

Two Single Tenant Hangar Buildings (For Sale or Lease)

4927 E. Falcon Drive & 5015 Roadrunner Drive, Mesa, AZ

\$1,805,000 (\$100/SF)



4927 E. Falcon Drive (front)

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Falcon Field Hangars



5015 Roadrunner Drive (front)



FALCON FIELD AIRPORT
City of Mesa, AZ



5015 Roadrunner Drive (rear)



4927 E. Falcon Drive (rear)



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Falcon Field Hangars

www.FalconFieldAirport.com



Falcon Field
Airport

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FALCON FIELD AIRPORT

City of Mesa, AZ



Financial Overview

Price (Falcon Dr.): \$975,000
Price (Roadrunner): \$830,000
Total Price: \$1,805,000
Price Per Foot: \$100.00
Cap Rate-Proforma: 12.00

Lease Rate: \$1.00/SF/month

Property Overview

Building Area: 9,750 sq. ft. (Falcon Dr.)
Building Area: 8,300 sq. ft. (Roadrunner Dr.)
Total Building Area: 18,050 sq. ft.
Parcel #: 141-36-001E (portion)
Zoning: LI, City of Mesa
Land Area: 50,004 sq. ft. (1.148 acres)
Ground Lease: +35 years remaining- possibly renewed at sale to 40 years
Year Built: 1987
Note: Located in an Opportunity Zone

Demographics (2018)

	1-mile	3-miles	5-miles
Population:	5,052	75,280	198,055
Avg. Household Inc.:	\$61,651	\$85,239	\$79,218
Total Households:	2,583	30,626	80,665

Complete demographics are available upon request.

Falcon Field Hangars

Falcon Field Airport, Mesa, AZ

The subject property is two industrial flex hangar buildings that back up to each other that were both leased to AeroMaritime America. AeroMaritime America Inc. provides repair, overhaul, and testing services for Rolls-Royce 250 series engines in the United States. It offers engine/module unpacking and receiving inspection, disassembly, dirty strip inspection, sub assembly, and packing and preparation for shipment services. The company serves operators, military, and municipalities. AeroMaritime America Inc. was formerly known as Aeropower Resources, Inc. and changed its name to AeroMaritime America Inc. in January 2001. The company was founded in 1971 and is based in Mesa, Arizona. As of March 7, 2008, AeroMaritime America, Inc. operates as a subsidiary of Industria de Turbo Propulsores S.A. ITP Aero is currently the ninth largest aircraft engine and components company in the world by revenue. ITP Aero is 100% owned by Rolls-Royce plc.

<http://www.aeromarus.com/>

ITP Aero has decided to cease operations in Arizona and elected to exercise their termination option. Their lease expired 10/31/19.

It would make sense for another helicopter repair business to continue the operation here.

The buildings can be purchased or leased separately.

This information contained herein has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify this information and bear all risk for inaccuracies.

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Building	Sq. Ft.	% of Total
Falcon Dr.	9,750	54%
Roadrunner Dr.	8,300	46%
Total	18,050	100%

	Proforma	\$/SF
Base Rent	\$216,600	\$1.00/SF/MO Triple Net
Reimbursed Expenses	\$ 19,587	
Total Income	\$236,187	

Expenses

Taxes (1):	None	
Insurance (2):	Tenant	
Utilities (2):	Tenant	
Maintenance (3):	\$ 700	\$0.04
Ground Lease (4):	\$18,887	\$1.05
Total Expenses:	\$19,587	\$1.09

Net Operating Income: **\$216,600**

Proforma Cap Rate: **12.00%**

Notes

1. There are no property taxes because the land is owned by the City of Mesa. The ground lease rent is probably less than what the property taxes would be.
2. Proforma assumes that the tenant pays for the insurance, all maintenance, utilities and the ground lease since no property taxes are due.
3. Tenant would be responsible for all maintenance under a triple net lease.
4. The ground lease rent increases annually by CPI. The amount shown is for 2019. The proforma assumes this will be paid by the new tenant in the place of taxes.

Major Property Improvements**Falcon Drive**

Exterior remodel (2014/2015)	\$62,598.57
New roof (2016)	\$46,984.00
Skylight renovation (2016)	\$8,893.00
Sub Total	\$118,475.57

Roadrunner Drive

Exterior remodel (2014/2015)	\$61,025.89
New roof (2016)	\$37,130.25
Sub Total	\$98,156.14

Total **\$216,631.71**

Ground Lease

Annual rent: Falcon Dr.- \$11,331.42 Roadrunner Dr.- \$7,555.79 Total- \$18,887.21 (2019)

Lease Term: 1/31/14 to 12/31/54 (originally 40 years). The City has indicated they might be willing to extend the lease to its original 40 years for a new owner.

