



AMCG

Aviation Management
Consulting Group

Airport Rent Study

Truckee Tahoe Airport District

Truckee Tahoe Airport

EXECUTIVE HANGARS, T-HANGARS, AND T-HANGAR STORAGE

April 30, 2020



April 30, 2020

Mr. Kevin Smith, A.A.E.
General Manager
Truckee Tahoe Airport District
10356 Truckee Tahoe Airport Road
Truckee, California 96161

RE: Airport Rent Study

Dear Mr. Smith:

This summary report conveys Aviation Management Consulting Group, Inc.'s (AMCG) opinion of market rent for certain improvements located at Truckee Tahoe Airport which are currently being leased or available for lease from the Truckee Tahoe Airport District.

AMCG is pleased to have been called on to conduct this study and provide an opinion of market rent. Please contact me if you have any questions pertaining to this analysis or the conclusions reached.

Helping your aviation management excellence,

A handwritten signature in black ink, appearing to read "D.C. Benner". The signature is fluid and cursive, written in a professional style.

David C. Benner, C.M.
Managing Consultant
Aviation Management Consulting Group, Inc.

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I. EXECUTIVE SUMMARY

Airport: Truckee Tahoe Airport
10356 Truckee Airport Road
Truckee, California 96161

Scope of Work: This summary report conveys Aviation Management Consulting Group's opinion of market rent for certain improvements (Subject Properties) located at Truckee Tahoe Airport which are currently being leased or available for lease from the Truckee Tahoe Airport District.

Subject Properties: The components of the Subject Properties include: Executive Hangar, Small T-Hangar, Medium T-Hangar, Large T-Hangar, and T-Hangar Storage (End Pockets).

Date of Report: April 30, 2020

Effective Date: December 6, 2019

Methodology: An opinion of market rent for the Subject Properties was developed based on an analysis of the information and data obtained for similar properties from national, regional, comparable, resort destination, and competitive airports (which is summarized in Section VI. Study Findings).

Rental Rate Conclusions: Table 1 identifies a summary of the recommended rental rate for the Subject Properties.

Table 1 – Rental Rate Conclusions Summary

Rental Rate Conclusion Summary				
Row	Component	Market Rent Opinion		
		psf/yr	pu/mo	psf/mo
Rows A, F, H, L, N, and P	Executive Hangar	\$5.50 - \$6.25	\$1,315.88 - \$2,276.04	\$0.4583 - \$0.5208
Rows A, B, C, D, E, F, and K	Small T-Hangar	N/A	\$435.00 - \$475.00	\$0.3995 - \$0.4390
Rows A, B, C, D, E, F, G, J, K, and M	Medium T-Hangar	N/A	\$475.00 - \$520.00	\$0.3516 - \$0.4924
Rows B, C, D, E, and F	Large T-Hangar	N/A	\$550.00 - \$580.00	\$0.4135 - \$0.4708
Rows A, B, C, D, E, G, K, and M	T-Hangar Storage	\$5.05 - \$5.50	N/A	\$0.4208 - \$0.4583

Rental rates for T-Hangars are on a "per unit per month" (pu/mo) basis

Rental rates for Executive Hangars and T-Hangar Storage are "per square foot per year" (psf/yr) basis

II. INTRODUCTION**A. Scope of Work**

This summary report conveys Aviation Management Consulting Group's (AMCG's) opinion of market rent for certain improvements (Subject Properties) located at the Truckee Tahoe Airport (Airport) which are currently being leased or available for lease from the Truckee Tahoe Airport District (District) by multiple tenants.

B. Market Rent Defined

Market rent is defined as the most probable rent which a specified property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements.

AMCG understands, as outlined in the Airport's *General Aviation Leasing/Rents and Fees Policy*, rental rates are adjusted on annual basis based on the change in the Airport Economic Index (AEI). The AEI is a composite index of five variables: number of based aircraft, number of air taxi operations, general aviation itinerant operations, general aviation fuel volumes, and Consumer Price Index.

C. Project Approach

To achieve the scope of work, AMCG completed the following work plan:

1. developed a profile of the Airport;
2. identified comparable, resort destination, and competitive airports utilizing the profile of the Airport;
3. obtained rental rates (and related information) from the Airport and comparable, resort destination, and competitive airports identified;
4. analyzed the data obtained from the Airport and comparable, resort destination, and competitive airports identified;
5. analyzed national and regional data; and
6. developed an opinion of market rents for the Subject Properties based on the analysis of the Airport, comparable, resort destination, and competitive airports, as well as national and regional data.

In drawing opinions of market rent for the Subject Properties, consideration was given to those factors that typically affect market rents for on-airport, aeronautical properties (e.g., property use, attributes, restrictions, limitations, etc.). Beyond this, AMCG's opinion of market rent for the Subject Properties has been formed based on a comparative analysis of current rents for on-airport, aeronautical properties at national, regional, comparable, resort destination, and competitive airports and the Airport. It is noteworthy that the rental rates currently being charged for the Subject Properties were not included in the national, regional, comparable, and competitive market rents but were utilized as a point of reference to derive the opinion of market rent conveyed in this summary report.

Market rents for off-airport, non-aeronautical properties were not utilized as this approach is highly problematic due to the different types of land use. The adjustment between off-airport, non-aeronautical properties and on-airport, aeronautical properties would have to reflect the fact that these land uses do not exhibit the same bundle of rights. It is very difficult, if not impossible, to determine the adjustment applied to unencumbered off-airport, non-aeronautical rental rates to reflect the constraints imposed by the Federal Aviation Administration (FAA), the airport owner/operator, and/or others pertaining to the development and/or use of on-airport, aeronautical properties.

When rendering an opinion of market rents for on-airport, aeronautical properties, the cost of the real property (land and/or improvements) and desired rates of return are not typically considered. While these factors may be considered when rendering an opinion of market rents for off-airport, non-aeronautical properties or may be considered by real estate investors, these factors are not generally consistent with the realities of the prevailing market for on-airport, aeronautical properties. Therefore, AMCG's opinion of market rent was not based on the cost of real property or desired rates of return.

D. Key Underlying Assumptions

The market rent opinions conveyed in this summary report are based on the lessee having full and continued access to the Airport's airside and landside infrastructure. Additionally, the analysis was based on an evaluation of triple net lease rates¹ (as applicable to the Executive Hangars) as well as modified gross lease rates² (as applicable to the T-Hangars and T-Hangar Storage).

Market rents are driven by the amount a willing buyer (lessee) pays to a willing seller (lessor). To the extent that local economic factors affect rental rates at the national, regional, comparable, resort destination, and competitive airports, these economic factors will be reflected in the rental rate conclusions. To derive the market rent opinions for the Subject Properties, AMCG has identified and analyzed (on a comparative basis) the rents being charged and paid for similar properties (by component) at a cross-section of airports that are considered most comparable to the Airport.

AMCG recognizes that there are differences between the Airport and the comparable airports. Some of the comparable airports exhibit superior characteristics and some exhibit inferior characteristics. To identify airports that were considered most comparable to the Airport and draw conclusions that reflect the conditions at the Airport, the comparable airports were compared with the Airport using a number of aeronautical activity and infrastructure indicators.

