



	Approved	Denied
Action taken	8/19/04	
Other:		
Verified by:	[Signature]	

COUNCIL ACTION MEMORANDUM

AM No. 04-55

TITLE: APPROVAL OF 20-YEAR LEASE AGREEMENT FOR LOT 5, NEW WASILLA AIRPORT LEASE LOTS.

Agenda of: AUGUST 9, 2004

Date: August 3, 2004

Originator: JILL CARRICABURU, PLANNING CLERK

Route to:	Department	Signature/Date
X	Public Works Planning	[Signature] 8/3/04
X	Finance *signature required	[Signature]
X	Clerk	

REVIEWED BY MAYOR DIANNE M. KELLER: [Signature]

FISCAL IMPACT: yes\$ or no

Funds Available yes no

Account name/number:

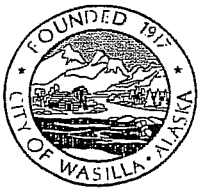
Attachments: WPCM 04-05, Minutes of July 13, 2004 Planning Commission Meeting; Letter from Patrick L. Clark dated June 29, 2004; Merrill Field Airport Lease Term Guidelines, Copy of *Article 1* of existing lease agreement for Lot 5.

SUMMARY STATEMENT:

At the Planning Commission meeting of July 13, 2004 the Commission unanimously approved WPCM 04-05 recommending the request to modify the terms of existing airport lease for Lot 5, New Wasilla Airport Lease Lots, be forwarded to Council for their approval in accordance with WMC 5.32.120. The applicant, Patrick L. Clark, et al, is request existing lease be extended from 10 years to 20 years in order to facilitate financing for future development of the property.

STAFF RECOMMENDED ACTION:

Staff recommends the Wasilla City Council move to approve a revised lease agreement for a period of 20-years between the City of Wasilla and Patrick L. Clark, et al, for Lot 5, New Wasilla Airport Lease Lots. New term would expire the last day of May 2024.



	Approved	Denied
Action taken	✓	
Other:		
Date of Commission Action:	7/13/04	
Verified by:	<i>[Signature]</i>	

WASILLA CITY PLANNING COMMISSION

PCM No. 04-05

TITLE: Wasilla Airport Lease Lot 5, Modification of Lease Agreement

MEETING DATE: July 13, 2004

REQUESTED BY: Sandra Garley, City Planner
Archie Giddings, Public Works Director

PREPARED BY: Jill Carricaburu, Planning Clerk

DATE PREPARED: 6/30/04

SUMMARY STATEMENT:

The current tenants on Lot 5, New Wasilla Airport Lease Lots, Patrick L. Clark, et al, have requested to extend their current lease agreement from a ten-year lease to a 20-year lease in order to acquire financing for future development of the property. The request is to amend Article 1, *Premises, Terms and Rentals*, of the original lease agreement from ten-years to 20-years. The request is in accordance with WMC 5.32.120(C)(3), requiring that, "for any other use, the application will be reviewed by administration, submitted to the planning commission for review and recommendation, and then submitted to the city council for final action."

On November 22, 2002 Land Use Permit A02-122 was issued allowing tenants to construct a 7,296 square foot aircraft hangar. The current lease agreement was executed on November 26, 2002. In accordance with WMC 5.32.120(C)(3) the Wasilla Planning Commission must review and recommend to the City Council any requests to modify said lease agreement.

STAFF RECOMMENDED MOTION:

Staff recommends the Wasilla Planning Commission move to recommend to the Wasilla City Council approval to increase lease term for Lot 5, New Wasilla Airport Lease Lots. New term shall expire the last day of May 2024.

Attachments

Patrick L. Clark
P.O. Box 10-1763
Anchorage, AK 99510-1763
907-441-2797
Email: patricklclark@pci.net

04-03-00 12:37 OUT

June 29, 2004

To City of Wasilla
Attn: Planning Department (Airport Lease)
290 E. Herning Ave.
Wasilla AK 99654

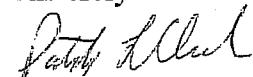
To Whom It May Concern:

We currently lease lot 5 on Wasilla Airport; I would like to find out what we need to do to sign a 20 year lease on this lot. This would help us to acquire financing for future development on this property.

