

# City Benefits and Liabilities

## During Lease:

### Reversionary Lease

### Non-reversionary Lease

*End-of-Lease Value* - End-of-Lease values are zero (\$0.00)

- Normal market forces determine value

*Assessed Value* - Depreciating values falling rapidly in the last 10 years

- Increasing assessed values

*Property Taxes* - Decreasing taxes as assessed values fall

- Increasing taxes as assessed values rise

*Ownership %*

- Decreases yearly (i.e. 1/25<sup>th</sup> per year for 25-year lease)

- Private Ownership remains 100%

*Legal Issue*

- Pay 100% of taxes despite only partial ownership

- No legal issues regarding tax payments

*Demand/Resale* - Decreasing demand, difficult to sell in last 10 years

- Steady or increasing demand, easier to sell

## End-of-Lease:

*Ownership*

- City owns hangar

- Private Ownership with lease extension

*Unknowns preventing long-term rental projections*

- Condition of hangar at end-of-lease
- Currency of old design vs. future technology
- Desirability/demand for older hangars
- Projected occupancy rates for City-owned hangars

- Extend lease if hangar is in good condition and land not needed for other development

*Liabilities*

- City pays for hangar repairs
- City pays for hangar removal, whether due to hangar condition or land needed for other development

- Private owner pays for repairs
- Private owner pays for hangar removal

*City Income:*

- Rental income, but City pays for landlord services
- Lost property taxes - City exemption
- Lost ground lease payments - City exemption

- Private owner pays for own services
- Private owner pays property taxes
- Private owner pays ground lease fees

*City Expenses:*

- Ownership/Landlord liabilities and insurance
- Increased Property-Management City staff

- Private owner assumes liabilities
- No additional City staff required

## 40 Comparable Airports Selected For Grand Junction Regional Study

#13

- (1) Centennial, Englewood CO, (2) \*Aspen/Pitkin County, Aspen CO, (3) Boulder Municipal, Boulder CO, (4) Billings Logan, Billings MT, (5) Rocky Mountain Metro, Broomfield CO, (6) Bellingham, Bellingham WA, (8) Galatin Field, Bozeman MT, (9) Cedar City Municipal, Cedar City UT, (9) Cortez-Montezuma County, Cortez CO, (10) Coeur D'Alene, Coeur D'Alene ID, (11) Durango/La Plata County, Durango CO, (12) Pangborn Municipal, Wenatchee WA, (13) \*Eagle County, Eagle, CO, (14) Mahlon Sweet Field, Eugene OR, (15) Ft. Collins/Loveland Muni, Loveland CO, (16) Front Range, Watkins, CO, (17) Fort Worth Intl, Fort Worth TX, (18) Grand Junction Reg., Grand Junction CO, (19) Glacier Park Intl, Kalispell MT, (20) Great Falls Intl, Great Falls MT,
- (21) Gunnison Crested Butte, Gunnison CO, (22) Helena Regional, Helena MT, (23) Idaho Falls Intl, Idaho Falls ID, (24) Jackson Hole, Jackson Hole WY, (25) Lewiston-Nez Perce Co., Lewiston ID, (26) Vance Brand Muni, Longmont CO, (27) Nampa Muni, Nampa ID, (28) Minden-Tahoe, Minden NV, (29) Missoula Intl, Missoula MT, (30) Montrose Regional, Montrose CO, (31) Juneau, Juneau AK, (32) Phoenix Mesa Gateway, Chandler AZ, (33) Pueblo Memorial, Pueblo CO, (34) \*Provo Muni, Provo UT, (35) Rooks Co. Regional, Rooks Co. KS, (36) Roberts Field, Redmond OR, (37) Renton Municipal, Renton WA, (38) St. George, St. George UT, (39) \*South Valley, Salt Lake City UT, (40) Telluride Regional, Telluride CO

## 10 Comparable Airports Selected by Jviation For Russ McDonald Field Study

- |   |   |
|---|---|
| (1) *Aspen-Pitkin County, Aspen CO                | (6) Grand Junction Regional, CO – <b>INCORRECT DATA</b> |
| (2) Driggs-Reed Memorial, Driggs ID               | (7) Montrose Regional, Montrose CO                      |
| (3) *Eagle County Regional, Eagle CO              | (8) *Provo Municipal, Provo UT                          |
| (4) Friedman Memorial, Hailey ID – <b>NO DATA</b> | (9) *South Valley Regional, Salt Lake City UT           |
| (5) Garfield County, Rifle CO                     | (10) Yampa Valley, Hayden CO                            |

\*Indicates airports used by both Grand Junction and Jviation's Heber analyses

# HANGAR OWNERS' ADDITIONAL COMPARABLE AIRPORTS TO RUSS McDONALD FIELD

\*Of particular note as comparable airports are those with the most recently updated leases over the past three years:  
Grand Junction Regional Airport (approved Feb 12, 2013), Billings Logan Airport, and St. George Municipal Airport

1. \*Grand Junction Regional Airport, CO  
Reversionary  
20-year initial term + one 10-year extension + four 5-year extensions (50 years)  
\*\*Existing lessees > Can keep current lease OR Convert to 50-year lease using original start date for current lease  
Contact: Director of Finance & Business Gary Schroen 970-244-9100
2. \*St. George Municipal Airport, UT  
Non-reversionary  
30-year initial term + may negotiate new lease agreement after that (> 30+ years)  
Contact: Airport Operations Supervisor Brad Kitchen 435-627-4080 X24  
\*\*Note: See Mr. Kitchen's email explaining their conversion from reversionary to non-reversionary leases
3. \*Billings Logan Airport, MT\*  
Non-reversionary  
20-year initial term + first right of refusal for new lease offered to any other person or entity (> 20+ years)  
Contact: Airport Business Manager Marita Herold 406-237-6284  
\*\*Note: See Ms. Herold's email explaining their conversion from reversionary to non-reversionary leases
4. Cedar City Regional Airport, UT  
Reversionary  
20-year initial term + five 5-year extensions (45 years)  
Contact: Airport Manager Russ Volk 435-867-9408
5. Fort Collins-Loveland Airport, CO  
Non-reversionary  
25-year initial term + three 5-year extensions + may negotiate new lease agreement after that (> 40+ years)  
Contact: Operations Manager Larry Mack 970-962-2850
6. Page Municipal Airport, AZ  
Non-reversionary  
15-year initial term + two 5-year extensions + may negotiate new lease agreement after that (> 25+ years)  
Contact: Airport Administrator Lona Shugart 928-645-4240
7. Spanish Fork-Springfield Airport, UT  
Non-reversionary  
Initial term thru Dec 2015 + first right of refusal for multiple 15-year renewals after that (> 32+ years)  
Contact: Airport Manager Chris Child 801-420-8888
8. Steamboat Springs Airport, CO  
Reversionary  
35-year initial term + one 5-year extension (40 years)  
Contact: Contracts/Risk Analyst Shelly St. Pierre 970-871-8269
9. Gunnison - Crested Butte Airport, CO  
Reversionary  
20-year initial term + one 20-year extension (40 years)  
Contact: Airport Manager Rick Lamport 970-641-2304
10. Ogden Hinkley Regional Airport, UT  
Non-reversionary  
15-year initial term + renewable every 5 years (> 20+ years)  
Contact: Senior Office Assistant to the Airport Manager Vasati Uhi 801-629-8251 #1