¹ Triple net lease rates, by definition, occur when the lessee is responsible for all maintenance, utilities, insurance, and taxes associated with the Subject Properties. Consistent with industry standards for general aviation improvements, the evaluation of "triple net lease rates" includes the airport sponsor paying for costs associated with major maintenance items (e.g., repair and/or replacement of hangar doors, roofing, super structure, HVAC, etc.).

² Modified gross lease rates, by definition, occur when the lessor pays for a portion of maintenance, utilities, insurance, and/or taxes associated with the Subject Properties.

It is AMCG's experience that aeronautical activity and infrastructure indicators at airports typically run parallel to local market (economic) indicators. Therefore, it is reasonable to assume that the airports identified as being comparable to the Airport (based on the selection criteria) will be located in markets that have economic and demographic characteristics that are similar to the subject market. As such, a separate analysis of local market (economic) indicators at comparable airports was not deemed necessary in this case.

The following report summarizes AMCG's findings and opinions.

III. COMMUNITY OVERVIEW

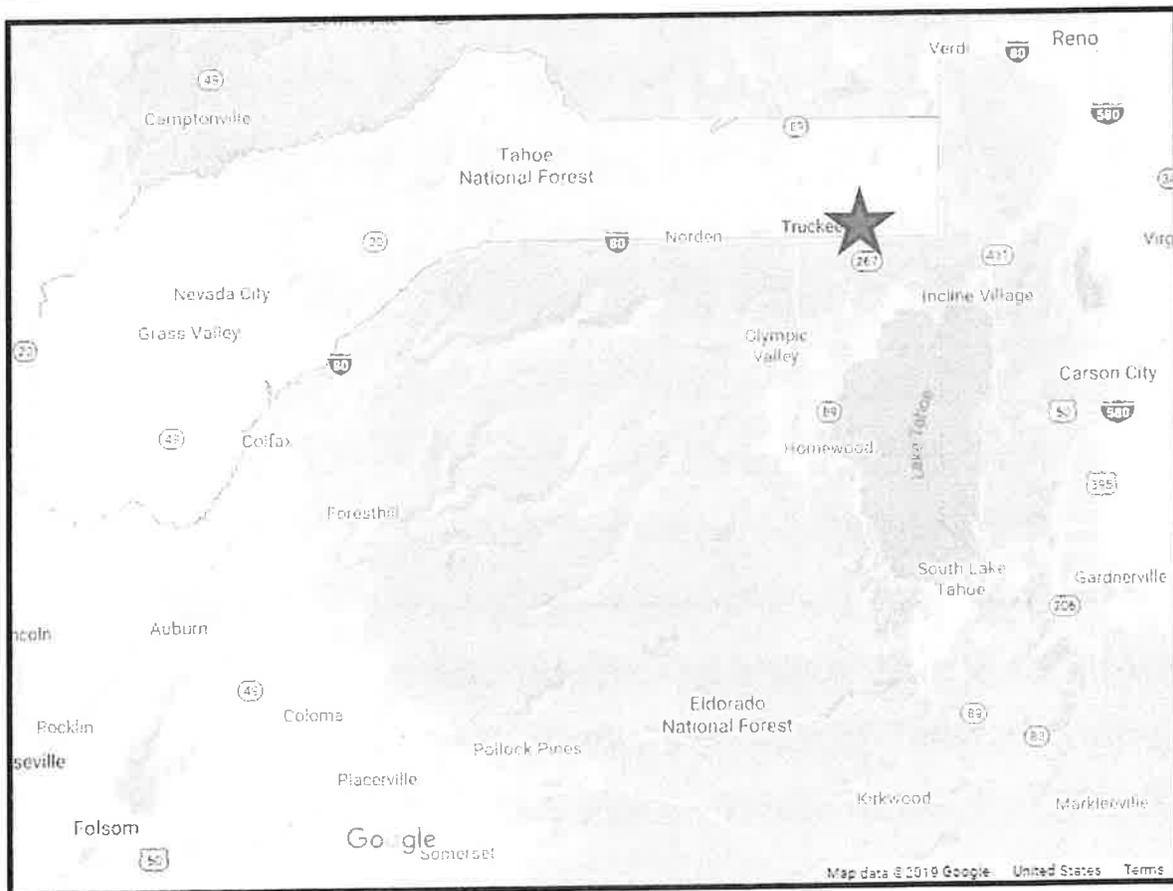
A. Airport Sponsor

The Airport is owned and operated by the Truckee Tahoe Airport District, which is governed by a five-member Board of Directors. Each member is voted into office by public county election and serves a four-year term.

B. Geographic Location

The Airport is located in the Town of Truckee (Town) which is also located within Nevada County (identified in Figure 1) and Placer County, California. The Airport is north of Lake Tahoe, 2 miles east of the Town’s central business district and is 33 miles east of the City of Reno, Nevada.

Figure 1 – Geographic Location



C. Demographics

The population of the Town has increased a total of 16.7%, or a compounded annual increase of 1.6% from 13,864 in 2000 to 16,180 in 2010 (U.S. Census Bureau). Since 2010, the population has increased slightly to 16,561 in 2018 (U.S. Census Bureau estimate) which reflects a total increase of 2.4% or a nominal compounded annual increase of 0.3%.

The population of Nevada County has increased a total of 7.3% with a compounded annual change of 0.7% from 92,033 in 2000 to 98,764 in 2010 (U.S. Census Bureau). Since 2010, the population has increased to 99,755 in 2019 (U.S. Census Bureau estimate) which reflects a total increase of 1.0% and a nominal compounded annual increase of 0.1%. The population of Placer County has increased a total of 40.3% with a compounded annual change of 3.4% from 248,399 in 2000 to 348,432 in 2010 (U.S. Census Bureau). Since 2010, the population has increased to 398,329 in 2019 (U.S. Census Bureau estimate) which reflects a total increase of 14.3% and compounded annual increase of 1.5%.

D. Business and Industry

The largest employment sectors in the Town are arts, entertainment, recreation, accommodation, and food services; educational services, health care and social assistance; professional, scientific, management, administrative and waste management services; construction; and retail trade. On a combined basis, these employment sectors account for approximately 70.7% of employment in the Town (U.S. Census Bureau).

The largest employment sectors in Nevada County are educational services, health care and social assistance; professional, scientific, management, administrative and waste management services; arts, entertainment, recreation, accommodation, and food services; and retail trade. On a combined basis, these employment sectors account for approximately 59.4% of employment in Nevada County (U.S. Census Bureau).

The largest employment sectors in Placer County are educational services, health care and social assistance; professional, scientific, management, administrative and waste management services; retail trade; and manufacturing. On a combined basis, these employment sectors account for approximately 56.0% of the employment Placer County (U.S. Census Bureau).

E. Economic Factors

The labor force of the Town has decreased from 9,933 in 2010 to 9,820 in 2018 (U.S. Census Bureau estimate). This represents a total decrease of 1.1% and a compounded annual decrease of 0.1%. The labor force of Nevada County has decreased from 49,116 in 2010 to 46,499 in 2018 (U.S. Census Bureau estimate) which represents a total decrease of 5.3% and a compounded annual decrease of 0.7%. The labor force of Placer County has increased from 168,436 in 2010 to 183,544 in 2018 (U.S. Census Bureau estimate) which represents a total increase of 9.0% and a compounded annual increase of 1.1%.

