

Submitted by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Merrill Field Airport
For reading: January 11, 2011

CLERK'S OFFICE

APPROVED

Date:

2-1-11

ANCHORAGE, ALASKA

AO NO. 2011-3

1 **AN ORDINANCE AUTHORIZING EXTENSION OF THE LEASE BETWEEN THE**
2 **MUNICIPALITY OF ANCHORAGE AS LESSOR AND EVERGREEN**
3 **HELICOPTERS OF ALASKA, INC. AS LESSEE OF LOT 3, BLOCK 5, MERRILL**
4 **FIELD REPLAT, LOCATED ON THE SOUTH SIDE OF RUNWAY 7-25.**
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6

7 **WHEREAS**, the lease between the Municipality of Anchorage as Lessor and
8 Evergreen Helicopters of Alaska, Inc. as Lessee of Lot 3, Block 5, Merrill Field
9 Replat provides for an initial term ending on January 31, 1991 and also provides
10 for three – ten year renewal options; and
11

12 **WHEREAS**, Evergreen Helicopters of Alaska, Inc., as Lessee, elects to exercise
13 the third and final option to extend for 10 years commencing on February 1, 2011
14 and terminating on January 31, 2021; and
15

16 **WHEREAS**, Evergreen Helicopters of Alaska, Inc., has operated a very successful
17 business on Merrill Field Airport for over forty years and has provided superior
18 service to the general aviation community throughout Alaska; and
19

20 **WHEREAS**, Merrill Field Airport is very supportive of the continued operation of
21 Evergreen Helicopters of Alaska, Inc., further reflecting a new sense of confidence
22 and revitalization for our locally owned airport thereby having a positive economic
23 benefit to the Municipality; and
24

25 **WHEREAS**, the current Merrill Field lease rate is consistent for all Merrill Field
26 Airport land leases with like uses and considered to be the market rate for airport
27 properties restricted to aeronautical uses; and
28

29 **WHEREAS**, Anchorage Municipal Codes Section 25.30.050 D provides a renewal
30 or extension of a lease shall be treated as a new lease; and
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32 **WHEREAS**, Anchorage Municipal Codes Section 25.30.020 states disposal of
33 Municipal land shall be by ordinance only; now, therefore
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1 **THE ANCHORAGE MUNICIPAL ASSEMBLY ORDAINS:**
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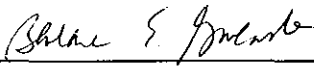
3 **Section 1.** The Municipality of Anchorage is authorized to extend the lease of Lot
4 3, Block 5, Merrill Field Replat, located within the Anchorage Recording District of
5 the Third Judicial District, composed of approximately 110,317 square feet, to
6 Evergreen Helicopters of Alaska, Inc. upon the terms and conditions summarized
7 in the accompanying Assembly Memorandum.
8

9 **Section 2.** This ordinance shall take effect immediately upon passage and
10 approval by the Assembly.

11
12 PASSED AND APPROVED by the Anchorage Assembly this 1st day of
13 February, 2011.

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18 _____
19 Chair of the Assembly

20 ATTEST:

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23 _____
24 Municipal Clerk
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MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- Utilities

AO Number: 2011-3

Title: **AN ORDINANCE AUTHORIZING EXTENSION OF THE LEASE
 BETWEEN THE MUNICIPALITY OF ANCHORAGE AS LESSOR
 AND EVERGREEN HELICOPTERS OF ALASKA, INC. AS LESSEE
 OF LOT 3, BLOCK 5, MERRILL FIELD REPLAT, LOCATED ON
 THE SOUTH SIDE OF RUNWAY 7-25**

Sponsor: **MAYOR**
 Preparing Agency: **Merrill Field Airport**
 Others Impacted: **None**

CHANGES IN REVENUES AND EXPENSES:	(In Thousands of Dollars)				
	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>
Operating Revenues:					
TOTAL OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenses:					
TOTAL OPERATING EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Operating Revenues:					
TOTAL NON-OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Operating Expenses:					
TOTAL NON-OPERATING EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -
NET INCOME (REGULATED)	\$ -				
POSITIONS: FT/PT and Temp					

PUBLIC SECTOR ECONOMIC EFFECTS:

No effect. The square footage of Lot 3, Block 5, Merrill Field Replat, is remaining the same.

PRIVATE SECTOR ECONOMIC EFFECTS:

No effect.

