



**CITY COUNCIL MEETING AGENDA
(NOVEMBER 13, 2003 CITY COUNCIL MEETING)**

Agenda Item #:

Department: Community Development

Resolution / Ordinance #

Agenda Title: New Hangar Proposal

1. INTRODUCTION/PURPOSE

The purpose of this item is to consider a proposal for new hangars at the airport.

2. DESCRIPTION/ JUSTIFICATION

Mr. Ray Gill submitted a letter request to complete his due diligence for new hangars at the airport. The letter and exhibits are attached.

His plans include either 40 T hangars or a combination of T hangars and larger hangars. His intent is to build one set west of the "C" and "D" hangars, and the other set east of hangar A on the rodeo association's parking lot in the event the rodeo association moves to their new location in the County Park.

Should the Council approve the request, Mr. Gill will complete his due diligence (financing, cost estimations, etc). Following the completion of the due diligence, and the project remains feasible, the City and Mr. Gill will negotiate a ground lease contract. This contract will stipulate the financial and managerial arrangements, among other things. The contract will be reviewed by the Airport Board and forwarded with a recommendation to the Council for final consideration.

3. FINANCIAL/BUDGET

Not applicable at this time.

4. RECOMMENDATION

During their last meeting, the Taylor Municipal Airport Advisory Board recommended that the Council approve Mr. Gill's letter proposal to begin his due diligence for the new hangars.

APPROVED FOR SUBMITTAL

DEPARTMENT HEAD: (ss) R.W. VAN TIL DATE: 11/4/03

CITY MANAGER: _____ DATE: _____


R. GILL

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

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:

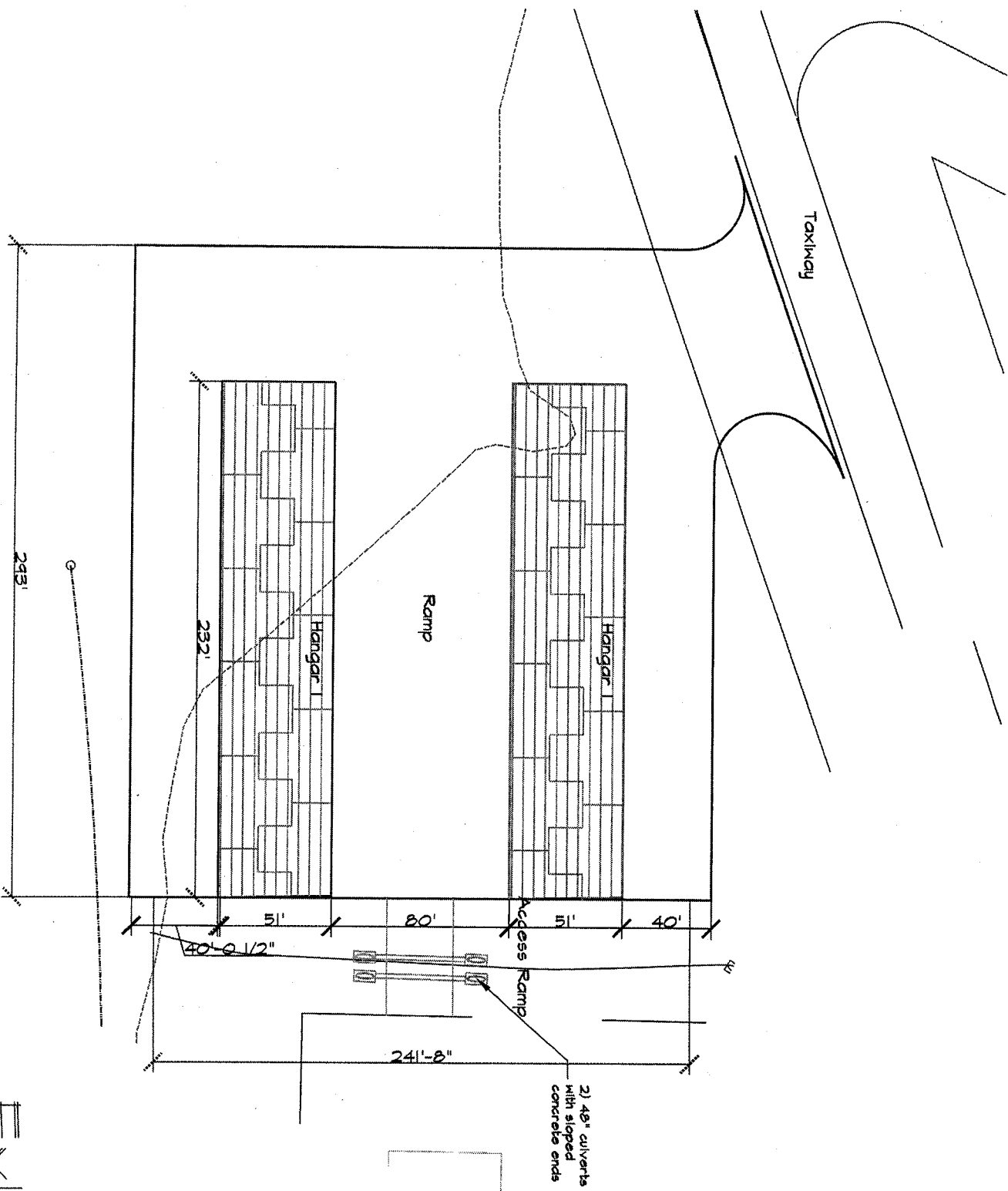
1. Develop up to four hangar structures with the following options.
 - A. Three structures with ten 'T' hangars each (Exhibit 'A' & 'C') and one structure with four or more larger hangars to accommodate larger planes (Exhibit 'B').
 - B. Or any combination from two buildings to four buildings of item '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,