As identified by the Bureau of Labor Statistics, the unemployment rate in Nevada County was approximately 3.7% and approximately 3.3% in Placer County (as of January 2020); this is lower in comparison to the U.S. national unemployment rate of approximately 3.6% (as of January 2020).

F. Consumer Price Index

Table 2 outlines the Bureau of Labor Statistics, Consumer Price Index, All Urban Consumers, West – B/C (cities of less than 1,500,000 population) from 2015 to 2019.

Table 2 – Consumer Price Index (West Region)

Consumer Price Index (West Region)	
Year	Year End
December 2015	143.398
December 2016	145.918
December 2017	149.920
December 2018	154.228
December 2019	158.496

IV. SUBJECT AIRPORT OVERVIEW

A. Airport Description

The Airport, which consists of approximately 2,280 acres of land, has two runways, as follows:

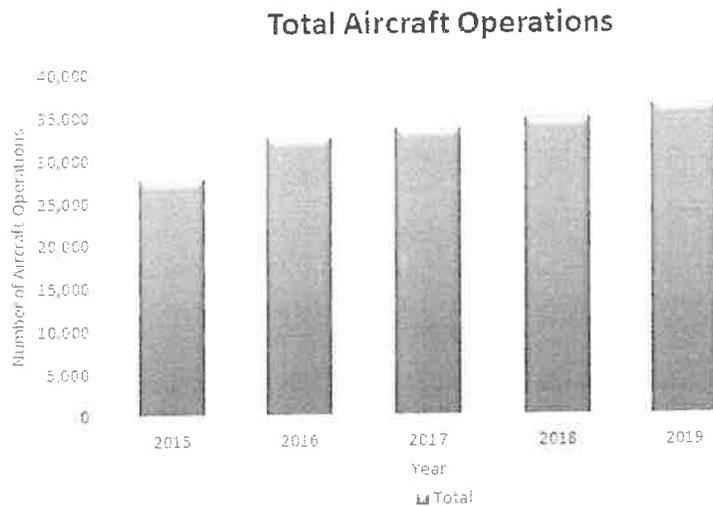
- Runway 02/20: 4,654 feet long and 75 feet wide, asphalt in good condition.
- Runway 11/19: 7,001 feet long and 100 feet wide, grooved asphalt in good condition.

The Airport has an Air Traffic Control Tower (which operates from 7:00 a.m. to 7:00 p.m.) and is served by RNAV – GPS non-precision approaches. The Airport is designated a General Aviation Airport in the *FAA National Plan of Integrated Airports System (NPIAS)* and a Regional Airport in the *FAA General Aviation Airports: A National Asset* study.

B. Aircraft Operations

Figure 2 depicts the total aircraft operations at the Airport from 2015 to 2019, as reported by Airport management.

Figure 2 – General Aviation Aircraft Operations



As shown in Table 3, total general aviation aircraft operations at the Airport have increased from 27,613 in 2015 to 36,450 in 2019. This represents a total increase of 32.00% and a compounded annual increase of 7.19%.

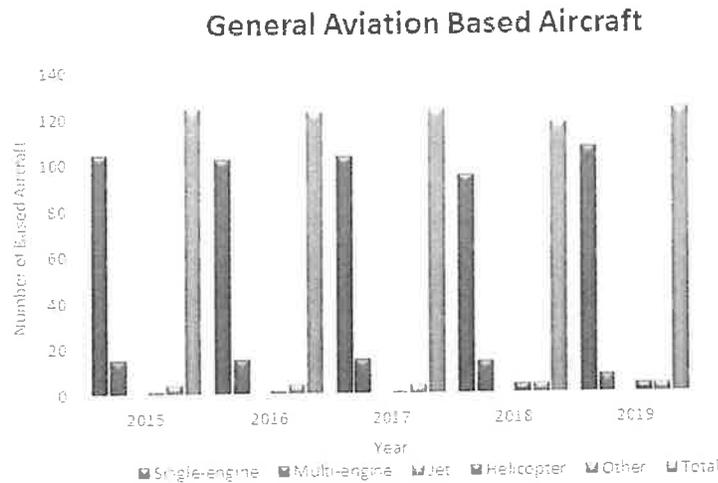
Table 3 – General Aviation Aircraft Operations

Total Aircraft Operations		
Year	Total	% Change
2015	27,613	N/A
2016	32,524	17.8%
2017	33,580	3.2%
2018	34,847	3.8%
2019	36,450	4.6%

C. Based Aircraft

Figure 3 illustrates the number of based aircraft at the Airport from 2015 to 2019, as reported by the FAA Master Record 5010.

Figure 3 – General Aviation Based Aircraft



As shown in Table 4, 123 aircraft are currently based at the Airport. From 2015 to 2019, the number of total aircraft based at the Airport has stayed fairly consistent with only a decreased total of 0.81%, or a compounded annual decrease of 0.20% throughout the last five years.

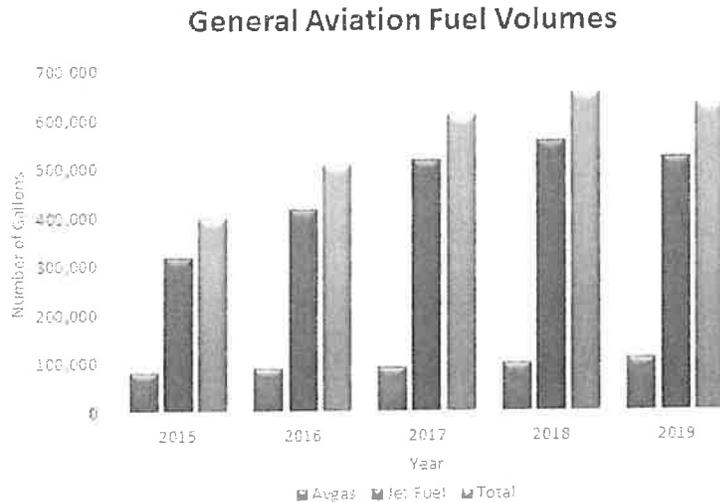
Table 4 – General Aviation Based Aircraft

General Aviation Based Aircraft							
Year	Single-engine	Multi-engine	Jet	Helicopter	Other	Total	% Change
2015	104	15	0	1	4	124	N/A
2016	102	15	0	1	4	122	-1.6%
2017	103	15	0	1	4	123	0.8%
2018	95	14	0	4	4	117	-4.9%
2019	107	8	0	4	4	123	5.1%

D. Fuel Volumes

Figure 4 depicts total general aviation fuel volumes (by type – jet fuel and avgas) at the Airport from 2015 to 2019, as reported by Airport management.

Figure 4 – General Aviation Fuel Volumes



As depicted in Table 5, total general aviation fuel volumes increased from 398,311 gallons in 2015 to 632,069 gallons in 2019, which represents a total increase of 64.34% or a compounded annual increase of 18.01%. Total general aviation fuel volumes for 2019 decrease a total of 3.4%. Additionally, approximately 83% of the general aviation fuel volume is jet fuel.