Prepared by: David A. Lundeby, Manager, Merrill Field Airport

Telephone: 343-6303

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

NO. AM 25-2011

Meeting Date: January 11, 2011

1 FROM: MAYOR

2
3 SUBJECT: AN ORDINANCE AUTHORIZING EXTENSION OF THE LEASE
4 BETWEEN THE MUNICIPALITY OF ANCHORAGE AS LESSOR
5 AND EVERGREEN HELICOPTERS OF ALASKA, INC. AS LESSEE
6 OF LOT 3, BLOCK 5, MERRILL FIELD REPLAT, LOCATED ON
7 THE SOUTH SIDE OF RUNWAY 7-25.
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9 Evergreen Helicopters of Alaska, Inc. (a corporation) is the current Lessee under
10 the original Lease of Lot 3, Block 5, Merrill Field Replat dated February 1, 1970
11 between the Municipality of Anchorage and Evergreen-Johnson Helicopters of
12 Alaska, Inc. The original term of the Lease ended January 31, 1991. The Lease
13 provided the Lessee with the option to extend the Lease for three - ten (10) year
14 periods. At this time Evergreen Helicopters of Alaska, Inc. is exercising the third
15 ten year option to extend the original Lease to January 31, 2021. The
16 Administration is very supportive of continuing the Lease at Merrill Field Airport
17 with Evergreen Helicopters of Alaska, Inc., and recommends approval of the
18 Lease extension for ten additional years.
19

20 Evergreen Helicopters of Alaska, Inc., has operated a very successful business
21 located on the south side of Runway 7-25 for over forty years and has provided
22 superior service to the general aviation community throughout Alaska. The
23 continuation of this very successful enterprise should result in a positive economic
24 benefit for the citizens of the Municipality and supports the operational objective of
25 Merrill Field to operate, maintain and develop airport facilities, to provide an
26 environment that meets the needs of the general aviation community and to
27 encourage private business while maintaining a viable financial position.
28

29 Because of the federal interest in promoting civil aviation, the Federal Aviation
30 Administration authorizes programs for granting funds, property and other
31 assistance to local communities for the development of Airport facilities. The
32 Municipality, as a local sponsor, has received numerous grants for the
33 development of Merrill Field Airport and has assumed certain obligations, either by
34 contract or by restrictive covenants and deeds, which require it to maintain and
35 operate its airport facilities safely and efficiently and in accordance with certain
36 specified and agreed upon conditions. Airport property, as a condition, is
37 restricted to aeronautical uses unless a determination is made by the FAA that it is
38 in surplus of that need. Also, all revenue derived from the use of obligated airport
39 property must be used for the operation, maintenance or development of

1 the airport and the airport should be as self-sustaining as possible under the
2 circumstances. These obligations and grant assurances impact property values
3 and must be complied with at all times for the airport to retain and continue to
4 receive its Federal grant funding assistance.

5
6 The rent, as set forth in the Lease, is the current per square foot rate paid by the
7 other existing long term leaseholders at Merrill Field. The lease rates at Merrill
8 Field are reviewed yearly and the current rate is considered to be the market rate,
9 taking into account the restrictions and obligations imposed on the property. The
10 Administration believes the use of the premises under the provisions of the Lease
11 furthers the operational objective of Merrill Field Airport. The Lessee has satisfied
12 all required conditions of the Lease for the Lease extension.

13
14 The following provisions are pertinent to the Lease extension:

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16 Lessor: Municipality of Anchorage

17
18 Lessee: Evergreen Helicopters of Alaska, Inc. (a corporation)

19
20 Location: Lot 3, Block 5, Merrill Field Replat, consisting of
21 approximately 110,317 square feet (located on the south side
22 of runway 7-25).

23
24 Rent: Rental rate is \$0.17 per sq. ft. per year.

25
26 Rental Adjustment: Annually and at five year intervals.

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28 Term: February 1, 1970 to January 31, 2011;

