

October 6, 2017

New Airport Hangar – Revenue & Expense

Staff has researched revenue and expense assumptions for the construction of a new 150' x 72' community hangar at the Airport.

The estimated cost of the proposed new hangar is \$2.6 million. If the Board utilizes \$1.7 million from General Fund balance previously committed toward the purchase of property at the Airport, then the remaining balance would be approximately \$900,000.

If the Board finances \$900,000 of the project for a 15 year term at an interest rate of 4%, then the annual debt service would be \$81,000 per year.

With respect to revenue, the proposed rental rate per month for the new hangar would be \$250. Thus, it is anticipated the space could generate \$30,000 annually with ten (10) planes housed in the facility. Further, the Airport Authority will likely propose an increase in their existing hangar fee structure that will potentially increase annual revenue by \$6,800. Therefore, the total new revenue associated with hangar rental would be \$36,800.

Based on an analysis of current general aviation fuel purchases it is anticipated the increase in net annual fuel revenue is \$1,685 with an additional ten (10) planes sited at the Airport.

Lastly, the average tax value of the current airplanes housed at the Airport is \$52,000. Assuming the additional ten (10) planes are consistent with the average then the collective tax value would be \$520,000. This would generate an additional \$3,484 in annual revenue.

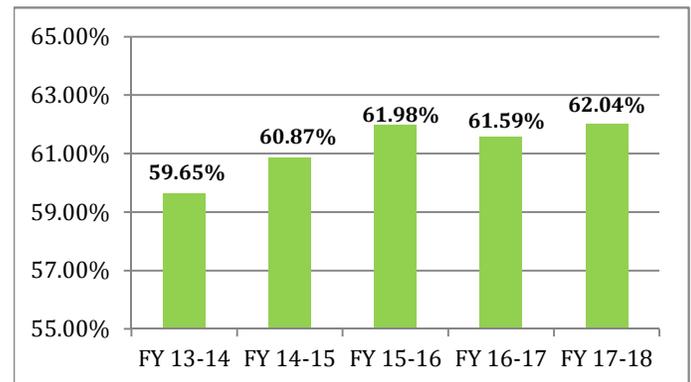
With this said, the total projected annual revenue is \$41,969. As such, debt service for \$900,000 would exceed anticipated revenue by \$39,031 per year. Staff will continue reviewing figures and make a presentation to the Board at the October 16 meeting.

Please note, the Board is considering or has made specific financial commitments to multiple capital projects (e.g., emergency radio tower, livestock arena, Riverstone Industrial Park, broadband, etc.). Thus, it will be important to prioritize projects given limited funding is available.

Property Tax Collections Update

As of September 30 the real property tax collection rate was 62.04%. This rate is 0.45 percentage points higher than the reported rate at the end of September 2016.

Below please find the September 2017 real property tax collection rate in comparison to the same time period the prior four (4) fiscal years:



Livestock Arena Update

The construction drawings and bid documents for the proposed livestock arena are close to completion. The architect is still targeting a bid publication for mid to late October 2017.

As of September 20, slightly over \$1 million has been secured from State, private and non-profit sources. With the County's initial \$250,000 commitment included, the funds raised through September 20 were \$1.25 million.

Upcoming Meetings & Events

BOCC Regular Meeting	Monday, October 16 7:00 PM Commons Meeting Room
----------------------	---