Rent Adjustment: CPI annually on January 1. Every five years the increases are reviewed and are adjusted to a minimum increase of 10% and a maximum increase of 30% for the prior 5 years. The 10% minimum would put the rent at \$19,252 at the end of 2018, which is what is included in the proforma.

Real Estate Taxes: None. This could be viewed as instead of having real estate taxes, you have a ground lease payment. The ground lease probably costs less.

Each property has a separate ground lease with the same terms except the rent. A few months before the current owners closed on the properties, the ground leases were extended for 40 years.

The land is owned by the City of Mesa. Their primary objective is to generate income from the property. **They do not have the typical motivation to reclaim the improvements at the end of the lease term and are likely to extend the ground leases. Therefore, the risk analysis needs to be adjusted from a typical ground lease investment.**

Falcon Field Hangars

SITE PLAN



**SUBJECT
#1**

141-36-001E

**SUBJECT
#2**



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Falcon Field Hangars

AERIAL PHOTO



**Falcon Field
Airport**

SUBJECT

SUBJECT



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Falcon Field Hangars

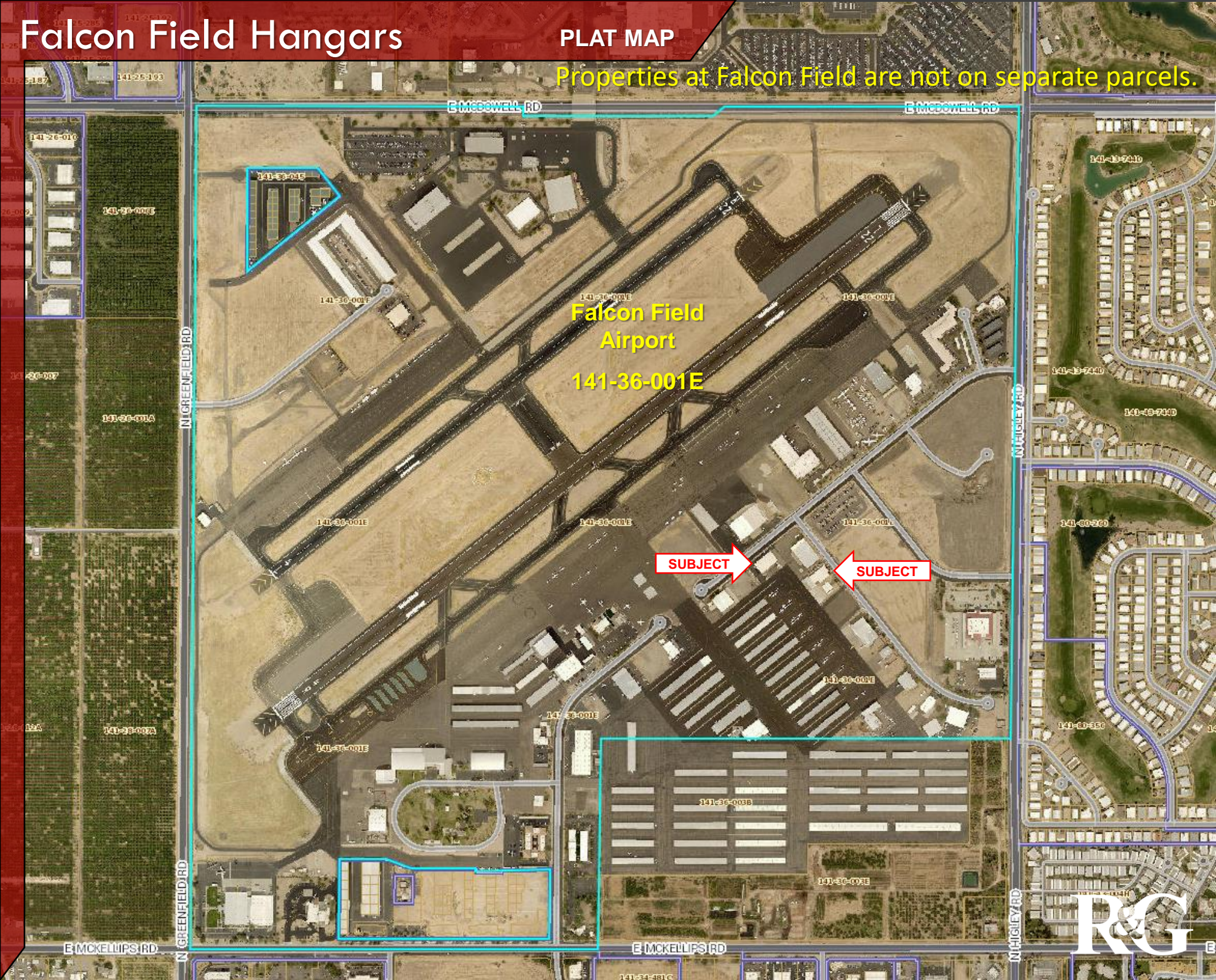
AERIAL PHOTO



Falcon Field Hangars

PLAT MAP

Properties at Falcon Field are not on separate parcels.

