



# County of Los Alamos

## Council Meeting Staff Report

October 25, 2016

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<b>Agenda No.:</b>	B.
<b>Indexes (Council Goals):</b>	2014 Council Goal – Quality of Life - Improve Transportation and Mobility
<b>Presenters:</b>	Philo Shelton; David Ploeger
<b>Legislative File:</b>	8666-16

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### Title

Consideration of Budget Revision No. 2017-09 Increasing the Airport Budget by \$325,000 for Construction of a New Row of Four Hangars

### Suggested Motion

I move that Council approve Budget Revision No. 2017-09 as summarized on the attached budget revision form and that the attachment be made a part of the minutes of this meeting.

### Recommendation

The County Manager recommends that Council approve the budget revision as requested.

### Body

The Department of Energy has completed the construction of a new concrete pad on the old landfill at the airport for the future construction of a row of hangars (Attachment A.) The pad construction has been approved by the County building inspectors. The hangars will consist of a 60 foot by 60 foot box hangar on the north end of the pad and three T-hangars connected to the box hangar. The box hangar will be capable of holding one large aircraft or helicopter, or multiple smaller aircraft and the T-hangars will each hold one smaller aircraft.

Our preliminary estimate of construction costs for the new hangars is \$325,000. It should be noted that this is significantly less than what would normally be expected due to the Department of Energy paying for the concrete hangar pad and the asphalt taxilanes around the hangar pad. The cost to DOE for this construction was \$447,000.

The advantages to the County constructing and owning the hangars as opposed to private individuals owning the hangars include the following:

1. The County will maintain control over the hangars and could establish a long term source of revenue for the airport in the form of lease/rental fees to leverage the substantial investment by DOE in the construction of the hangar row foundation.
2. The County would be in a position to negotiate arrangements with some of the owners of the old hangars along Airport Road to acquire their hangars and move them temporarily into the County owned hangars in a transition toward development of the west end of the airport (see detailed explanation below).
3. The hangar plans call for two storage areas of approximately 500 square feet each in the hangar row that could either be leased by the County to hangar tenants or retained by the County for the storage of airport equipment.

The Airport Master Plan, which was adopted by County Council on May 10, 2013, depicts the future development of the west end of the airport. The hangars that are presently located at the west end of the airport, along Airport Road, were built in the 1960s, prior to the airport becoming a public use

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airport and falling under FAA regulations and design specifications. Under FAA specifications these hangars are currently located too close to the runway and therefore penetrate the safety areas delineated by the FAA. The future development plan calls for the removal of these hangars and construction of new hangars located further to the north from the runway. These hangars are labeled 10-17 on Attachment B. It should be noted that, due to the geographic layout of the airport, the northwestern area is the only remaining area of the airport that can support future infrastructure improvements. Due to the funding situations the FAA is currently facing, this development will most likely take up to 10 years to accomplish. However, regardless of the time frame, when development begins it will be necessary to relocate the aircraft that are currently occupying the existing hangars in phases. Without the County having hangars available for this relocation, the aircraft owners would be forced to find hangar space at other airports. This would both adversely affect airport revenues and upset the aircraft owners. The availability of County-owned hangars would make for a much smoother transition to the new development layout.

Based on the lease rates others are currently charging for privately owned hangars at our airport and the hangar lease rates of other airports in our area, staff proposes the County could charge \$1,250 per month for the box hangar, \$400 per month for each of the three T-hangars, and \$200 per month for each of the two storage areas. Based on these lease rates and considering only the County's construction costs for the row of hangars, this investment could be recouped in lease fees in approximately 9.5 years.

The airport has received a written expression of interest from Classic Air Medical in either leasing or purchasing the large box hangar for the use of the medical evacuation helicopter located at LAMC. In addition, we have received a written expression of interest from a member of the local chapter of the Experimental Aircraft Association (EAA) in one of the T-hangars for use by the EAA, written interest from the Civil Air Patrol in a T-hangar, and multiple verbal expressions of interest in the other T-hangars from pilots whose aircraft are presently located at the airport but who do not presently have a hangar for their aircraft.

#### **Fiscal and Staff Impact/Planned Item**

Fiscal and staff impact is described on the attached budget revision form.

#### **Attachments**

- A - Site Map for Hangar and Building Layout
- B - Terminal Area Layout Plan from Airport Master Plan
- C - Budget Revision 2017-09 Airport Hangars