Table 5 – General Aviation Fuel Volumes

General Aviation Fuel Volumes				
Year	Avgas	Jet Fuel	Total	% Change
2015	79,931	318,380	398,311	N/A
2016	89,578	416,913	506,491	27.2%
2017	91,020	516,465	607,485	19.9%
2018	99,812	554,756	654,568	7.8%
2019	108,625	523,444	632,069	-3.4%

E. Commercial Operators

The District serves as the fixed base operator providing fueling (full-service jet and avgas and self-service avgas), line services, aircraft parking (hangar and tiedown). Multiple aeronautical commercial operators provide, on a combined basis, aircraft charter, aircraft maintenance, aircraft rental, flight training, and soaring and skydiving.

V. SUBJECT PROPERTIES OVERVIEW

A. Subject Properties

The Subject Properties consists of certain improvements located at the Airport that are leased or available for lease from the District by multiple tenants.

The Subject Properties are identified in Table 6. A photographic survey and layout drawings of the Subject Properties are provided in the Appendix.

Table 6 – Subject Properties Overview

Subject Properties Overview			
Component	Number of Units	Size (SF)	
		Per Unit	Total
Executive Hangar	30	N/A	170,355
Small T-Hangar	30	1,067 - 1,156	N/A
Medium T-Hangar	156	1,015 - 1,239	N/A
Large T-Hangar	11	1,308 - 1,479	N/A
T-Hangar Storage	17	N/A	8,472

1. Executive Hangar

There is approximately 170,355 total square feet of Executive Hangar included in the Subject Properties. The hangars are all clear span and have a metal exterior, steel frame interior (Rows H, L, N, and P have insulation), concrete floor, bi-fold doors, lighting, and electrical service. The property details of the Executive Hangars are outlined in Table 7.

Table 7 – Executive Hangar Summary

Executive Hangar Summary							
Row	Identification	Size (SF)	Door		Access	Amenities	Condition
			Width (FT)	Height (FT)			
Row A	9	3,416	60.5	15.0	Good	Good	Good
	10	3,209	50.5	15.0	Good	Average	Good
Row F	1 and 20	2,871	55.0	15.0	Good	Average	Good
Row H	1-10	4,030	65.0	18.5	Good	Excellent	Good
Row L	1-6	4,025	65.0	18.5	Good	Excellent	Good
Row N	1-4	4,140	65.0	18.5	Good	Excellent	Good
	5	4,370	65.0	18.5	Good	Excellent	Good
Row P	1-4	4,140	65.0	18.5	Good	Excellent	Good
	5	4,370	65.0	18.5	Good	Excellent	Good

2. Small T-Hangar

There are 30 Small T-Hangars included in the Subject Properties. Small T-Hangars by definition, are typically less than 1,000 square feet with a door width of 40 feet or less and a door height which can accommodate most single-engine piston-powered aircraft.

The Small T-Hangars, which are fully divided, have a metal exterior, steel frame internal structure, a combination of concrete floor (Rows A, C, and F) or asphalt floor (Rows B, D, E, and K), bi-fold doors ranging from 10 feet to 12.5 feet, lighting, and electrical service. The property details of the Small T-Hangars are outlined in Table 8.

Table 8 – Small T-Hangar Summary

Small T-Hangar Summary							
Row	Identification	Number of Units	Size (SF) Per Unit	Door Width (FT)	Access	Amenities	Condition
Row A	12	1	1,147	40.5	Good	Good	Good
	2	1	1,139	40.0	Good	Average	Good
Row B	6, 10, 14, and 18	4	1,139	39.5	Good	Average	Good
	22	1	1,082	36.5	Good	Average	Good
	2	1	1,139	40.0	Good	Good	Good
Row C	6, 10, 14, and 18	4	1,139	39.5	Good	Good	Good
	22	1	1,082	36.5	Good	Good	Good
	2, 6, and 22	3	1,082	36.5	Good	Average	Good
Row D	10, 14, and 18	3	1,139	39.5	Good	Average	Good
	2, 6, and 22	3	1,082	36.5	Good	Average	Good
Row E	10, 14, and 18	3	1,139	39.5	Good	Average	Good
Row F	4, 8, 12, and 16	4	1,156	40.0	Good	Good	Good
Row K	1	1	1,067	40.7	Good	Fair	Good

- Row A, Unit 12 is categorized as a Small T-Hangar with extra storage area (consisting of approximately 196 square feet).
- Row K, Unit 1 is categorized as a Small T-Hangar with extra storage area (consisting of approximately 534 square feet).

3. *Medium T-Hangar*

There are 156 Medium T-Hangars included in the Subject Properties. Medium T-Hangars by definition, typically range from 1,000 square feet up to 1,300 square feet with a door width ranging from 41.5 feet to 45 feet and a door height which can accommodate most light multi-engine piston-powered aircraft.

The Medium T-Hangars, which are fully divided, have a metal exterior, steel frame internal structure (Row M has insulation), a combination of concrete floor (Rows A, C, F, G, and M) or asphalt floor (Rows B, D, E, J, and K), bi-fold doors ranging from 10 feet to 12.5 feet, lighting, and electrical service. The property details of the Medium T-Hangars are outlined in Table 9.

Table 9 – Medium T-Hangar Summary

Medium T-Hangar Summary							
Row	Identification	Number of Units	Size (SF) Per Unit	Door Width (FT)	Access	Amenities	Condition
Row A	11 and 13-29	18	1,148	40.5	Good	Good	Good
Row B	1	1	1,117	41.5	Good	Average	Good
	3, 5, 7, 9, 11, 13, 15, 17, 19, and 21	10	1,177	41.5	Good	Average	Good
	4, 8, 12, 16, and 20	5	1,224	43.5	Good	Average	Good
	23	1	1,234	44.5	Good	Average	Good
Row C	1, 3, 5, 7, 9, 11, 13, 15, 17, 19, and 21	11	1,117	41.5	Good	Good	Good
	4, 8, 12, 16, and 20	5	1,215	43.5	Good	Good	Good
	23	1	1,234	44.5	Good	Good	Good
Row D	8, 12, 16, and 20	4	1,215	43.5	Good	Average	Good
	1, 3, 5, 7, 9, 11, 13, 15, 17, 19, and 21	11	1,177	41.5	Good	Average	Good
	23	1	1,234	44.5	Good	Average	Good
Row E	8, 12, 16, and 20	4	1,215	43.5	Good	Average	Good
	1, 3, 5, 7, 9, 11, 13, 15, 17, 19, and 21	11	1,177	41.5	Good	Average	Good
	23	1	1,234	44.5	Good	Average	Good
Row F	3, 5, 7, 9, 11, 13, 15, 17, 19, and 21	10	1,232	44.0	Good	Good	Good
Row G	1, and 3-23	22	1,232	44.0	Good	Good	Good
	2	1	1,232	44.0	Good	Good	Good
	24	1	1,232	44.0	Good	Good	Good
	25	1	1,239	44.0	Good	Good	Good
Row J	1-8	8	1,015	40.5	Good	Fair	Good
Row K	2-14	13	1,066	40.7	Good	Fair	Good
Row M	2-17	16	1,056	42.0	Good	Good	Good

- Row B, Unit 1 is categorized as a Medium T-Hangar with extra storage area (consisting of approximately 576 square feet).
- Row G, Unit 2 is categorized as a Medium T-Hangar with extra storage area (consisting of approximately 616 square feet).
- Row G, Unit 24 is categorized as a Medium T-Hangar with extra storage area (consisting of approximately 205 square feet).
- Row G, Unit 25 is categorized as a Medium T-Hangar with extra storage area (consisting of approximately 198 square feet).