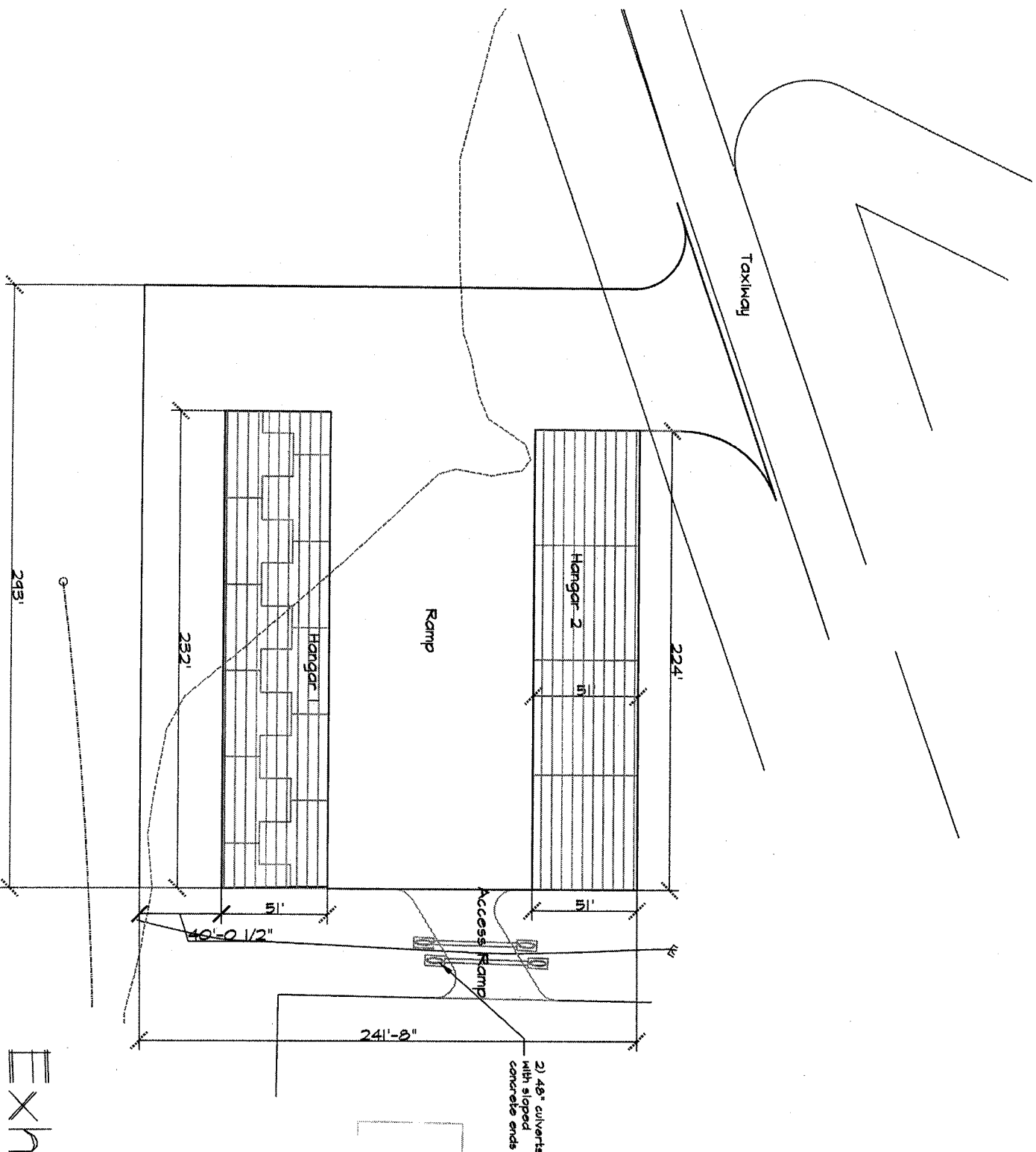

Ray Gill, Jr.



