



September 9, 2004 City Council Meeting Agenda Item Submittal Request

Agenda Item #:

Department: Community Development

Resolution / Ordinance #

Agenda Title: New Hangar Feasibility Proposal

1. INTRODUCTION/PURPOSE

The purpose of this item on the agenda is to consider a new feasibility period for Mr. Gill to complete his due diligence on the new hangars.

2. DESCRIPTION/ JUSTIFICATION

Background

For several years, the City has studied how to add additional hangars to the airport. As you may know, there is a waiting list of approximately 38 to 40 pilots at any given time.

In early 2003, staff approached Mr. Gill about developing additional hangars at the airport. In November of 2003, the City formally granted Mr. Gill a 60-day feasibility period to complete his due diligence for the new hangars he is proposing to build at the airport (with the possibility of an additional 30 days extension).

Shortly thereafter, the Central Texas Airport project emerged and the hangar project came to a stand still. With the Central Texas Airport project behind us, Mr. Gill is ready to resume the planning process for the new hangars.

Issues and Analysis

At this time, Mr. Gill proposes to build 40 additional T-hangars. Alternately, the development may include less T-Hangars and several large "corporate-style" hangars. Mr. Gill has also suggested several financial arrangements, which the staff is willing to evaluate.

If all goes well, Mr. Gill will present the City with a ground lease agreement. This document, following staff's review, will be forwarded to the Airport Advisory Board for recommendation to the City Council.

3. FINANCIAL/BUDGET

None at this time.

4. RECOMMENDATION

Staff recommends that the City Council award Mr. Gill a feasibility period of 90 days to compete his due diligence.

Attached is the current request as well as the request approved back in November 2003.

Please let me know if you have any questions or concerns by calling me at 512-352-5990 x 16 or contact me via email at bob.vantil@ci.taylor.tx.us.

APPROVED FOR SUBMITTAL

DEPARTMENT HEAD: (ss) R.W. VAN TIL **DATE:** 8/30/04

CITY MANAGER: _____ **DATE:** _____

Ray Gill
R. GILL

P.O. Box 217 Round Rock, Texas 78680-0217 • rgill@raygilljr.com • Ph 512-255-7852 Fax 512-255-5445

August 25, 2004

Bob Van Til, AICP
Director of Community Development
City of Taylor
400 Porter St.
Taylor, TX 78674

RE: Airport Hangars

Bob,

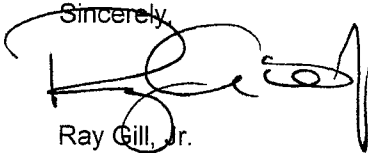
Per our discussion today I am officially requesting a ninety-day feasibility period to begin immediately upon Council approval. This period will be on the same terms as the previous proposal dated October 23, 2003, which was approved by the Council.

This request to re-open the previous agreement is being made as a result of the request by the City of Taylor for us to discontinue our previous study until such time a determination as to the affect, if any, a State Airport would have on the project.

A considerable amount of work has already been done, however some of the information has changed and will require a re-examination of many factors.

Consideration of this request is greatly appreciated.

Sincerely,



Ray Gill, Jr.

Ray Gill
R. GILL

P.O. Box 217 Round Rock, Texas 78680-0217 • rgill@raygilljr.com • Ph 512-255-7852 Fax 512-255-5445

Approved
by CC
11/13/03

October 23, 2003

Bob VanTil, AICP
Director of Community Development
City of Taylor
400 Porter St.
Taylor, TX 76574

RE: Airport Hangars

Bob,

Per our discussions, I have prepared, in outline form the following proposal as to how we might proceed with a plan to construct privately owned hangars on the City of Taylor airport property. The term "I" for the purposes of this proposal refers to an investment group.

I am requesting an option for a feasibility period of ninety (90) days, with an extension, if needed, for an additional sixty days (60). The time would commence on the first Monday following Council approval. This time will be used to determine the viability of private ownership and to begin to market, pre-lease, or pre-sell as condo units, up to four hangar structures as proposed below. If during this option period it is determined that the project is not feasible then I will immediately notify the City of my findings and this agreement will be void. Otherwise I plan to proceed as follows:

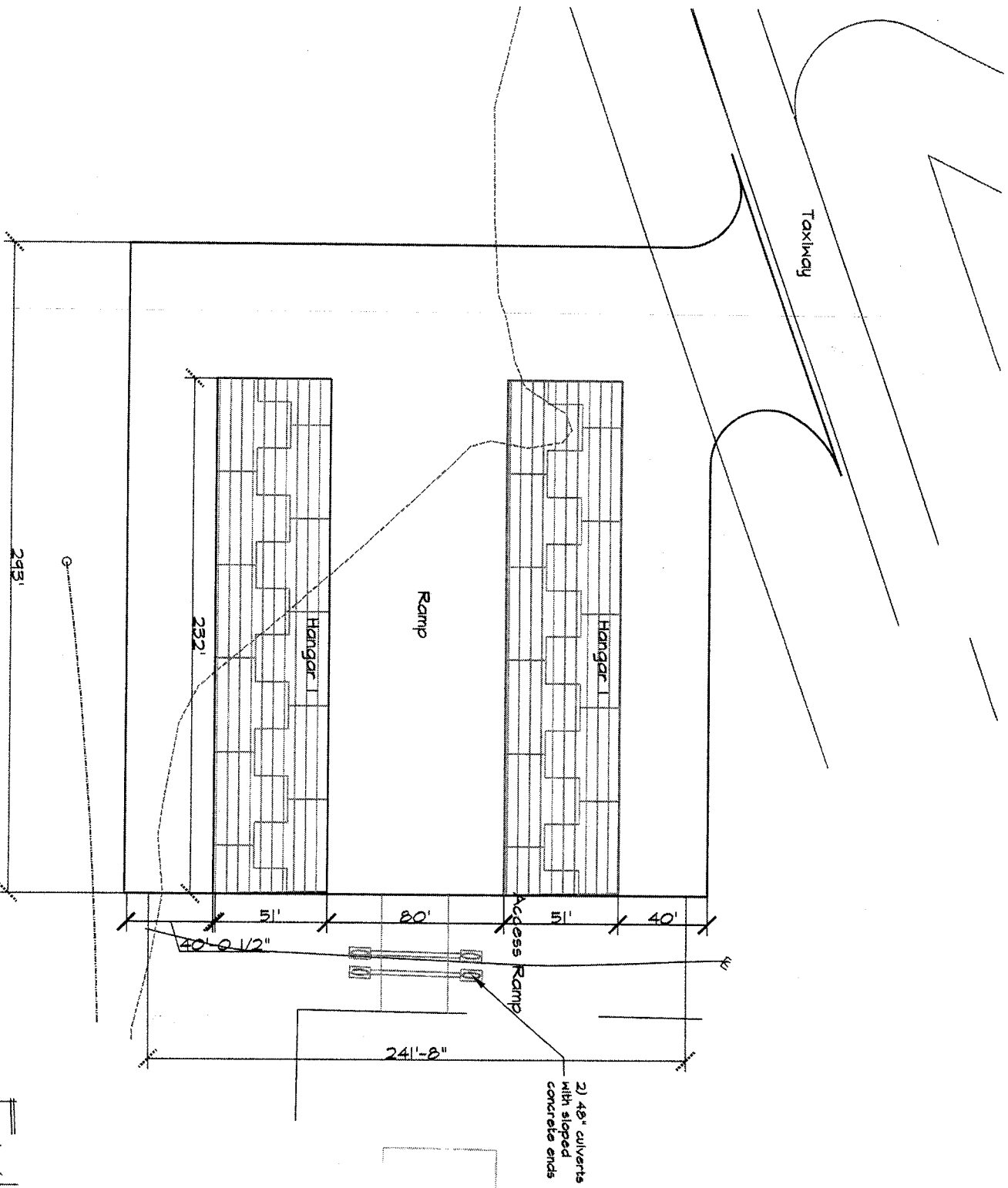
1. Develop up to four hangar structures with the following options.
 - A. Three structures with ten 'T' hangars each (Exhibit 'A' & 'C') and one structure with four or more larger hangars to accommodate larger planes (Exhibit 'B').
 - B. Or any combination from two buildings to four buildings of item 'A' above.
2. The investment group will be responsible for construction, funding, and management of the hangars.
3. The City of Taylor will grant a ground lease for an initial period of thirty (30) years. In the twentieth year the owners association can request a five-year extension and every five years thereafter up to a maximum lease period of forty years. The beginning land lease rate will be one dollar (\$1.00) per year for all buildings for the first five years. After the fifth year the lease rate will be \$.10 per square foot of building area per year adjusted annually from the beginning of the lease to the consumer price index. The lease rate will then adjust annually according to the acceptable published Consumer price index. It is assumed the City of Taylor would take over ownership at the end of the land lease term.
4. It is understood that the hangar structures will be assessed property taxes and the owners will be responsible for the payment of property taxes on the assessed value of the structures. Obviously the City of Taylor would receive their portion of the taxes and I would also assume the hangars would help increase airport activity along with increasing fuel sales as additional income from the airport.
5. It will be important that we each maintain our rents at market rates although nothing will guarantee that arrangement. Rent rates of these new hangars will be set at market rates and will be controlled by the hangar owner.
6. I anticipate that the private investment will be approximately one million three hundred twenty-five thousand dollars (\$1,325,000.00). Therefore with that type of private investment I would request notification and consideration for the opportunity to develop any future structures that the City wants developed either individually or jointly, for rent or sale, to be located on the City of Taylor's public airport property.

