




Fairbanks North Star Borough


Mayor's Office
Land Management

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MEMORANDUM

TO: Fairbanks North Star Borough Assembly

THROUGH: Bryce J. Ward, Borough Mayor 

FROM: Daniel Welch, Acting Land Manager 

DATE: April 8, 2021

SUBJECT: AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO LEASE AGREEMENT WITH THE INTERIOR AND ARCTIC AERONAUTICAL FOUNDATION, INC. WITHIN GL-12, SECTION 9, T.1S., R.1W., F.M. AND THAT PORTION OF THE SW ¼ OF THE SW ¼ OF SECTION 9, T.1S., R.1W., F.M IN PIONEER PARK

The Interior and Arctic Aeronautical Foundation Inc. (IAAAF), originally entered into an agreement in September of 1992, to develop and operate the Alaskaland Air Museum. The Air Museum has been an integral part of Pioneer Park since its inception. The most recent version of this lease has lapsed, and renewal via a new lease is required for continuation of the Air Museum within the park.

The new lease language is similar and generally consistent in language to other leases within Pioneer Park with two main exceptions: The IAAAF will not be required to pay for all utilities and the IAAAF will not be allowed to construct improvements or make renovations.

The FNSB has historically been providing for utilities on behalf of the of the IAAAF through the duration of the former lease. Additionally, all maintenance and repairs are limited to meeting the minimum safety requirements for continued operation of the museum, after both the Borough and IAAAF agreed that the "Gold Dome" is no longer economically feasible to repair or retrofit.

This new lease is only intended to last one year with a potential for an additional one-year renewal. The purpose for this difference in language is to allow the IAAAF a buffer year to establish a plan to continue the operation of the valued Air Museum under an agreement more consistent with other leases within Pioneer Park.

We support the ordinance and urge its adoption. Thank you.

1 By: Bryce J. Ward, Mayor
2 Introduced: 04/08/2021
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4 FAIRBANKS NORTH STAR BOROUGH

5 ORDINANCE NO. 2021 – 16
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8 AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO A LEASE AGREEMENT AT
9 LESS THAN FAIR RENTAL VALUE WITH THE INTERIOR AND ARCTIC ALASKA
10 AERONAUTICAL FOUNDATION, INC. WITHIN GL-12, SECTION 9, T.1S., R.1W., F.M.
11 AND THAT PORTION OF THE SW ¼ OF THE SW ¼ OF SECTION 9, T.1S., R.1W., F.M.
12 FOR OPERATION OF THE PIONEER AIR MUSEUM IN PIONEER PARK
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14 WHEREAS, The Fairbanks North Star Borough (Borough) owns a parcel of
15 land described as Pioneer Park, within GL-12, Section 9, T.1S., R.1W., F.M. and that
16 portion 16 of the SW ¼ of the SW ¼ of Section 9, T.1S., R.1W., F.M.; and
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18 WHEREAS, In 2005 a Pioneer Park Master Plan was created to guide the
19 growth of the park, the focus of which is on the heritage, history, and culture of the
20 Fairbanks and Interior Alaska area; and
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22 WHEREAS, The Interior and Alaska Aeronautical Foundation, Inc. (IAAAF)
23 has developed a world-renowned aviation museum which provides outstanding
24 educational opportunities to thousands of visitors annually including school children,
25 Fairbanks visitors, and citizens of the Borough in direct support of the Pioneer Park Master
26 Plan objectives; and
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28 WHEREAS, The IAAAF, a non-profit corporation, originally entered into a
29 lease with the Borough in September 1992 to develop and operate the Alaskaland Pioneer
30 Air Museum in the building better known as the Gold Dome; and
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32 WHEREAS, The IAAAF and the Borough have entered into various leases
33 throughout the years to accommodate operations of the museum within the Gold Dome,
34 with the most current lease having expired in 2012; and

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WHEREAS, The current lease requires IAAAF pay the Borough a \$100.00 annual fee and 10% of its annual revenue, resulting in roughly \$3,000.00 a year, on average, of revenue to the Borough; and

WHEREAS, The Borough and IAAAF agree it is no longer economically feasible to repair or retrofit the Gold Dome, and that going forward all repairs should be solely tailored to meet minimum safety requirements for continued operation of the museum; and

WHEREAS, FNSBC 20.16.020(D) states the Assembly may authorize the Mayor to lease Borough land for less than fair rental value only if the ordinance authorizing the lease contains a finding that the lease is for a compelling public purpose or use and a statement of the facts on which the finding is based; and

WHEREAS, A one-year lease, at less than fair market rental value, with a one-year potential to renew, as requested, will provide IAAAF time to formulate a long-term solution to the housing needs of the museum; and

WHEREAS, Those with a known land interest in adjoining properties have been notified of the proposed lease; and

WHEREAS, Land Management has reviewed records for the property and there are no existing mining claims or other third-party interests known to Land Management within the proposed lease area which Land Management believes impact or are impacted by the proposed lease.

NOW, THEREFORE, BE IT ORDAINED by the Assembly of the Fairbanks North Star Borough:

65 Section 1. Classification. This ordinance is not of a general and
66 permanent nature and shall not be codified.

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68 Section 2. Determination of a compelling public purpose or need. The
69 Assembly hereby finds that this proposed lease at less than fair market rental value is for
70 a compelling public purpose based upon the following facts:

- 71 1. The Pioneer Air Museum offers educational opportunities to thousands of
72 visitors annually including school children, Fairbanks visitors, and citizens of the
73 Borough to learn historical knowledge about Interior Alaskan Aviation.
- 74 2. The Pioneer Air Museum directly supports Pioneer Park Master Plan objectives
75 celebrating the heritage, history, and culture of the Fairbanks and Interior
76 Alaska.
- 77 3. The Pioneer Air Museum provides numerous benefits to the community through
78 social interactions between museum staff and patrons while enjoying activities
79 as part of Pioneer Park events and celebrations.

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81 Section 3. Authorization. The Borough Mayor or his delegate is hereby
82 authorized to take all actions necessary to enter into a new lease agreement at less than
83 fair market rental value with The Interior and Arctic Alaska Aeronautical Foundation Inc.,
84 on the property described as a portion of GL-12, Section 9, T.1S., R.1W., F.M. and that
85 portion of the SW ¼ of the SW ¼ of Section 9, T.1S., R.1W., F.M. (Pioneer Park), as
86 shown on attached Exhibit Map "A", for an initial term of one (1) year, with one (1)
87 renewal of one (1) year permitted upon mutual agreement of the parties.

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89 Section 4. Effective Date. This ordinance is effective at 5:00 p.m. on the
90 first Borough business day following its adoption.

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ADOPTED THE _____ DAY OF _____ 2021.

Mindy O'Neall
Presiding Officer

ATTEST:

APPROVED:

April Trickey, CMC
Borough Clerk

Approved by JSD

Jill S. Dolan
Borough Attorney

Exhibit Map "A"



UA2020-006-Interior & Arctic Alaska Aeronautical Foundation (Gold Dome)



0 0.0150.03 0.06 0.09 0.12
Miles

○ Lease Area= 14,190 sq. ft.

LEASE AGREEMENT WITH THE INTERIOR AND ARCTIC ALASKA AERONAUTICAL FOUNDATION, INC. (IAAAF) WITHIN GL-12, SECTION 9, T.1S., R.1W., F.M. AND THAT PORTION OF THE SW ¼ OF THE SW ¼ OF SECTION 9, T.1S., R.1W., F.M. FOR OPERATION OF THE PIONEER AIR MUSEUM (PIONEER PARK)