4. Large T-Hangar

There are 11 Large T-Hangars included in the Subject Properties. Large T-Hangars by definition, typically range from 1,300 square feet up to 2,000 square feet with a door width ranging from 45 feet to 55 feet and a door height which can accommodate most multi-engine piston-powered aircraft and similarly sized turbine-powered aircraft.

The Large T-Hangars, which are fully divided, have a metal exterior, steel frame internal structure, a combination of concrete floor (Rows C and F) or asphalt floor (Rows B, D and E), bi-fold doors ranging from 10 feet to 12.5 feet, lighting, and electrical service. The property details of the Large T-Hangars are outlined in Table 10.

Table 10 – Large T-Hangar Summary

Large T-Hangar Summary							
Row	Identification	Number of Units	Size (SF) Per Unit	Door Width (FT)	Access	Amenities	Condition
Row B	24	1	1,329	49.5	Good	Fair	Good
Row C	24	1	1,329	49.5	Good	Average	Good
Row D	4 and 24	2	1,329	49.5	Good	Fair	Good
Row E	4 and 24	2	1,330	49.5	Good	Fair	Good
Row F	2 and 18	2	1,479	48.0	Good	Average	Good
	6, 10, and 14	3	1,308	48.0	Good	Average	Good

5. T-Hangar Storage

There are 17 T-Hangar Storage units included in the Subject Properties. T-Hangar Storage by definition, are storage areas located on the end of a T-Hangar row which are typically fully subdivided from the adjacent T-Hangar and accessed through an overhead door, bi-fold door, or pedestrian door.

The T-Hangar Storage units have a metal exterior, steel frame internal structure, have a concrete or asphalt floor, and electrical service. The property details of the T-Hangar Storage are outlined in Table 11.

Table 11 – T-Hangar Storage Summary

T-Hangar Storage Summary							
Row	Identification	Size (SF)	Storage Type	Door Type	Access	Amenities	Condition
Row A	X-A28S	574	Fully Subdivided	Pedestrian Door	Good	Average	Good
	Unit 12	196	Not Subdivided	Pedestrian Door	Good	Fair	Good
Row B	Unit 1	630	Not Subdivided	Pedestrian Door	Good	Fair	Good
	X-B25	570	Fully Subdivided	Bi-fold Door	Good	Good	Good
Row C	X-C01N	570	Fully Subdivided	Pedestrian Door	Good	Average	Good
	X-C25	570	Fully Subdivided	Pedestrian Door	Good	Average	Good
Row D	X-D01N	570	Fully Subdivided	Pedestrian Door	Good	Average	Good
	X-D25	570	Not Subdivided	Pedestrian Door	Good	Fair	Good
Row E	X-E01N	570	Fully Subdivided	Pedestrian Door	Good	Average	Good
	X-E25	570	Fully Subdivided	Bi-fold Door	Good	Good	Good
Row G	Unit 2	616	Not Subdivided	Pedestrian Door	Good	Fair	Good
	X24S	205	Fully Subdivided	Pedestrian Door	Good	Average	Good
Row K	Unit 25	198	Not Subdivided	Pedestrian Door	Good	Fair	Good
	Unit 1	536	Fully Subdivided	Pedestrian Door	Good	Average	Good
Row M	X-K14S	517	Fully Subdivided	Pedestrian Door	Good	Average	Good
	X-M01	380	Fully Subdivided	Pedestrian Door	Good	Average	Good
Row M	X-M18	630	Fully Subdivided	Overhead Door	Good	Good	Good

VI. STUDY FINDINGS

In order to derive an opinion of market rent for the Subject Properties, information and data from similar properties at the Airport and national, regional, comparable, resort destination, and competitive airports was analyzed. The results of the analysis are summarized in this section. Definitions of the Minimum, Maximum, Mean, Standard Deviation, Median, and Range (utilized in the following tables) are provided in the Appendix.

A. National Data

As a supplement to the comparable airport data, rents obtained from more than 550 airports located throughout the United States were analyzed. A summary and statistical analysis of the findings for national airports is provided in Table 12.

Table 12 – National Airport Data Summary

National Airport Data Summary						
Component	Minimum	Maximum	Mean	Standard Deviation	Median	Range
Executive Hangar	\$0.05	\$8.47	\$2.96	\$1.78	\$2.82	\$8.42
Small T-Hangar	\$56.60	\$587.00	\$221.83	\$100.47	\$205.00	\$530.40
Medium T-Hangar	\$50.00	\$671.00	\$293.08	\$123.89	\$266.75	\$621.00
Large T-Hangar	\$110.00	\$884.21	\$426.93	\$174.07	\$400.00	\$774.21
T-Hangar Storage	\$0.10	\$8.39	\$2.65	\$1.81	\$2.24	\$8.29

Rental rates for T-Hangars are on a "per unit per month" (pu/mo) basis

Rental rates for Executive Hangars and T-Hangar Storage are "per square foot per year" (psf/yr) basis

B. Regional Data (FAA Western-Pacific Region)

As an additional supplement to the comparable airport data, rents obtained from more than 90 airports in the FAA Western-Pacific Region (consisting of Arizona, California, Hawaii, and Nevada)³ were analyzed. A summary and statistical analysis of the findings for regional airports is provided in Table 13.

Table 13 – Regional Airport Data Summary

Regional Airport Data Summary						
Component	Minimum	Maximum	Mean	Standard Deviation	Median	Range
Executive Hangar	\$0.15	\$8.47	\$3.38	\$1.72	\$3.21	\$8.32
Small T-Hangar	\$91.00	\$541.50	\$256.59	\$99.77	\$222.48	\$450.50
Medium T-Hangar	\$90.00	\$751.00	\$337.84	\$129.55	\$296.00	\$661.00
Large T-Hangar	\$200.00	\$775.00	\$467.84	\$147.96	\$440.50	\$575.00
T-Hangar Storage	\$0.16	\$7.52	\$3.00	\$1.82	\$2.97	\$7.36

Rental rates for T-Hangars are on a "per unit per month" (pu/mo) basis

Rental rates for Executive Hangars and T-Hangar Storage are "per square foot per year" (psf/yr) basis

³ While American Samoa, Commonwealth of the Northern Mariana Islands, and Guam are included in the FAA Western-Pacific Region, rents from airports in these territories were not included or analyzed.

C. Comparable Airport Data

The first step in identifying comparable airports is developing an accurate profile of the Airport. The profile was developed based on data available from various sources, including the FAA, state, and local agencies. The Airport profile provided the basis for establishing the criteria and parameters for identifying comparable airports.

The selection of comparable airports was based on a number of criteria including historic activity levels, total based aircraft, a control tower and precision instrument approach, runway length, total airport acreage, and FAA NPIAS and General Aviation Asset Study classification. Parameters were then established in each of these areas to facilitate the selection process.

While a total of 11 airports were considered comparable to the Airport, rental rates and related information from 7 airports were obtained and analyzed, as shown in Table 14.

