

Clubhouse Extension

“Ready to copy clearance” September 2009

The story so far



In Autumn 2007 Executive Committee (“ExCo”) took soundings from a cross section of the membership about improving the facilities at the club.

In December 2007 ExCo considered a “wish list” that covered a wide range of suggestions from the members that covered external environment, ground and upper floors.

November SGM 2008 Membership mandated Exco to explore options for a north extension and to report back.

AGM 2009 Membership approved North Extension with a budget of £85,000 and asked ExCo to report back should further spend be required

Since AGM 2009



Gained the relevant consents and approvals from planners, building control, fire officer, airport board and parish constables.



Extensively costed the project and undertaken a competitive tender exercise to a range of firms.

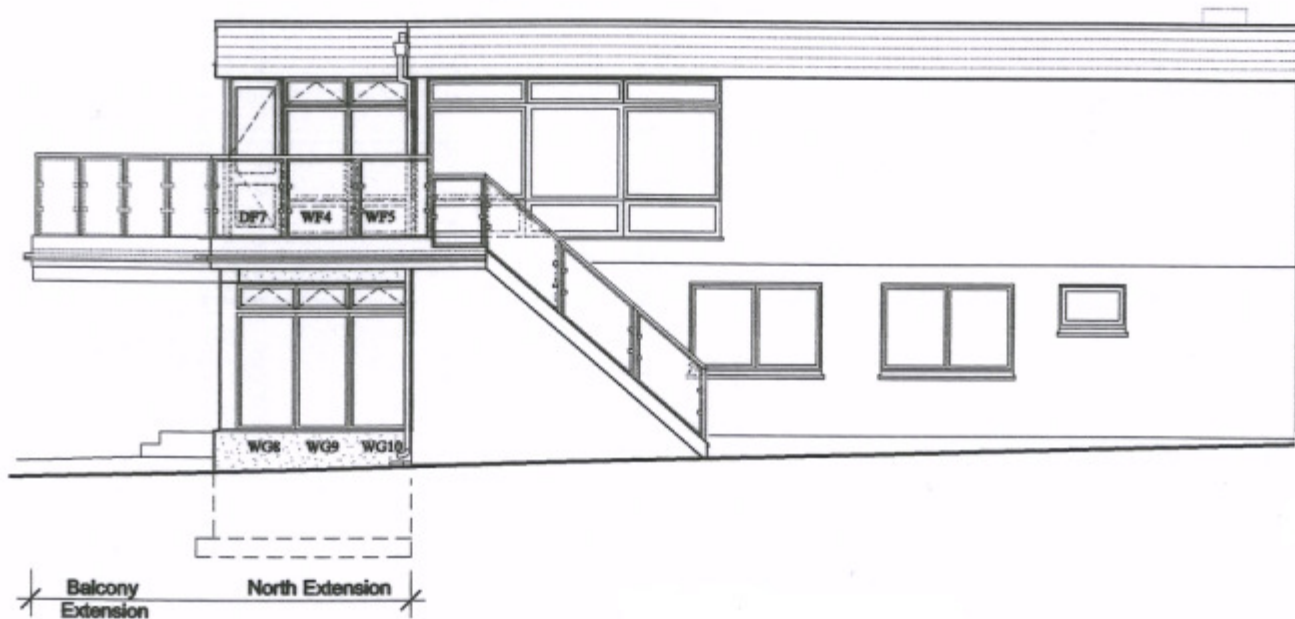


Completed a post tender analysis which included a specific exercise to explore ways of engineering out costs.



ExCo now proposes two options to the membership for their consideration given that the costs exceed the agreed budget.

Option One – Two Floor Extension with balcony



Adds 25% more space to the first floor clubhouse

Adds a large balcony capable of having tables of 4 and an escape route

Adds 30% more space to the ground floor training room and repositions and enlarges the GFT office with the existing offices.

Provides flexibility to add storage space at a later stage by converting the CFI office but not included nor priced in at this stage.



Option One - Two Floor Extension with balcony (cont. . .)