What is the status on the insurance package you were getting together for the lease holders?

Thanks for you time

Sincerely



Patrick L. Clark

Municipality of Anchorage
Merrill Field Airport

MERRILL FIELD AIRPORT LEASE TERM GUIDELINES

Merrill Field Airport is owned by the Municipality of Anchorage and as a municipal airport is subject to Anchorage Municipal Codes, including Chapter 11.60 dealing with municipal airports and Chapter 25.30 dealing with disposal of municipal lands because a lease is considered a disposal of land. Leases for land on Merrill Field Airport are also subject to and must comply with local laws and regulations as well as federal laws and regulations.

The lease term guidelines attempts to establish lease terms on the basis of a lessee's commitment to construct, in the first few years of the term, permanent improvements and also attempts to provide a reasonable lease term for the amortization of a lessee's development investment. As a general matter, the term of the lease also has to address considerations such as the use of the property, Airport Master Plan recommendations, regulatory requirements and the benefits to the Municipality resulting from the use and/or improvements to the property.

Minimum Improvement Commitment

Maximum Term

\$0	5 years
\$10,000	10 years
\$15,000	11 years
\$20,000	12 years
\$25,000	13 years
\$30,000	14 years
\$35,000	15 years
\$40,000	16 years
\$45,000	17 years
\$50,000	18 years
\$55,000	19 years
\$60,000	20 years
\$70,000	21 years
\$80,000	22 years
\$90,000	23 years
\$100,000	24 years
\$110,000	25 years
\$120,000	26 years
\$130,000	27 years
\$140,000	28 years
\$150,000	29 years
\$160,000	30 years
\$170,000	31 years
\$180,000	32 years
\$190,000	33 years
\$200,000	34 years
\$210,000	35 years

The Municipality may determine that it is in the Municipalities best interest to grant a shorter term for a given investment in order to accommodate future development plans, changing regulatory requirements, or other similar factors.

APPENDIX 4

APPENDIX A - Permitted Uses
LEASE

This LEASE is between the CITY OF WASILLA, an Alaskan municipal corporation hereinafter referred to as the "Lessor", and Grant L. VanBavel, Patrick L. Clark, Bryan Carricabury hereinafter referred to as the "Tenant".

The parties hereby agree as follow:

ARTICLE 1

PREMISES, TERMS AND RENTALS

Section 1.1 Premises

Lessor leases to tenant, and tenant leases from lessor, the following described real property (hereinafter "the Property"):

Lot 5, New Wasilla Airport, as shown on Plat 92-39, recorded July 21, 1992, Palmer Recording District, Third Judicial District, State of Alaska,

Section 1.2 Term

The term of this lease shall be for a period of ten (10) years, commencing on the first day of June 2003, and expiring on the last day of May 2013, unless sooner terminated as provided in this lease.

Section 1.3 Rent

- (a) Tenant shall initially pay to the Lessor the amount of two hundred twenty-five & 00/100 dollars (\$225.00) per month, payable monthly in advance beginning on the 1st day of June, 2003 and on the first day of each month thereafter at the office of the Lessor. Failure to pay rent by the tenth (10th) day of the month shall obligate the Tenant to pay a late charge of ONE HUNDRED DOLLARS (\$100.00) for each late payment.
- (b) All taxes, charges, costs and expenses that the Tenant is required to pay, and all damages, costs and expenses that the Lessor may incur by reason of any default of the Tenant or failure on the Tenant's part to comply with the terms of the lease, shall be deemed to be additional rent and in the event of nonpayment by the Tenant, the Lessor shall have all the rights and remedies with respect thereto that the Lessor has for the nonpayment of the basic rent.

Section 1.4 Rent Adjustment

At each five-year interval, the fair market value of the Property leased to the Lessee and an appropriate lease rate shall be determined by the City Council in a manner deemed appropriate by the Council. The tenant shall pay that amount of rent to Lessor for each subsequent five-year interval.