

Airport Transient Hangar Pro Forma¹

	City Construction* Financed by CO's		Cash****		Developer Leased**	Developer Purchased***
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						
Reverted Asset at Expiration of Ground Lease (40% Original Cost)	\$	-	\$	-	\$ 680,000	\$ -
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%.