Additional Areas

| | | |
|--------------------|---------------------|-----------------------|
| Ground Floor | 223.78 sq ft | (c 20.79 sq m) |
| First Floor | 223.78 sq ft | (c 20.79 sq m) |
| TOTAL | <u>447.56 sq ft</u> | <u>(c 41.58 sq m)</u> |
| Balcony (increase) | 347.24 sq ft | (c 32.26 sq m) |

The 'footprint' will extend nearly to the Hangar Access Gate as per the attached plans.

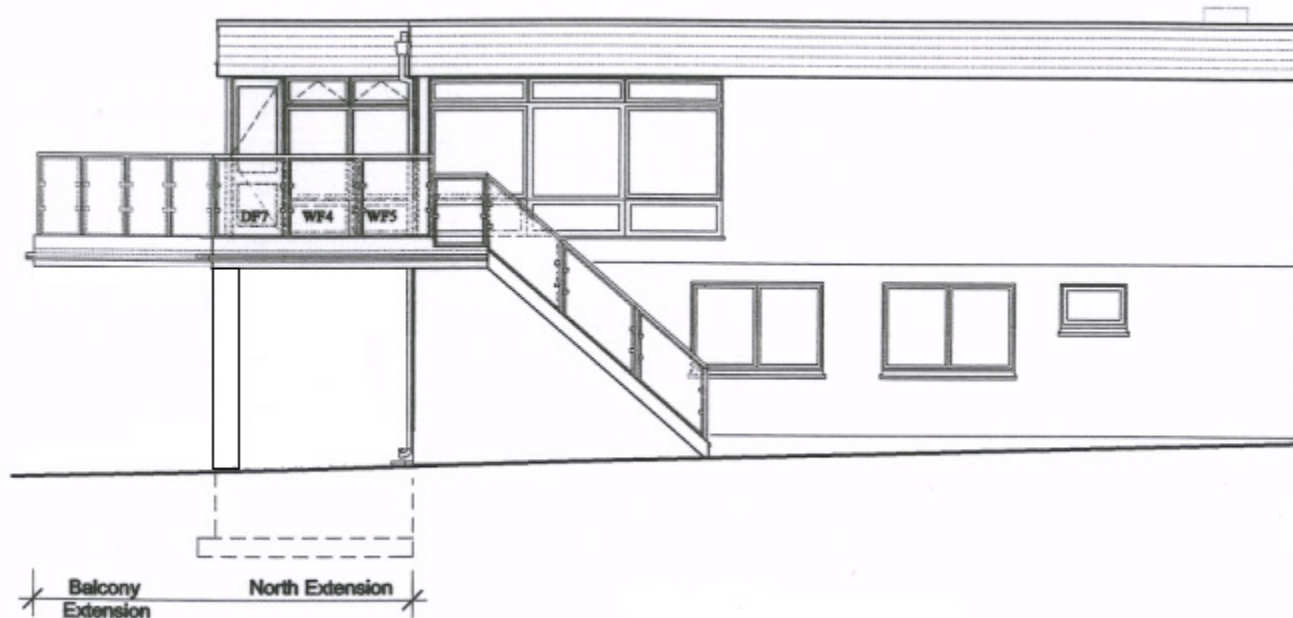
The Cost

Overall Contract Sum with JW Rihoy & Sons **£105,318.14**

includes the following sub contractors: Plumbing & Heating by Blondel & Hamel Ltd, Electrical with Eddie Feast, PVCu Windows and Doors with Bredoyle and the Balustrade work.

N.B. Engineers fees are in addition to the above, some of which have already been settled

Option Two – First Floor Extension with balcony



Adds 25% more space to the first floor clubhouse.

Adds a large balcony capable of having tables of 4 and an escape route.

No Enlargement at ground floor level nor additional storage space.

Retains flexibility to infill the ground floor at a later stage should the membership consider it desirable at that time.



Option Two - First Floor Extension with balcony (cont. . .)

