$658,678.96	\$54,889.93
*The appraiser stated that "improved leaseholds on the airport, charges for the supporting land is considered to be included in the building rent for facilities with a site coverage ratio of 30% or more; to calculate the supporting land included in the rent for an improved facility, the building square footage is divided by 30%. The leaseholds with a site coverage ratio less than 30% are considered to have excess land. The land rent for excess land associated with improved leaseholds, as well as the rent for land parcels on the airport is \$3.12/sq.ft./year.					
KRUEGER AVIATION					
TYPE	SQ.FT	APPRAISED VALUES	ANNUAL RSF	ANNUAL RENT	MONTHLY RENT
Office Building	3,400		\$ 7.20	\$ 24,480.00	\$ 2,040.00
Maintenance Hangar	7,200		\$ 4.80	\$ 34,560.00	\$ 2,880.00
Land-Included *	29,667			-	-
TOTAL				\$59,040.00	\$4,920.00
*The appraiser stated that "improved leaseholds on the airport, charges for the supporting land is considered to be included in the building rent for facilities with a site coverage ratio of 30% or more; to calculate the supporting land included in the rent for an improved facility, the building square footage is divided by 30%. The leaseholds with a site coverage ratio less than 30% are considered to have excess land. The land rent for excess land associated with improved leaseholds, as well as the rent for land parcels on the airport is \$3.12/sq.ft./year.					
GUNNELL PROPERTIES					
TYPE	SQ.FT	APPRAISED VALUES	ANNUAL RSF	ANNUAL RENT	MONTHLY RENT
Office Building *	17,915	\$ 9.00	\$ 23.85	\$ 427,272.75	\$ 35,606.06
Aviation Storage	1,604	\$ 2.25	\$ 2.25	\$ 3,609.00	\$ 300.75
11 Large Hangars	56,360	\$ 4.32	\$ 4.32	\$ 243,475.20	\$ 20,289.60
4 Corporate Hangars	38,280	\$ 4.32	\$ 4.32	\$ 165,369.60	\$ 13,780.80
41 T-Hangars	47,130	\$ 4.50	\$ 4.50	\$ 212,085.00	\$ 17,673.75
				\$ 1,051,811.55	\$ 87,650.96
Concrete Apron	65,340	\$ 0.70	\$ 0.70	\$ 45,738.00	\$ 3,811.50
Land - Included **	244,251		-	-	-
TOTAL				\$ 1,097,549.55	\$ 91,462.46
* Aviation market rate for office space was appraised at \$9 per square foot. The negotiated rate was for non-aviation appraised values.					
*The appraiser stated that "improved leaseholds on the airport, charges for the supporting land is considered to be included in the building rent for facilities with a site coverage ratio of 30% or more; to calculate the supporting land included in the rent for an improved facility, the building square footage is divided by 30%. The leaseholds with a site coverage ratio less than 30% are considered to have excess land. The land rent for excess land associated with improved leaseholds, as well as the rent for land parcels on the airport is \$3.12/sq.ft./year.					
AMERICAN FLYERS					
TYPE	SQ.FT	APPRAISED VALUES	ANNUAL RSF	ANNUAL RENT	MONTHLY RENT
Office Building	3,600	\$ 5.40	\$ 5.40	\$19,440.00	\$1,620.00
Maintenance Hangar	4,907	\$ 3.60	\$ 3.60	\$17,665.20	\$1,472.10
16 Hangars	31,000	\$ 3.15	\$ 3.15	\$97,650.00	\$8,137.50
Land - Included *	131,690		\$0.00	\$0.00	\$0.00
TOTAL				\$134,755.20	\$11,229.58
*The appraiser stated that "improved leaseholds on the airport, charges for the supporting land is considered to be included in the building rent for facilities with a site coverage ratio of 30% or more; to calculate the supporting land included in the rent for an improved facility, the building square footage is divided by 30%. The leaseholds with a site coverage ratio less than 30% are considered to have excess land. The land rent for excess land associated with improved leaseholds, as well as the rent for land parcels on the airport is \$3.12/sq.ft./year.					
SPITFIRE GRILL					
TYPE	SQ.FT	APPRAISED VALUES	ANNUAL RSF	ANNUAL RENT	MONTHLY RENT
Outdoor Dining	1,062	\$ 6.60	\$ 6.60	\$7,009.20	\$584.10
Restaurant	4,782	\$ 19.80	\$ 19.80	\$94,683.60	\$7,890.30
TOTAL *				\$101,692.80	\$8,474.40
*The appraised rental rate for restaurants took into consideration the short duration of the term offered to establish a market rate which combined a base rental rate or 6% or gross receipts whichever amount is greater each month.					
TYPHOON RESTAURANT					
TYPE	SQ.FT	APPRAISED VALUES	ANNUAL RSF	ANNUAL RENT	MONTHLY RENT
Restaurant	4,040	\$ 18.00	\$ 18.00	\$72,720.00	\$6,060.00
TOTAL *				\$72,720.00	\$6,060.00
*The appraised rental rate for restaurants took into consideration the short duration of the term offered to establish a market rate which combined a base rental rate or 6% or gross receipts whichever amount is greater each month.					