| | |
|-------------|---------------|
| Hangar 1 | 11,832 sq.ft. |
| Hangar 2 | 11,832 sq.ft. |
| Ramp area | 55,357 sq.ft. |
| Access ramp | 2,183 sq.ft. |

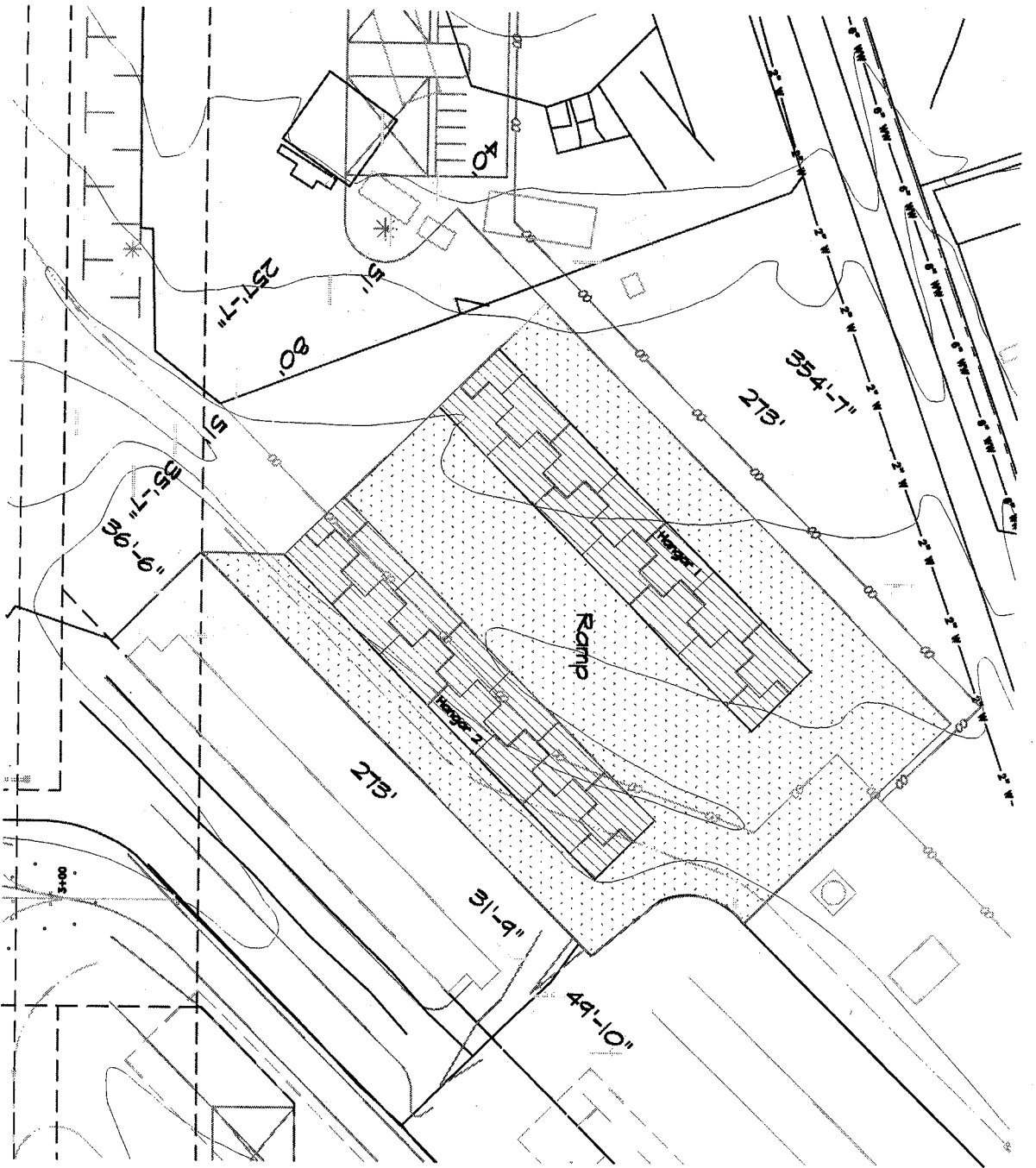
- Notes:
1. Ramp to be excavated and filled with 13" of select compacted base with 2" asphalt.
 2. Foundations to be Post-tensioned 4" concrete slabs.

Exhibit 'A'



- 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.
- | | |
|-------------|---------------|
| Hangar 1 | 11,832 sq.ft. |
| Hangar 2 | 11,424 sq.ft. |
| Ramp area | 5,752 sq.ft. |
| Access ramp | 2,183 sq.ft. |

Exhibit 'B'



New asphalt Ramp Area
hatched

| | |
|-----------|---------------|
| Hangar 1 | 13,944 sq.ft. |
| Hangar 2 | 13,944 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'