Additional Areas

| | | |
|--------------------|---------------------|-----------------------|
| Ground Floor | 0.00 sq ft | (c 0.00 sq m) |
| First Floor | 223.78 sq ft | (c 20.79 sq m) |
| TOTAL | <u>223.78 sq ft</u> | <u>(c 20.79 sq m)</u> |
| Balcony (increase) | 347.24 sq ft | (c 32.26 sq m) |

The 'footprint' will extend nearly to the Hangar Access Gate as per the attached plans.

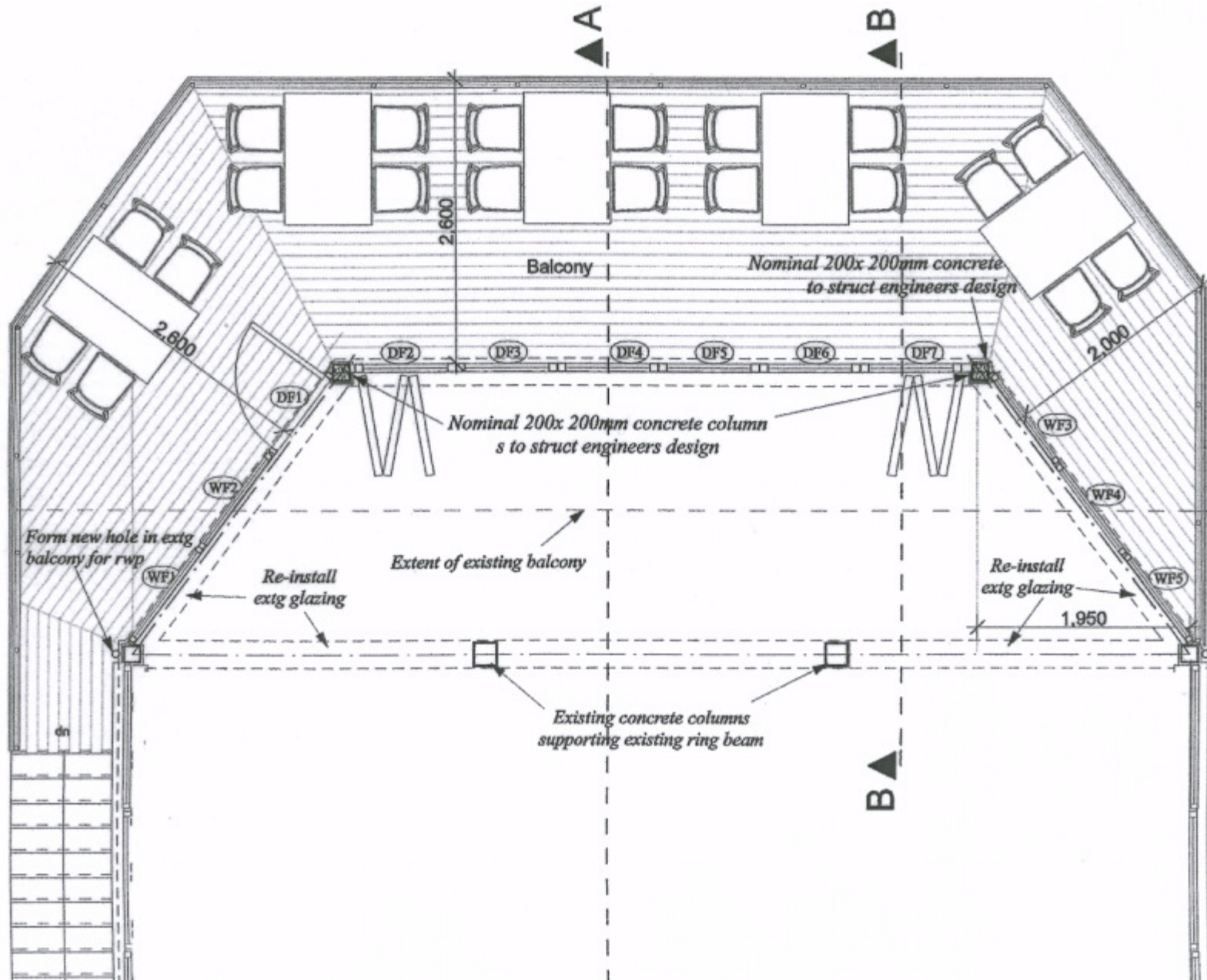
The Cost

Overall Contract Sum with JW Rihoy & Sons **£93.474.79**

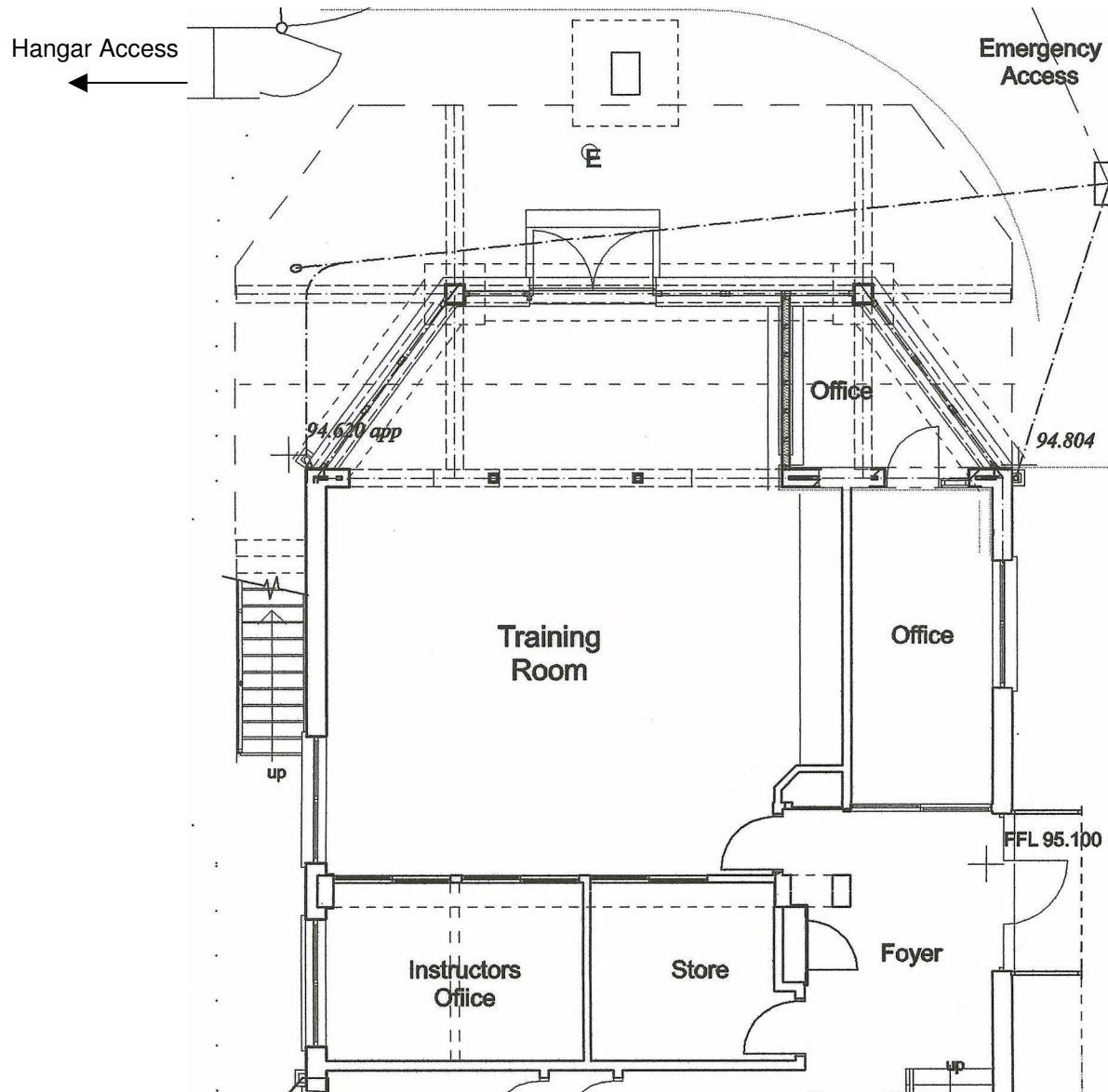
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Floor Plan – First Floor Balcony



Floor Plan – Ground Floor





Competitive Tenders were invited from 6 firms including 2 member sub contractors.



