

Airport Parcel Ground Lease and Development





Vicinity Map

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Fort Tuthill

I-17





Subject Site Information

- Parcel Number: 116-61-006A
- Cross Streets: South Pulliam Dr. / West JW Powell Blvd.
- Size: 31.468 acres
- Zoned Highway Commercial
- Property History
 - 1948 Deed transfer from Forest Service
 - 1988 Deed release by FAA for Airpark Development
- Federal Aviation Administration Relationship



Background/History

- Site use assessment and concept plan
- No residential allowed
- Request for Statement of Qualifications
- Goals: Airport revenue & activation; jobs/economic development
- Selection of the successful firm - Genterra
- Negotiations



Previous Conceptual Site Uses



KEY:

- Ultimate Roadway
- Retail/Services/Residential
- Flex Industrial
- Heavy Industrial
- Medical Office
- Open Space/Water Line Easement
- Open Space
- Developable Parcels



Key Terms of Agreement



- 40-year term with option to renew for two additional 25-year terms
- Lessee will pay Fair Rental Value for lease term (appraisal based with escalation built in)
- Fair Rental Value at outset is \$527,500
- Rent increases by 2% annually



Key Terms of Agreement



- Rent is deferred in years 1-4
- Deferred Rent is recovered over 15-year amortization period with 2.65% interest
(Rate based on historical earnings of City reserves)
- Rent is variable in years 1-9 with Recapture Rent in years 10-17



Key Terms of Agreement



- Lessee will construct public infrastructure
- Lessee will complete the Development Plan within 30 months
- Lessee may build the project in phases and will complete within 25 years
- No more than 50% of property may be used for short-term lodging, retail or restaurant uses
(remainder will be research and development, manufacturing, logistics, etc)



Key Terms of Agreement



- Buildings will meet or exceed sustainability standards adopted by the City
- Constructed buildings will be privately owned and subject to property tax
- At end of lease, ownership will revert to the City





QUESTIONS?

