

Airport Transient Hangar Pro Forma¹

	City Construction* Financed by CO's		Developer Leased**		Developer Purchased***	
		Cash****				
Land and Acquisition Costs to City						
Land Price (1 acre 43,560 SF)	\$ -	\$ -	\$ -	\$ 522,720	\$ -	\$ 261,360
Utility Fee	\$ -	\$ -	\$ -	\$ 20,000	\$ -	\$ 20,000
Total	\$ -	\$ -	\$ -	\$ 542,720	\$ -	\$ 281,360
Planning Fees to City						
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
Total	\$ -	\$ -	\$ -	\$ 20,379	\$ -	\$ 20,379
Engineering Fees to City						
Engineering Inspection Fee	\$ -	\$ -	\$ -	\$ 1,700	\$ -	\$ 1,700
Total	\$ -	\$ -	\$ -	\$ 1,700	\$ -	\$ 1,700
Building Inspection Fees to City						
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
Total	\$ -	\$ -	\$ -	\$ 6,584	\$ -	\$ 6,584
Construction Cost						
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	\$ -	\$ -	\$ -	\$ -
Total	\$ 1,441,370	\$ 1,441,370	\$ -	\$ -	\$ -	\$ -
Equipment and Furnishings						
Hangar Fan	\$ 25,000	\$ 25,000	\$ -	\$ -	\$ -	\$ -
Alarm System	\$ 15,000	\$ 15,000	\$ -	\$ -	\$ -	\$ -
Misc. Equipment and Furnishings	\$ 15,000	\$ 15,000	\$ -	\$ -	\$ -	\$ -
Total	\$ 55,000	\$ 55,000	\$ -	\$ -	\$ -	\$ -
Total Construction Cost	\$ 1,496,370	\$ 1,496,370	\$ -	\$ -	\$ -	\$ -
Financing Costs to City						
Total Principal	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Principal and Interest (3.5% Blended APR) Payment	\$ 105,542	\$ -	\$ -	\$ -	\$ -	\$ -
Total Finance Cost (20 Year Term)	\$ 2,110,832	\$ -	\$ -	\$ -	\$ -	\$ -
Gross Revenues to City						
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
Total Gross Revenues (40 years)	\$ 8,478,560	\$ 8,478,560	\$ 4,982,210	\$ -	\$ 5,204,700	\$ -
Gross Expenses						
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	\$ -	\$ -	\$ -	\$ -
Total Gross Expenses (40 years)	\$ 651,200	\$ 651,200	\$ -	\$ -	\$ -	\$ -
Summary						
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	\$ -	\$ -	\$ -	\$ 680,000	\$ -	\$ -
Reverted Asset at Expiration of Ground Lease (40% Original Cost)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Profit	\$ 5,716,528	\$ 6,330,990	\$ 6,233,593	\$ -	\$ 5,514,723	\$ -
Difference	\$ -	\$ 614,462	\$ 517,065	\$ -	\$ (201,805)	\$ -
Return on Capital Investment	9.47%	9.49%				
Cap Rate	14.13%	14.17%				
Years to Break Even	7.08	7.06				

¹Pro 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%.