Bob, this is a very brief outline and the scope is somewhat different than originally presented. As always I am open to discussion on all points.

Thanking you in advance for your consideration and attention.

Sincerely,

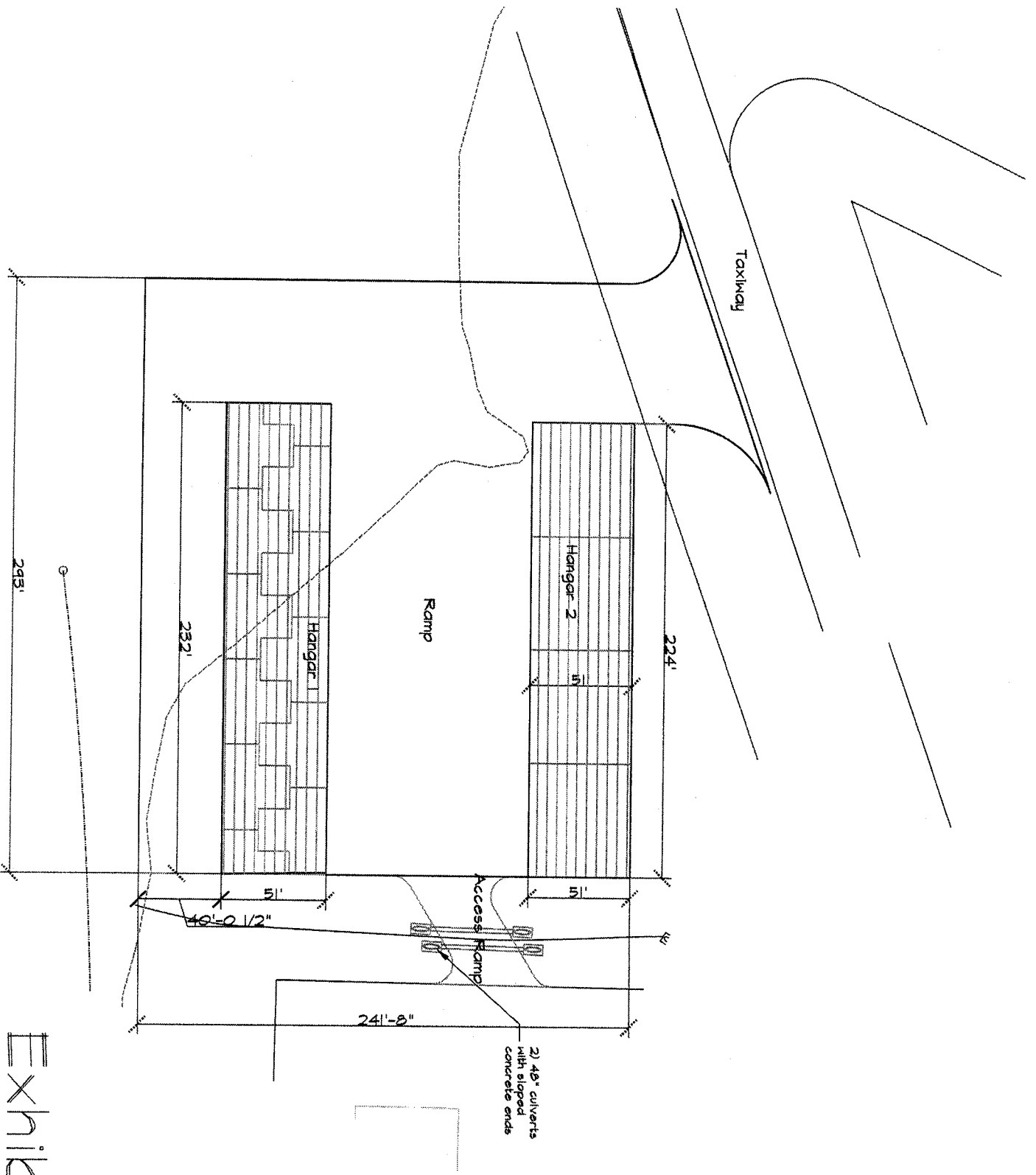

Ray Gill, Jr.



Hangar 1	11,832 sq.ft.
Hangar 2	11,832 sq.ft.
Ramp area	55,351 sq.ft.
Access ramp	2,183 sq.ft.

- Notes:
1. Ramp to be excavated and filled with 13" of select compacted base with 2" asphalt.
 2. Foundations to be Post-tensioned 4" concrete slabs.

