

**City of Palmer  
Action Memorandum No. 18-081**

**Subject:** Authorizing the City Manager to Negotiate and Execute Two New Lease Agreements with CIG, LLC for Leases on Block 3, Lease Lot 12 and 13, Palmer Municipal Airport for the Purpose of Constructing Two, Ten Unit T-Hangar Structures

**Agenda of:** October 23, 2018

**Council Action:**     **Approved**                       **Amended:** \_\_\_\_\_  
                                   **Defeated**



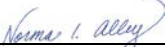
**Originator Information:**

**Originator:**    City Manager

**Department Review:**

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
X	Finance		9/03/18
_____	Fire	_____	_____
_____	Police	_____	_____
_____	Public Works	_____	_____

**Approved for Presentation By:**

	Signature:	Remarks:
City Manager		_____
City Attorney		_____
City Clerk		_____

**Certification of Funds:**


Total amount of funds listed in this legislation:    \$ 3,120.00 and \$3,511.00

This legislation (√):

<input checked="" type="checkbox"/>	Creates revenue in the amount of:	\$ <u>3,120.00 and \$3,511.00</u>
<input type="checkbox"/>	Creates expenditure in the amount of:	\$ _____
<input type="checkbox"/>	Creates a saving in the amount of:	\$ _____
<input type="checkbox"/>	Has no fiscal impact	

Funds are (√):

<input type="checkbox"/>	Budgeted	Line item(s): _____
<input checked="" type="checkbox"/>	Not budgeted	<u>03-00-00-3431</u>

Director of Finance Signature: 

**Attachment(s):**

- Draft Lease Agreement 18-003 & (Exhibit A)
- Plot Plan PMA LL 12
- Draft Lease Agreement 18-004 & (Exhibit A)
- Plot Plan PMA LL 13

**Summary Statement/Background:**

CIG, LLC (Cruz Investment Group) wishes to construct two (2) ten (10) unit T-hangar buildings on PMA Lease lots 12 and 13 respectively. Once the future T-Hangar Associations are created and filed with the State of Alaska by CIG, LLC with the assistance of their legal counsel Sean Parnell, the individual T-hangar units will be listed for sale and sold to the prospective buyers. Airport Administration and First National Bank Alaska will provide any needed technical assistance in the creation of the T-Hanger Association to help insure that the individual units are available for any and all retail financing if needed to perspective buyers.

Once the T-Hangar Association is created with sufficient units sold and new membership (owners of individual units) is achieved, these leases will need to be assigned to those respective T-Hangar Associations by CIG, LLC and the City of Palmer.

CIG, LLC will again contract with Mark LaCrosse of LaCrosse and Associates, Inc. to be their general contractor on the projects. Mr. LaCrosse is a very experienced and well respected general contractor whose previous work includes the Cruz hangar at PAQ and numerous other Cruz projects.

This fall, LaCrosse and Associates will remove and re-arrange top soil from Lease Lot 12 and import the gravel base for the spring time construction of the respective pre-engineered metal building (T-Hangars). Construction of the first ten (10) unit building will conclude by next October and then the same sequence will occur on Lease Lot 13. This staggered start approach is captured in the leasing language of PMA Lease Agreement No. 18-004.

**Administration's Recommendation:**

To approve Action Memorandum No. 18-081 Authorizing the City Manager to Negotiate and Execute two New Lease Agreements with CIG, LLC for leases on Block 3, Lease Lot 12 and 13, Palmer Municipal Airport for the purpose of constructing two (2), ten (10) unit T-Hangar developments.