Table 14 – Comparable Airports

Comparable Airports		
Airport	Identifier	Location
Apple Valley Airport	APV	Apple Valley, California
Delaware Coastal Airport	GED	Georgetown, Delaware
Lake Havasu City Airport	HII	Lake Havasu City, Arizona
Midland Airpark	MDD	Midland, Texas
North Little Rock Municipal Airport	ORK	North Little Rock, Arkansas
Paso Robles Municipal Airport	PRB	Paso Robles, California
Zephyrhills Municipal Airport	ZPH	Zephyrhills, Florida

Table 15 provides a summary and statistical analysis of the findings for the comparable airports.

Table 15 – Comparable Airport Data Summary

Comparable Airport Data Summary						
Component	Minimum	Maximum	Mean	Standard Deviation	Median	Range
Executive Hangar	\$1.17	\$4.80	\$3.53	\$1.72	\$4.08	\$3.63
Small T-Hangar	\$150.00	\$400.00	\$309.00	\$98.01	\$350.00	\$250.00
Medium T-Hangar	\$272.34	\$500.00	\$360.92	\$79.73	\$332.50	\$227.66
Large T-Hangar	\$390.00	\$700.00	\$503.00	\$171.22	\$419.00	\$310.00
T-Hangar Storage	N/A	N/A	N/A	N/A	N/A	N/A

Rental rates for T-Hangars are on a "per unit per month" (pu/mo) basis

Rental rates for Executive Hangars and T-Hangar Storage are "per square foot per year" (psf/yr) basis

D. Resort Destination Airports

The Airport is located in a resort destination market. As such, airports in resort destination markets (with a primary focus on general aviation) were included in this analysis which are more reflective of the Airport market.

While a total of nine airports were considered to be resort destination airports, rental rates and related information from five airports were obtained and analyzed, as shown in Table 16.

Table 16 – Resort Destination Airports

Resort Destination Airports		
Airport	Identifier	Location
Big Bear City Airport	L35	Big Bear City, California
Coeur D'Alene Airport – Pappy Boyington Field	COE	Coeur D'Alene, Idaho
Lake Tahoe Airport	TVL	South Lake Tahoe, California
Minden-Tahoe Airport	MEV	Minden, Nevada
Steamboat Springs Airport – Bob Adams Field	SBS	Steamboat Springs, Colorado

Table 17 provides a summary and statistical analysis of the findings for the resort destination airports.

Table 17 – Resort Destination Airport Data Summary

Resort Destination Airport Data Summary						
Component	Minimum	Maximum	Mean	Standard Deviation	Median	Range
Executive Hangar	\$1.73	\$6.22	\$3.64	\$1.32	\$3.51	\$4.49
Small T-Hangar	\$175.00	\$175.00	\$175.00	N/A	\$175.00	\$0.00
Medium T-Hangar	\$200.00	\$554.00	\$356.80	\$156.31	\$315.00	\$354.00
Large T-Hangar	\$335.00	\$637.00	\$527.00	\$166.87	\$609.00	\$302.00
T-Hangar Storage	\$1.00	\$6.40	\$3.27	\$2.41	\$1.82	\$5.40

Rental rates for T-Hangars are on a “per unit per month” (pu/mo) basis

Rental rates for Executive Hangars and T-Hangar Storage are “per square foot per year” (psf/yr) basis

E. Competitive Airport Data

Typically, an airport is considered competitive if it is located in relatively close proximity to the Airport. Each competitive airport is then compared to the Airport based on (1) infrastructure and (2) available products, services, and facilities.

For the purposes of this study, airports within 30 nautical miles of the Airport were identified as being potentially competitive airports. While a total of five airports were considered competitive to the Airport, rental rates and related information from three airports were obtained and analyzed, as shown in Table 18.

Table 18 – Competitive Airports

Competitive Airports		
Airport	Identifier	Location
Lake Tahoe Airport	TVL	South Lake Tahoe, California ⁴
Minden-Tahoe Airport	MEV	Minden, Nevada ⁴
Reno/Tahoe International Airport	RNO	Reno, Nevada

Table 19 provides a summary and statistical analysis of the findings for the competitive airports.

⁴ It is significant to note that Lake Tahoe Airport and Minden-Tahoe Airport were identified as resort destination and competitive airports. Rental rates and related information from these airports will be included in the resort destination and competitive airport data which is reflective of the comparability and relative proximity of Lake Tahoe Airport and Minden-Tahoe Airport to the subject airport.

Table 19 – Competitive Airport Data Summary

Competitive Airport Data Summary						
Component	Minimum	Maximum	Mean	Standard Deviation	Median	Range
Executive Hangar	\$3.40	\$6.22	\$4.85	\$0.94	\$4.95	\$2.82
Small T-Hangar	\$340.00	\$340.00	\$340.00	N/A	\$340.00	\$0.00
Medium T-Hangar	\$315.00	\$554.00	\$449.75	\$100.48	\$465.00	\$239.00
Large T-Hangar	\$335.00	\$637.00	\$508.50	\$122.63	\$532.50	\$302.00
T-Hangar Storage	\$1.00	\$6.40	\$3.25	\$2.23	\$2.49	\$5.40

Rental rates for T-Hangars are on a "per unit per month" (pu/mo) basis

Rental rates for Executive Hangars and T-Hangar Storage are "per square foot per year" (psf/yr) basis

VII. RENTAL RATE SUMMARY**A. Rental Rate Conclusions (By Component)**

Table 20 and Table 21 identify the conclusions of AMCG's opinion of market rent for the Subject Properties. The rental rate conclusions (effective December 6, 2019) are based on the analysis of the Subject Properties and the rents being charged for similar properties at the Airport and national, regional, comparable, resort destination, and competitive airports. The market rental rate conclusions are conveyed on a "per unit per month" (pu/mo) basis or a "per square foot per year" (psf/yr) basis.

Table 20 – Rental Rate Conclusions (Executive Hangars and T-Hangars)