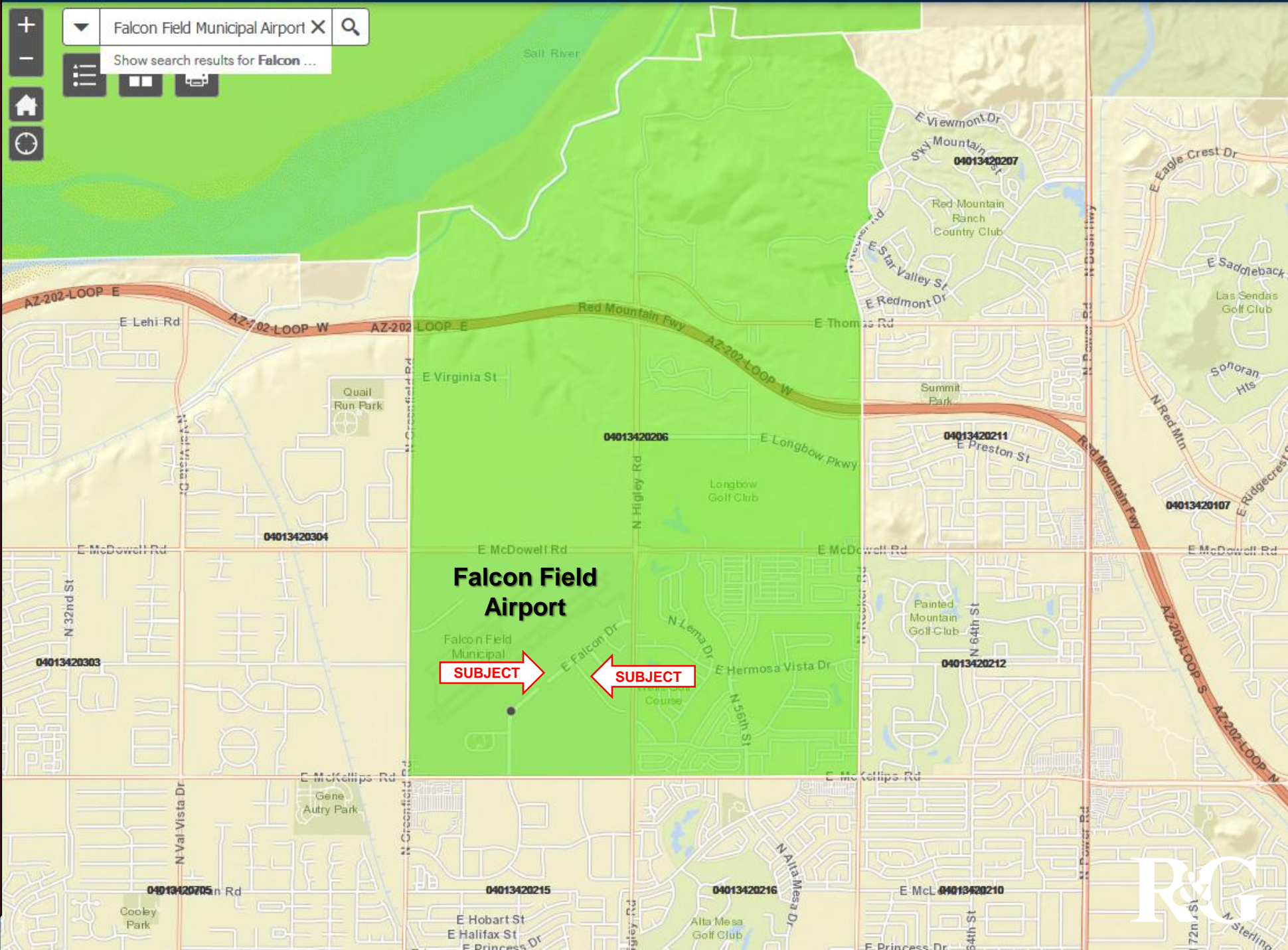


Falcon Field Hangars OPPORTUNITY ZONE

ARIZONA
COMMERCE AUTHORITY

Opportunity Zones

Green=Census tracts submitted to U.S. Treasury on 3/21/18 and designated (approved) on 4/9/18.



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