



	Approved	Denied
Action taken	1/23/06	
Other:		
Verified by:	<i>W. Smith</i>	

**WASILLA CITY COUNCIL ACTION MEMORANDUM**

**AM No. 06-08**

**TITLE: AIRPORT LEASE LOTS PURSUANT TO WMC 5.32.120.C (3)**

Agenda of: January 23, 2006  
 Originator: Public Works

Date: January 13, 2006

Route to:	Department	Signature/Date
	Police	
	Recreational and Cultural Services Library, Museum	
X	Public Works Planning	
X	Finance *signature required	<i>[Signature]</i>
X	Clerk	<i>W. Smith</i>

**REVIEWED BY MAYOR DIANNE M. KELLER:**

*Dianne M. Keller*

**FISCAL IMPACT:**  yes or  no

Funds Available  yes  no

Account name/number:

Attachments: WPC Memorandum 06-02  
 Current lease agreement  
 Site Plan

**SUMMARY STATEMENT:**

Wasilla Municipal Code § 5.32.120.C (3) requires approval by the City Council, upon recommendation from the Planning Commission, of Wasilla Airport leases for terms longer than ten years.

The lessee of New Wasilla Airport lease Lot 16, doing business as Alaskan Hangers LLC, currently has a ten year lease for this lot, and would now like to amend his lease to a 30-year term.

**BACKGROUND**

The lessee is currently constructing improvements on his Lot in excess of \$696,900. The purpose of the requested amendment is to allow the lessee to amortize his investment. The lessee also proposes to subdivide his aircraft hangers into condominium hanger units.

In a work session with the Airport Advisory Commission on May 10, 2005, the Planning Commission and Airport Advisory Commission agreed that the maximum term of a lease should reasonably be tied to the minimum improvement commitment of the lessee. Using either the Merrill Field Airport Lease Term Guidelines or the State Rural Airport Lease Term Guidelines reviewed by the Airport Advisory Commission and the Planning Commission on May 10, this \$696,900 investment would qualify for a 30 year lease term.

In reviewing the request for leases for terms longer than 10 years, the Planning commission and the Airport Advisory Commission agreed that the City needs to provide a reasonable lease term to allow a lessee to amortize his or her development investment. The two commissions considered copies of Merrill Field Airport Lease Term Guidelines and the State's rural Airports Lease Term guidelines in reaching their decision to recommend approval of requests for 30 year terms on New Wasilla Airport lease lots.

One of six Long Range Budget goals adopted by the City Council for FY 06 is to "continue progress in making the enterprise funds (Water, Sewer, Airport and Multi-Use Sports Complex) self-sufficient while ensuring the systems meet environment and development needs of the citizens and the businesses on the City of Wasilla." Administration feels that the requested change in term for this lease supports this goal.

**STAFF RECOMMENDED MOTION:**

To approve amendments to the lease for New Wasilla Airport Lot 16 to increase the term of the lease to 30 years and to permit the lessee, Alaskan Hangers LLC, to lease each of the ten individual hanger spaces for up to 30 years.