

**Airport Transient Hangar Pro Forma<sup>1</sup>**

	City Construction* Financed by CO's		Cash****		Developer Leased**	Developer Purchased***
<b>Land and Acquisition Costs to City</b>						
Land Price (1 acre 43,560 SF)	\$	-	\$	-	\$ 522,720	\$ 261,360
Utility Fee	\$	-	\$	-	\$ 20,000	\$ 20,000
<b>Total</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$ 542,720</b>	<b>\$ 281,360</b>
<b>Planning Fees to City</b>						
Site Plan Application Fee	\$	-	\$	-	\$ 250	\$ 250
Roadway Impact Fee (General Light Industrial \$1,165.01 per 1,000 SF)	\$	-	\$	-	\$ 17,475	\$ 17,475
Water/Wastewater Impact Fees (1" Simple Meter)	\$	-	\$	-	\$ 2,654	\$ 2,654
<b>Total</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$ 20,379</b>	<b>\$ 20,379</b>
<b>Engineering Fees to City</b>						
Engineering Inspection Fee	\$	-	\$	-	\$ 1,700	\$ 1,700
<b>Total</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$ 1,700</b>	<b>\$ 1,700</b>
<b>Building Inspection Fees to City</b>						
Building Permit	\$	-	\$	-	\$ 5,134	\$ 5,134
Electrical Permit	\$	-	\$	-	\$ 450	\$ 450
Plumbing Permit	\$	-	\$	-	\$ 50	\$ 50
Fire Plan Review Fee	\$	-	\$	-	\$ 750	\$ 750
Building Plan Review Fee	\$	-	\$	-	\$ 200	\$ 200
<b>Total</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$ 6,584</b>	<b>\$ 6,584</b>
<b>Construction Cost</b>						
Hangar Construction (15,000 @ \$65/SF)	\$	975,000	\$	975,000	\$ -	\$ -
Access Road (733.3 sy @ \$40/sy)	\$	28,000	\$	28,000	\$ -	\$ -
Apron (1,100 sy @ \$40/sy)	\$	44,000	\$	44,000	\$ -	\$ -
Parking Lot (342 sy @ \$40/sy)	\$	13,689	\$	13,689	\$ -	\$ -
Drainage (7%)	\$	74,248	\$	74,248	\$ -	\$ -
Design Cost (15%)	\$	170,241	\$	170,241	\$ -	\$ -
Contingency (12%)	\$	136,192	\$	136,192	\$ -	\$ -
<b>Total</b>	<b>\$</b>	<b>1,441,370</b>	<b>\$</b>	<b>1,441,370</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Equipment and Furnishings</b>						
Hangar Fan	\$	25,000	\$	25,000	\$ -	\$ -
Alarm System	\$	15,000	\$	15,000	\$ -	\$ -
Misc. Equipment and Furnishings	\$	15,000	\$	15,000	\$ -	\$ -
<b>Total</b>	<b>\$</b>	<b>55,000</b>	<b>\$</b>	<b>55,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Construction Cost</b>	<b>\$</b>	<b>1,496,370</b>	<b>\$</b>	<b>1,496,370</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Financing Costs to City</b>						
Total Principal	\$	1,500,000	\$	-	\$ -	\$ -
Annual Principal and Interest (3.5% Blended APR) Payment	\$	105,542	\$	-	\$ -	\$ -
<b>Total Finance Cost (20 Year Term)</b>	<b>\$</b>	<b>2,110,832</b>	<b>\$</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Gross Revenues to City</b>						
Hangar Lease (85% Floor Space at \$.60 SF per proposed Ordinance)	\$	91,800	\$	91,800	\$ -	\$ -
Fuel (60,000 annual gallons @ \$1.71 average markup)	\$	102,600	\$	102,600	\$ 102,600	\$ 102,600
Ad Valorem (2 Aircraft @ \$1.5M Each)	\$	17,564	\$	17,564	\$ 17,564	\$ 17,564
City Property Tax (\$1.5M Hangar + \$261,360 = Total Value est. \$1.7M)	\$	-	\$	-	\$ 4,391	\$ 9,954
Water/Wastewater	\$	-	\$	-	\$ 600	\$ 600
<b>Total Gross Revenues (40 years)</b>	<b>\$</b>	<b>8,478,560</b>	<b>\$</b>	<b>8,478,560</b>	<b>\$ 4,982,210</b>	<b>\$ 5,204,700</b>
<b>Gross Expenses</b>						
Additional Staff	\$	-	\$	-	\$ -	\$ -
Electrical (\$400/Month)	\$	4,800	\$	4,800	\$ -	\$ -
Gas (\$300/Month)	\$	3,600	\$	3,600	\$ -	\$ -
Water/Wastewater (\$50/Month)	\$	600	\$	600	\$ -	\$ -
Alarm System Monitoring (\$30/Month)	\$	360	\$	360	\$ -	\$ -
Insurance (\$160/Month)	\$	1,920	\$	1,920	\$ -	\$ -
Maintenance and Upkeep	\$	5,000	\$	5,000	\$ -	\$ -
<b>Total Gross Expenses (40 years)</b>	<b>\$</b>	<b>651,200</b>	<b>\$</b>	<b>651,200</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Summary</b>						
Total Net Revenue	\$	7,827,360	\$	7,827,360	\$ 5,553,593	\$ 5,514,723
Total City Cost	\$	2,110,832	\$	1,496,370	\$ -	\$ -
General Fund Payback						
Reverted Asset at Expiration of Ground Lease (40% Original Cost)	\$	-	\$	-	\$ 680,000	\$ -
<b>Total Profit</b>	<b>\$</b>	<b>5,716,528</b>	<b>\$</b>	<b>6,330,990</b>	<b>\$ 6,233,593</b>	<b>\$ 5,514,723</b>
<b>Difference</b>			<b>\$</b>	<b>614,462</b>	<b>\$ 517,065</b>	<b>\$ (201,805)</b>
<b>Return on Capital Investment</b>		<b>9.47%</b>		<b>9.49%</b>		
<b>Cap Rate</b>		<b>14.13%</b>		<b>14.17%</b>		
<b>Years to Break Even</b>		<b>7.08</b>		<b>7.06</b>		

<sup>1</sup>Pro forma based on 40 years since that is the maximum land lease term for constructed hangars

\*Possible opportunity cost if land lease rate increases over subsequent years

\*\*Developer needed and City would lose control of rent pricing of hangar

\*\*\*Subject to FAA approval and possible payback of federal money related to parcel

\*\*\*\*Cash could come from General Fund Reserve or possible MCDC grant to the City. Currently MCDC has approximately \$11M in uncommitted fund balance taking \$1.5M would reduce to \$9.5M, keeping the MCDC reserve above 100%. The current General Fund balance is approximately \$40.4M, reducing it by \$1.5M would bring it down to \$38.9M reducing the percentage to 37%.