Rental Rate Conclusions					
Row	Component	Identification	Number of Units	Size (SF)	Market Rent Opinion
Row A	Executive Hangar	9	N/A	3,416	\$6.00
		10	N/A	3,209	\$5.50
	Small T-Hangar	12	1	1,147	\$475.00
	Medium T-Hangar	11 and 13-29	18	1,148	\$520.00
Row B	Small T-Hangar	2	1	1,139	\$455.00
		6, 10, 14, and 18	4	1,139	\$455.00
		22	1	1,082	\$455.00
	Medium T-Hangar	1	1	1,117	\$495.00
		3, 5, 7, 9, 11, 13, 15, 17, 19, and 21	10	1,177	\$495.00
		4, 8, 12, 16, and 20	5	1,224	\$495.00
		23	1	1,234	\$495.00
	Large T-Hangar	24	1	1,329	\$550.00
Row C	Small T-Hangar	2	1	1,139	\$475.00
		6, 10, 14, and 18	4	1,139	\$475.00
		22	1	1,082	\$475.00
	Medium T-Hangar	1, 3, 5, 7, 9, 11, 13, 15, 17, 19, and 21	11	1,117	\$520.00
		4, 8, 12, 16, and 20	5	1,215	\$520.00
		23	1	1,234	\$520.00
		24	1	1,329	\$580.00
Row D	Small T-Hangar	2, 6, and 22	3	1,082	\$455.00
		10, 14, and 18	3	1,139	\$455.00
		8, 12, 16, and 20	4	1,215	\$495.00
	Medium T-Hangar	1, 3, 5, 7, 9, 11, 13, 15, 17, 19, and 21	11	1,177	\$495.00
		23	1	1,234	\$495.00
		4 and 24	2	1,329	\$550.00
Row E	Small T-Hangar	2, 6, and 22	3	1,082	\$455.00
		10, 14, and 18	3	1,139	\$455.00
		8, 12, 16, and 20	4	1,215	\$495.00
	Medium T-Hangar	1, 3, 5, 7, 9, 11, 13, 15, 17, 19, and 21	11	1,177	\$495.00
		23	1	1,234	\$495.00
		4 and 24	2	1,330	\$550.00
Row F	Executive Hangar	1 and 20	N/A	2,871	\$5.50
	Small T-Hangar	4, 8, 12, and 16	4	1,156	\$475.00
	Medium T-Hangar	3, 5, 7, 9, 11, 13, 15, 17, 19, and 21	10	1,232	\$580.00
	Large T-Hangar	2 and 18	2	1,479	\$520.00
Row G	Medium T-Hangar	1, and 3-23	22	1,232	\$520.00
		2	1	1,232	\$520.00
		24	1	1,232	\$520.00
		25	1	1,239	\$520.00
Row H	Executive Hangar	1-10	N/A	4,030	\$6.25
Row J	Medium T-Hangar	1-8	8	1,015	\$475.00
Row K	Small T-Hangar	1	1	1,067	\$435.00
	Medium T-Hangar	2-14	13	1,066	\$475.00
Row L	Executive Hangar	1-6	N/A	4,025	\$6.25
Row M	Medium T-Hangar	2-17	16	1,056	\$520.00
Row N	Executive Hangar	1-4	N/A	4,140	\$6.25
		5	N/A	4,370	\$6.25
Row P	Executive Hangar	1-4	N/A	4,140	\$6.25
		5	N/A	4,370	\$6.25

Rental rates for T-Hangars are on a "per unit per month" (pu/mo) basis
Rental rates for Executive Hangars are "per square foot per year" (psf/yr) basis

Table 21 – Rental Rate Conclusions (T-Hangar Storage)

T-Hangar Storage Rental Rate Conclusions				
Row	Identification	Size (SF)	Market Rent Opinion	
			psf/yr	psf/mo
Row A	X-A28S	574	\$5.30	\$0.44
	Unit 12	196	\$5.05	\$0.42
Row B	Unit 1	630	\$5.05	\$0.42
	X-B25	570	\$5.50	\$0.46
Row C	X-C01N	570	\$5.30	\$0.44
	X-C25	570	\$5.30	\$0.44
Row D	X-D01N	570	\$5.30	\$0.44
	X-D25	570	\$5.05	\$0.42
Row E	X-E01N	570	\$5.30	\$0.44
	X-E25	570	\$5.50	\$0.46
Row G	Unit 2	616	\$5.05	\$0.42
	X24S	205	\$5.30	\$0.44
	Unit 25	198	\$5.05	\$0.42
Row K	Unit 1	536	\$5.30	\$0.44
	X-K14S	517	\$5.30	\$0.44
Row M	X-M01	380	\$5.30	\$0.44
	X-M18	630	\$5.50	\$0.46

Rental rates for T-Hangar Storage are on a “per square foot per year” (psf/yr) basis

The average national, regional, comparable, resort destination, and competitive rental rates are representative of airport properties with the following attributes (as applicable):

- average airside and landside access,
- average amenities, and
- average condition.

Each of these attributes is rated using the following descriptors: poor, fair, average, good, and excellent. Once a base rental rate was derived for the Airport, specific conclusions were estimated for each component of the Subject Properties based on size, access, amenities, and condition (as applicable).

1. Executive Hangar

The results of the study indicate that the average rental rates for Executive Hangars range from \$2.96 psf/yr at national airports to \$4.85 psf/yr at competitive airports. The average rental rate at regional airports was \$3.38 psf/yr and \$3.64 psf/yr at resort destination airports. The average rental rate at comparable airports was \$3.53 psf/yr. It is significant to note the rental rates for Executive Hangar range from a minimum of \$1.17 psf/yr at comparable airports to a maximum of \$6.22 psf/yr at resort destination and competitive airports. The current rental rate for Executive Hangar at the Airport is \$5.64 psf/yr (\$0.4701 psf/mo).

Based on analyzing all available data, a base rental rate of \$5.00 psf/yr was derived.

The average rental rate for an Executive Hangar up to 2,999 square feet in the national database exhibits no adjustment (based on size) while the average rental rate for an Executive Hangar from 3,000 square feet to 4,999 square feet exhibits an adjustment of approximately +5% (based on size) compared to the national average rental rate. The

average rental rate for an Executive Hangar greater than 5,000 square feet in the national database exhibits an adjustment of approximately -10% (based on size) compared to the national average rental rate.

Utilizing the base rental rate and predicated on adjustments for size, access, amenities, and condition, the estimated rental rate conclusions are outlined in Table 22.

Table 22 – Executive Hangar Conclusions Summary

Executive Hangar Conclusions Summary												
Row	Identification	Size (SF)	Base Rental Rate	Adjustments				Calculated Result	Market Rent Opinion			
				Size	Access	Amenities	Condition		psf/yr	pu/mo	psf/mo	
Row A	9	3,416	\$5.00	5%	5%	5%	5%	\$6.00	\$6.00	\$1,708.00	\$0.5000	
	10	3,209		0%	5%	0%	5%	\$5.50	\$5.50	\$1,470.79	\$0.4583	
Row F	1 and 20	2,871		0%	5%	0%	5%	\$5.50	\$5.50	\$1,315.88	\$0.4583	
Row H	1-10	4,030		5%	5%	10%	5%	\$6.25	\$6.25	\$2,098.96	\$0.5208	
Row L	1-6	4,025		5%	5%	10%	5%	\$6.25	\$6.25	\$2,096.35	\$0.5208	
Row N	1-4	4,140		5%	5%	10%	5%	\$6.25	\$6.25	\$2,156.25	\$0.5208	
	5	4,370		5%	5%	10%	5%	\$6.25	\$6.25	\$2,276.04	\$0.5208	
Row P	1-4	4,140		5%	5%	10%	5%	\$6.25	\$6.25	\$2,156.25	\$0.5208	
	5	4,370		5%	5%	10%	5%	\$6.25	\$6.25	\$2,276.04	\$0.5208	

2. Small T-Hangar

The results of the study indicate that the average rental rates for a Small T-Hangar range from \$175.00 pu/mo at resort destination airports to \$340.00 pu/mo at competitive airports. The average rental rate at national airports was \$221.83 pu/mo and \$309.00 pu/mo at comparable airports. The average rental rate at regional airports was \$256.59 pu/mo. It is significant to note the rental rates for Small T-Hangar range from a minimum of \$150.00 pu/mo at comparable airports to a maximum of \$400.00 pu/mo at comparable airports. The current rental rate for Small T-Hangar at the Airport ranges from \$426.13 pu/mo to \$452.10 pu/mo (\$0.3905 psf/mo).

