

**City of Palmer  
Action Memorandum No. 17-047**

**Subject:** Authorizing the City Manager to Negotiate and Execute a New Lease Agreement with FCA Properties, LLC, Solely Owned by Mr. John A. Biornstad, on Block 3, Lease Lot 33, Palmer Municipal Airport to Coincide with the Completion of the Hangar Purchase Agreement Between Mr. Helmericks and Mr. Biornstad


**Agenda of:** June 27, 2017

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


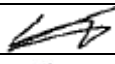

**Originator Information:**

**Originator:**    Airport Superintendent Frank J. Kelley

**Department Review:**

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
X	Finance		6/8/17
_____	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:    \$ 2,406.69

This legislation (√):

<input checked="" type="checkbox"/>	Creates revenue in the amount of:	\$ <u>\$2,406.69</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 checked="" type="checkbox"/>	Budgeted	Line item(s): <u>03-00-00-3431 Airport Land Leases</u>
<input checked="" type="checkbox"/>	Not budgeted	<u>03-00-00-3431 Airport Land Leases (Increase \$185.13)</u>

Director of Finance Signature:    

**Attachment(s):**

- Draft Lease Agreement 17-007 & (Exhibit A)
- Draft Memorandum of Lease Agreement 17-007
- Hangar Bill of Sale Colville Logistics LLC to FCA Properties LLC
- Hangar Improvements Made
- Quit Claim Deed
- Identity Documents

**Summary Statement:**

Mr. Biornstad has requested a new Lease agreement with the City of Palmer to coincide with the finalization of paperwork associated with his original hangar purchase agreement with Mr. Helmericks began in 2009.

FCA Properties, LLC purchased the unfinished improvements from Colville Logistics, LLC in 2009 for \$135K and has spent an additional \$101K to complete them for a total investment in the improvements of \$236K. Mr. Helmericks and Mr. Biornstad have finally completed and documented their agreement so this transfer of improvements and lease could be finalized. Mr. Biornstad owns and operates Fish Creek Airmotive from this location which primarily repairs, rebuilds and adjusts airplane magnetos.

In granting this new lease agreement, this City will be using its new leasing document and up to date lease language, receiving a rental rate increase from \$0.06 to \$0.065 cents per square foot, and actually conduct business with the appropriate operating entity on the premises. Mr. Biornstad will personally guarantee the new lease agreement for FCA Properties, LLC.

**Administration's Recommendation:**

To approve Action Memorandum No. 17-047 for approval to execute a new Lease Agreement 17-0075 with Mr. John A. Biornstad and FCA Properties, LLC.