

COUNCIL DECISION REQUEST

SUBJECT: Property Purchase adjacent to the Airport

MEETING DATE: 06-05-08

PAYSON GOAL: NEW: EXISTING:

ITEM NO.:

TENTATIVE SCHEDULE:

SUBMITTED BY: LaRon Garrett, Town Engineer

AMOUNT BUDGETED: \$

SUBMITTAL TO AGENDA
APPROVED BY TOWN MANAGER

EXPENDITURE REQUIRED: \$

CONT. FUNDING REQUIRED:

EXHIBITS (If Applicable, To Be Attached): Map

POSSIBLE MOTION

I move to direct staff to include the 25% down payment of \$540,000 in the 2008-2009 budget and to prepare the necessary documents to enter into an agreement to purchase approximately 13.5 acres adjacent to the airport and to authorize any necessary documents.

SUMMARY OF THE BASIS FOR POSSIBLE MOTION:

The Town has been interested in purchasing approximately 13.5 acres between the Airport and Airport Road and immediately east of the Sky Park Industrial Subdivision. The property has been involved in a Forest Service Land Exchange for approximately 13 years. The land exchange is now complete and the property is privately owned. The Town has been discussing purchasing the property from the potential owners since the inception of the land exchange. There is no formal agreement between the Town and the property owners at this time to purchase the land. However, the property owners' are still willing to sell the property to the Town as was discussed at the beginning of the exchange. Now that it is finally private property, the owners are anxious to move forward. Unfortunately, the government process doesn't always move fast. The Town's intent is to use FAA and ADOT Aeronautics grant funds to purchase this property. The required process is that an environmental assessment must be completed first and then if all is ok, the Town can apply for a grant to purchase the property. The Town has applied for an FAA/ADOT grant right now to do the environmental assessment. This study will take approximately one year.

The property owners have stated that they believe the value of the land to be \$160,000 per acre. This equates to \$2,160,000 for 13.5 acres. This appears to be a reasonable estimate at this time. The current owners understand that the Town does not have the funds at this time to pay for the property. The actual purchase price will be based on an FAA approved appraisal to be completed with or after the environmental assessment. They have proposed that the Town give them a down payment in fiscal 2008-2009 of 25% of the estimated value. That equates to \$540,000 (based on the \$160,000 per acre). They would then carry the Town at an agreed to interest rate for up to 3 years until the Town could get grant funding from FAA and ADOT. In addition, there is approximately 2 acres of property on the south side of Airport Road that this property owner is willing to dedicate to the Town of Payson for use as an observation/picnic area. With that included, the average purchase price is \$139,355 per acre.

In the Airport Capital Improvement Plan submitted to FAA and ADOT there is \$800,000 programmed in fiscal 2009 to use toward the purchase this property. The Town will also ask that an additional \$1,360,000 be programmed into the 2010 Airport Capital Improvement Plan to pay the remaining property costs. This would also include reimbursing the Town for the \$540,000 used for the down payment.

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The purchase of this property continues to justify the relocation of Airport Road. A major reason for the FAA paying to relocate Airport Road was so the airport could acquire this property and expand.

PROS: The purchase of this property will allow the airport to expand.

CONS:

PUBLIC INPUT (if any):

BOARD/COMMITTEE/COMMISSION ACTIONS/RECOMMENDATIONS (if any) (give dates and attach minutes): N/A

FUNDING:

Account Number:	Title:	Amount: \$
Account Number:	Title:	Amount: \$
Account Number:	Title:	Amount: \$
Account Number:	Title:	Amount: \$
		Total Cost: \$

CFO: _____ Date: _____

ZALZAL MOUNTAIN
PARK UNIT 1

PAYSON

1"

1050 1060
1030 1040
1020

1110

PROPOSED PROPERTY PURCHASE

TANNAY

1300
1301

1303

1305

1309

1304

1311

1312

ROAD

1315

1317

1006

1008

1010

W. FALCON LOOK

1011

1009

1007

1005

807

809

808

807

805

806

804

808

805

802

803

AIRPORT ROAD