Extensive Exercise completed to examine ways / methods to engineer out costs including change of construction method



Alternative construction was considered (incl. open decking, joists and concrete) but was rejected by building & fire offices.



Other Changes to Design were considered but benefits are negligible when compared to cost savings achieved

Funding the Project



| Capital Cost | Option 1 Two Floors | Option 2 First Floor |
|--------------------------------------------------------------------------------------------------------------------------|------------------------|-------------------------|
| Cost of Extension | 106,000 | 94,000 |
| Mortgage Cost | 1,200 | 1,200 |
| Other Fees & Contingency <small>(e.g. Royal Court Fee for licensed premise extension, engineering inspection)</small> | 3,000 | 3,000 |
| TOTAL COST | 110,200 | 98,200 |
| Cash put in by Aero Club | 20,000 | 20,000 |
| Cash Donations | 20,000 | 20,000 |
| AMOUNT TO FINANCE | 70,200 | 58,200 |

Funding the Project (Cont. . .)



Annual Repayment Cost

Assuming we only receive 20,000 in donations and then finance remaining

| | | |
|--------------------------------------------------------------------------------------------|------------------|------------------|
| AMOUNT TO FINANCE | 70,200 | 58,200 |
| Scenario 1 – First 3 years interest only then 15 yr repayment at 8% rate (bank finance) | -5,616 -8,201 | -4,656 -6,799 |
| Scenario 2 – First 3 years interest only then 15 yr repayment at 4% rate (members) | -2,808 -6,314 | -2,328 -5,235 |

Annual Repayment Cost

Assuming we receive an additional 20,000 in donations (40,000 in total)

| | | |
|--------------------------------------------------------------------------------------------|------------------|------------------|
| AMOUNT TO FINANCE | 50,200 | 38,200 |
| Scenario 1 – First 3 years interest only then 15 yr repayment at 8% rate (bank finance) | -4,016 -5,865 | -3,056 -4,463 |
| Scenario 2 – First 3 years interest only then 15 yr repayment at 4% rate (members) | -2,008 -4,515 | -1,528 -3,436 |

Funding the Project (Cont. . .)



Aero Club Financial Highlights

2008 profit was about even allowing for non recurring items such as life members and an accounting adjustment.

Total cash in bank 40,985.88 (31 July 2009).

A 20% reduction in membership fees would amount to a circa £4,000 reduction in revenues

Assumptions

1. The members are willing to donate a minimum of 20,000 GBP;
2. Bank financing can be obtained for 8%;
3. Members financing can be obtained at 4%;
4. 15 year repayment schedule;
5. Payments include principal and interest. N.B This is considered more prudent approach since avoids a lump sum repayment at year 15; and
6. Expenditures so far are "sunk costs" totalling £4,431

Summary



Vigorous and Robust debate regarding the proposals and they carry the support of the ExCo.



Close scrutiny by ExCo of the construction and funding figures, we believe it is affordable.



Extensive cost saving exercise undertaken to drive out any unwarranted costs.



Kitchen Needs Upgrading. ExCo feel that this needs to be considered at some point in the future.

Motion One



Motion 2009-1: The Aero club committee, subject to receiving a minimum level of £20,000 in donations, is hereby authorised to carry out the works and funding arrangements as presented in “**Option One - Two Floor Extension with balcony**” of the Clubhouse Extension proposal as presented on 15 September 2009.

Motion Two (if required)



Motion 2009-2: The Aero club committee, subject to receiving a minimum level of £20,000 in donations, is hereby authorised to carry out the works and funding arrangements as presented in “**Option Two - First Floor Extension with balcony**” of the Clubhouse Extension proposal as presented on 15 September 2009.