

TO: James L. App, City Manager  
FROM: Doug Monn, Public Works Director  
SUBJECT: Status of 4860 Wing Way  
DATE: February 7, 2012

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NEEDS: For the City Council to provide direction regarding the status of 4860 Wing Way.

- FACTS:
1. The hangar located at 4860 Wing Way was constructed in 1953 and has been without a lease tenant since April 2010.
  2. The building is a victim of age and lack of maintenance.
  3. To determine the building's future potential, staff has:
    - Examined the building to determine its ability to comply with current codes;
    - Sought review of the structure by Design Professionals to assess the needs and costs to rehabilitate the building;
    - Met with interested individuals to discuss the lease potential of the building September 28, 2011; and
    - Sought proposals to demolish the building;
  4. The City has not received any written proposals to lease the building.
  5. The cost to rehabilitate the building to render it in a leasable condition, depending on the intensity of use, could be in excess of \$400,000. Necessary improvements are, but not limited to:
    - Removal of asbestos materials;
    - Installation of new office space with Americans with Disabilities compliant hallways and restrooms;
    - Installation of heating and air conditioning;
    - Replacement or modernization of the electrical service equipment
    - Review of the structure to determine if it meets seismic safety requirements;
    - Replacement of the hangar doors;
    - Possible installation of a clarifier (oil and sand trap) if used for aircraft maintenance where engine disassembly is performed;
  6. The cost to demolish the building is \$20,280 (\$14,000 for removal of asbestos in addition to \$6,280 for removal of the building).

7. If leased, the City would need to bear the cost to bring the building up to code (minimum level of safety and accessibility) at a possible cost of \$400,000.
8. Market rate rent for the building is estimated at \$3,960 per month.
9. The aforementioned information was provided to the Airport Advisory Committee on December 8, 2011. Four members of the public spoke in favor of saving the building because of its history, income potential and the inability to replace it at this time.
10. The Advisory Committee voted unanimously to recommend that City Council reject all demolition bids, and solicit RFP's for potential lessees.

ANALYSIS &  
CONCLUSION:

The existing building occupies a 1.33 acre City owned parcel. A second 3.12 acre City owned parcel borders its western most property line. Removal of the building would allow repair and expansion of existing aircraft tie down parking to the southeast of the hangar.

The future tie down work could be accomplished using funds from future FAA grant cycles (already on the Grants list for future consideration). The building removal could also make the 3.12 acre parcel to west more inviting to development of aviation related uses as it would gain the clear exposure to the tarmac, tie down areas and could be seen from the taxiway.

As suggested by the Advisory Committee a Request for Proposal could be issued. Proposals will need to develop a cost and remedies analysis to meet building code standards as part of their business plan.

POLICY  
REFERENCE:

City Fiscal Policy

FISCAL  
IMPACT:

The City would need to make a significant investment in the building to render it in a safe and leasable condition. Depending on the level of rehabilitation needed, it could require up to 8.42 years at current market lease value to recoup the investment (not allowing for loss of interest or any on-going maintenance of the building required of the City as landlord). Note: If the City uses \$400,000 from savings to upgrade the hangar, it will forego interest earnings on the \$400,000 of approximately \$5,040 per year.

As the building is vacant and could not be leased until improvement is made, demolition of the building will not result in any reduction of revenue. Demolition will cost \$20,280; The Airport Fund has sufficient balance to cover this cost.

OPTIONS:

- A. Reject all bids for the demolition of 4860 Wing Way and authorize staff to issue a Request for Proposal to lease the building.
- B. Award a contract for removal of the asbestos and demolition of 4860 Wing Way in an amount of \$22,280 (\$20,280 plus a \$2,000 contingency).
- C. Amend, modify, or reject the above options.

Attachments (3):

Resolution  
Parcel Map  
Site Picture

RESOLUTION NO. 12-xxx

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES  
AWARDING A CONTRACT TO DEMOLISH 4860 WING WAY

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WHEREAS, 4860 Wing Way has exceeded its functional life span; and

WHEREAS, the City Council has determined it in the best interest of the citizens of Paso Robles to demolish the structure; and

WHEREAS, the City has secured bids in the amount of \$20,280 to remove the building

THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. The City Council of the City of El Paso de Robles does hereby award demolition contracts for the purpose of removing the building located at 4860 Wing Way and allocates \$22,280 (\$20,280 plus \$2000 for contingency).

SECTION 2. The City Council does hereby authorize the City Manager to execute the contract(s) to demolition of 4860 Wing Way.

PASSED AND ADOPTED by the City Council of the City of Paso Robles these 7th days of February 2012 by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

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Duane Picanco, Mayor

ATTEST:

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Caryn Jackson, Deputy City Clerk

REMAINDER

PARCEL

SEARCHED - NOTHING FOUND  
SET BY RECORD ANGLE AND  
DISTANCE PER R-1