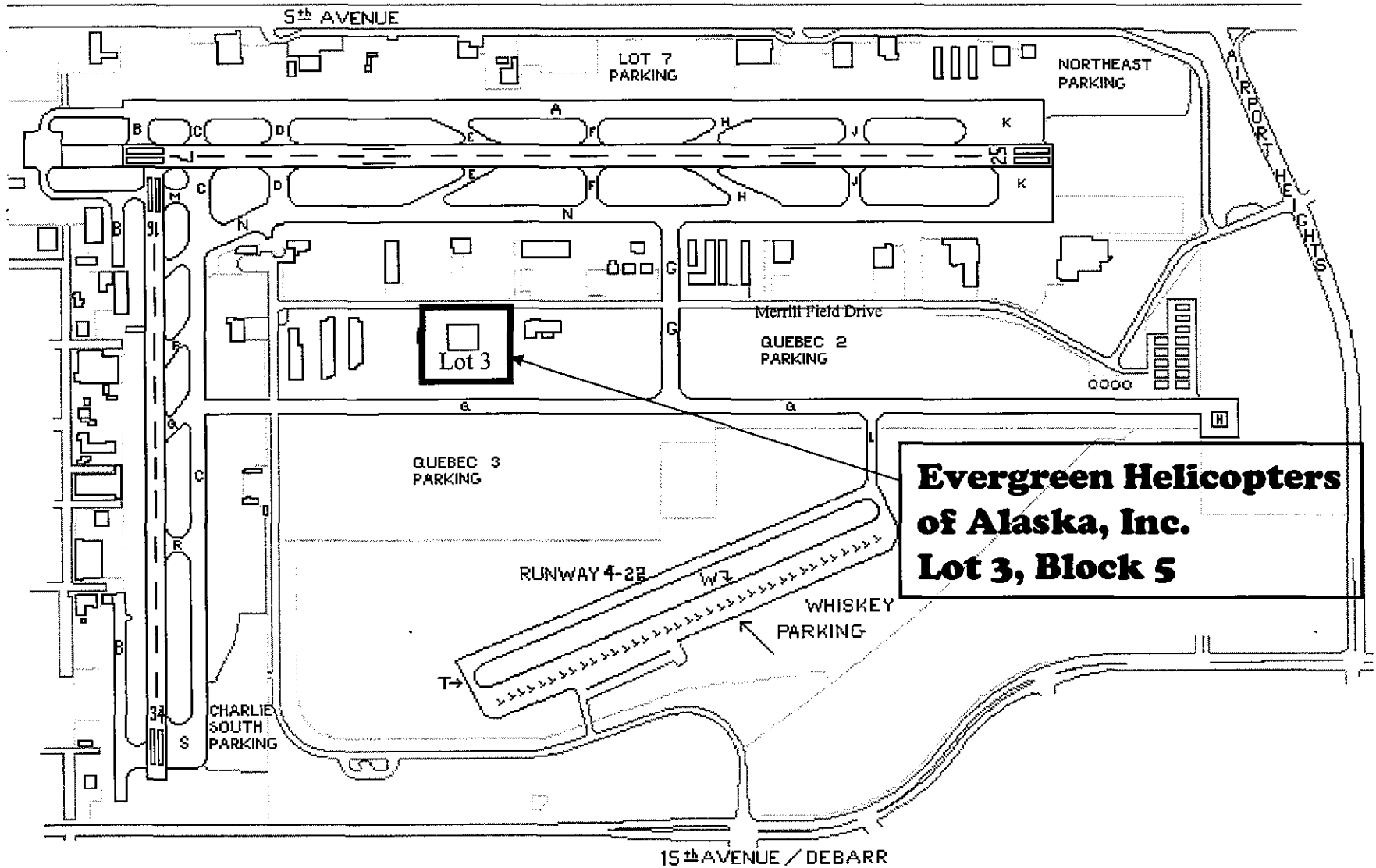
29
30 Services provided: Utilities and maintenance of Lessee improvements.

31
32 Special Provisions: Property usage shall be restricted to aeronautical uses.

33
34 **THE ADMINISTRATION RECOMMENDS APPROVAL OF AN ORDINANCE**
35 **AUTHORIZING EXTENSION OF THE LEASE BETWEEN THE MUNICIPALITY**
36 **OF ANCHORAGE AS LESSOR AND EVERGREEN HELICOPTERS OF**
37 **ALASKA, INC. AS LESSEE OF LOT 3, BLOCK 5, MERRILL FIELD REPLAT,**
38 **LOCATED ON THE SOUTH SIDE OF RUNWAY 7-25.**

39
40 Prepared by: Merrill Field Airport
41 Approved by: David A. Lundebly, Manager, Merrill Field Airport
42 Concur: Dennis A. Wheeler, Municipal Attorney
43 Concur: George J. Vakalis, Municipal Manager
44 Respectfully Submitted, Daniel A. Sullivan, Mayor
45

MERRILL FIELD AIRPORT



Content ID: 009704**Type:** Ordinance - AO

AN ORDINANCE AUTHORIZING EXTENSION OF THE LEASE BETWEEN THE MUNICIPALITY OF ANCHORAGE AS LESSOR AND EVERGREEN

Title: HELICOPTERS OF ALASKA, INC. AS LESSEE OF LOT 3, BLOCK 5, MERRILL FIELD REPLAT, LOCATED ON THE SOUTH SIDE OF RUNWAY 7-25.**Author:** luebke**Initiating Dept:** Merrill**Description:** AO authorizing extension of Lease between MOA and Evergreen**Keywords:** AO authorizing extension of Lease between MOA and Evergreen**Date Prepared:** 12/9/10 9:41 AM**Director Name:** David A. Lundeby**Assembly Meeting Date:** 1/11/11**Public Hearing Date:** 2/1/11

Workflow Name	Action Date	Action	User	Security Group	Content ID
Clerk_Admin_SubWorkflow	12/28/10 1:56 AM	Exit	Joy Maglaqui	Public	009704
MuniManager_SubWorkflow	12/28/10 1:56 AM	Approve	Joy Maglaqui	Public	009704
Legal_SubWorkflow	12/16/10 4:58 PM	Approve	Rhonda Westover	Public	009704
Finance_SubWorkflow	12/15/10 4:37 PM	Approve	Lucinda Mahoney	Public	009704
OMB_SubWorkflow	12/10/10 11:43 AM	Approve	Cheryl Frasca	Public	009704
Merrill_SubWorkflow	12/9/10 11:38 AM	Approve	David Lundeby	Public	009704
AllOrdinanceWorkflow	12/9/10 9:57 AM	Checkin	Linda Luebke	Public	009704

CONSENT AGENDA - INTRODUCTION