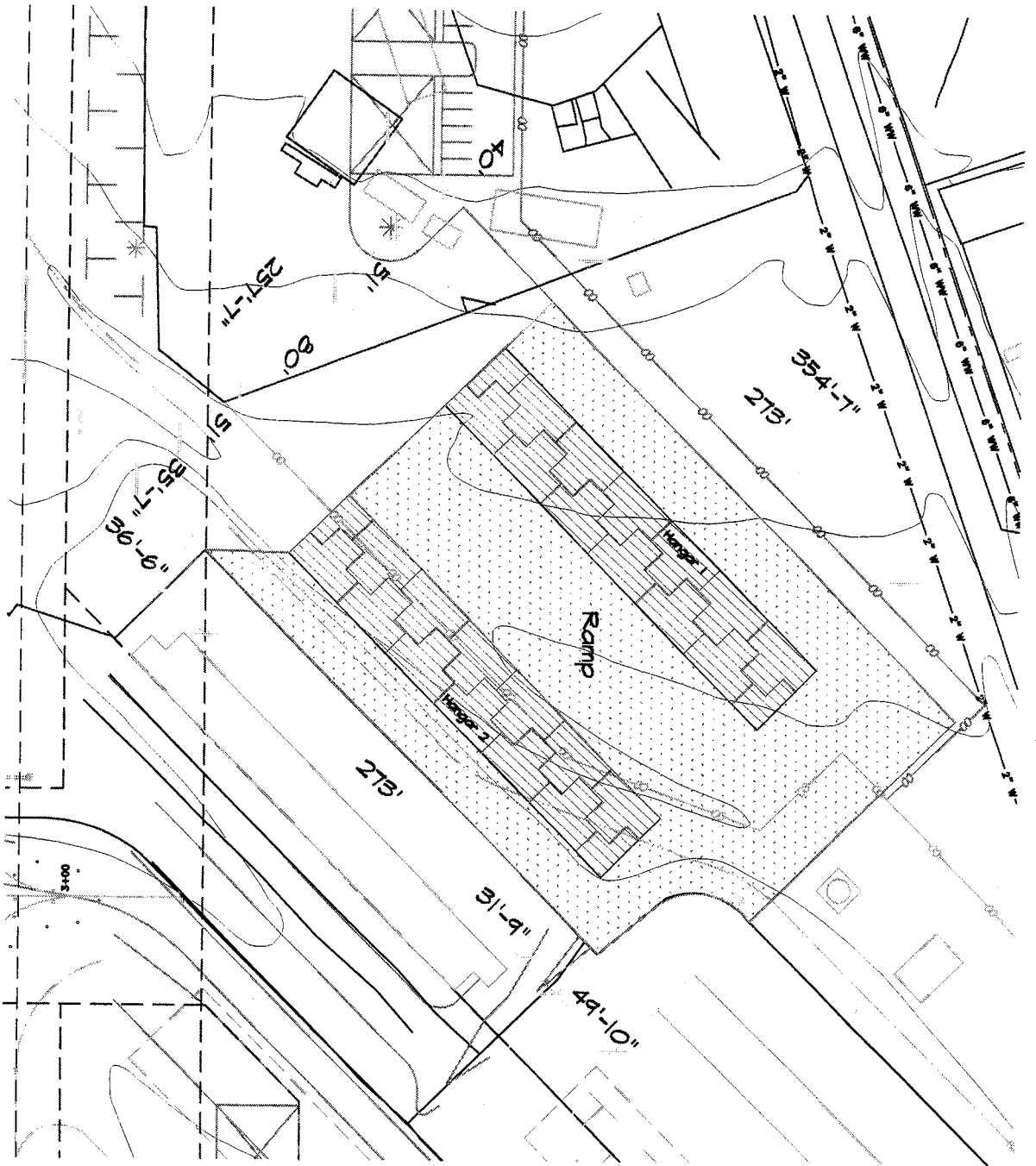
EXHIBIT 'A'



Hangar 1	11,832 sq.ft.
Hangar 2	11,424 sq.ft.
Ramp area	51,752 sq.ft.
Access ramp	2,183 sq.ft.

- Notes:
1. Ramp to be excavated and filled with 13" of select compacted base with 2" asphalt.
 2. Foundations to be Post-tensioned 4" concrete slabs.

Exhibit 'B'



New asphalt Ramp Area
hatched

Hangar 1	13,949 sq.ft.
Hangar 2	13,949 sq.ft.
Ramp area	88,284 sq.ft.

- Notes:
1. Ramp to be excavated and filled with 13" of select compacted base with 2" asphalt.
 2. Foundations to be Post-tensioned 4" concrete slabs.

EXHIBIT 'C'