Based on analyzing all available data, a base rental rate of \$415.00 pu/mo was derived.

Utilizing the base rental rate and predicated on adjustments for access, amenities, and condition, the estimated rental rate conclusions are outlined in Table 23.

Table 23 – Small T-Hangar Conclusions Summary

Small T-Hangar Conclusions Summary								
Row	Identification	Base Rental Rate	Adjustments			Calculated Result	Market Rent Opinion	
			Access	Amenities	Condition		pu/mo	psf/mo
Row A	12	\$415.00	5%	5%	5%	\$477.25	\$475.00	\$0.4140
Row B	2		5%	0%	5%	\$456.50	\$455.00	\$0.3995
	6, 10, 14, and 18		5%	0%	5%	\$456.50	\$455.00	\$0.3995
Row C	22		5%	0%	5%	\$456.50	\$455.00	\$0.4205
	2		5%	5%	5%	\$477.25	\$475.00	\$0.4170
	6, 10, 14, and 18		5%	5%	5%	\$477.25	\$475.00	\$0.4170
Row D	22		5%	5%	5%	\$477.25	\$475.00	\$0.4390
	2, 6, and 22		5%	0%	5%	\$456.50	\$455.00	\$0.4205
Row E	10, 14, and 18		5%	0%	5%	\$456.50	\$455.00	\$0.3995
	2, 6, and 22		5%	0%	5%	\$456.50	\$455.00	\$0.4205
Row F	10, 14, and 18		5%	0%	5%	\$456.50	\$455.00	\$0.3995
Row G	4, 8, 12, and 16		5%	5%	5%	\$477.25	\$475.00	\$0.4109
Row K	1		5%	-5%	5%	\$435.75	\$435.00	\$0.4077

3. Medium T-Hangar

The results of the study indicate that the average rental rates for a Medium T-Hangar range from \$293.08 pu/mo at national airports to \$449.75 pu/mo at competitive airports. The average rental rate at regional airports was \$337.84 pu/mo and \$360.92 pu/mo at comparable airports. The average rental rate at resort destination airports was \$356.80 pu/mo. It is significant to note the rental rates for Medium T-Hangar range from a minimum of \$200.00 pu/mo at resort destination airports to a maximum of \$554.00 pu/mo at resort destination and competitive airports. The current rental rate for Medium T-Hangar at the Airport ranges from \$396.94 pu/mo to \$510.77 pu/mo (\$0.3905 psf/mo).

Based on analyzing all available data, a base rental rate of \$450.00 pu/mo was derived.

Utilizing the base rental rate and predicated on adjustments for access, amenities, and condition, the estimated rental rate conclusions are outlined in Table 24.

Table 24 – Medium T-Hangar Conclusions Summary

Medium T-Hangar Conclusions Summary								
Row	Identification	Base Rental Rate	Adjustments			Calculated Result	Market Rent Opinion	
			Access	Amenities	Condition		pu/mo	psf/mo
Row A	11 and 13-29	\$450.00	5%	5%	5%	\$517.50	\$520.00	\$0.4530
	1		5%	0%	5%	\$495.00	\$495.00	\$0.4432
Row B	3, 5, 7, 9, 11, 13, 15, 17, 19, and 21		5%	0%	5%	\$495.00	\$495.00	\$0.4206
	4, 8, 12, 16, and 20		5%	0%	5%	\$495.00	\$495.00	\$0.4043
	23		5%	0%	5%	\$495.00	\$495.00	\$0.4011
Row C	1, 3, 5, 7, 9, 11, 13, 15, 17, 19, and 21		5%	5%	5%	\$517.50	\$520.00	\$0.4655
	4, 8, 12, 16, and 20		5%	5%	5%	\$517.50	\$520.00	\$0.4280
	23		5%	5%	5%	\$517.50	\$520.00	\$0.4214
Row D	8, 12, 16, and 20		5%	0%	5%	\$495.00	\$495.00	\$0.4074
	1, 3, 5, 7, 9, 11, 13, 15, 17, 19, and 21		5%	0%	5%	\$495.00	\$495.00	\$0.4206
	23		5%	0%	5%	\$495.00	\$495.00	\$0.4011
Row E	8, 12, 16, and 20		5%	0%	5%	\$495.00	\$495.00	\$0.4074
	1, 3, 5, 7, 9, 11, 13, 15, 17, 19, and 21		5%	0%	5%	\$495.00	\$495.00	\$0.4206
	23		5%	0%	5%	\$495.00	\$495.00	\$0.4011
Row F	3, 5, 7, 9, 11, 13, 15, 17, 19, and 21		5%	5%	5%	\$517.50	\$520.00	\$0.3516
	1, and 3-23		5%	5%	5%	\$517.50	\$520.00	\$0.4221
	2		5%	5%	5%	\$517.50	\$520.00	\$0.4221
Row G	24		5%	5%	5%	\$517.50	\$520.00	\$0.4221
	25		5%	5%	5%	\$517.50	\$520.00	\$0.4197
			5%	5%	5%	\$517.50	\$520.00	\$0.4197
Row J	1-8	5%	-5%	5%	\$472.50	\$475.00	\$0.4680	
Row K	2-14	5%	-5%	5%	\$472.50	\$475.00	\$0.4456	
Row M	2-17	5%	5%	5%	\$517.50	\$520.00	\$0.4924	

4. Large T-Hangar

The results of the study indicate that the average rental rates for a Large T-Hangar range from \$426.93 pu/mo at national airports to \$527.00 pu/mo at resort destination airports. The average rental rate at regional airports was \$467.84 pu/mo and \$508.50 pu/mo at competitive airports. The average rental rate at comparable airports was \$503.00 pu/mo. It is significant to note the rental rates for Large T-Hangar range from a minimum of \$335.00 pu/mo at resort destination and competitive airports to a maximum of \$700.00 pu/mo at comparable airports. The current rental rate for Large T-Hangar at the Airport ranges from \$481.10 pu/mo to \$522.59 pu/mo (\$0.3905 psf/mo).

Based on analyzing all available data, a base rental rate of \$525.00 pu/mo was derived.

Utilizing the base rental rate and predicated on adjustments for access, amenities, and condition, the estimated rental rate conclusions are outlined in Table 25.

Table 25 – Large T-Hangar Conclusions Summary

Large T-Hangar Conclusions Summary								
Row	Identification	Base Rental Rate	Adjustments			Calculated Result	Market Rent Opinion	
			Access	Amenities	Condition		pu/mo	psf/mo
Row B	24	\$525.00	5%	-5%	5%	\$551.25	\$550.00	\$0.4138
Row C	24		5%	0%	5%	\$577.50	\$580.00	\$0.4364
Row D	4 and 24		5%	-5%	5%	\$551.25	\$550.00	\$0.4138
Row E	4 and 24		5%	-5%	5%	\$551.25	\$550.00	\$0.4135
Row F	2 and 18		5%	0%	5%	\$577.50	\$580.00	\$0.4708
	6, 10, and 14		5%	0%	5%	\$577.50	\$580.00	\$0.4708

5. T-Hangar Storage

The results of the study indicate that the average rental rates for T-Hangar Storage range from \$2.65 psf/yr at national airports to \$3.27 psf/yr at resort destination airports. The average rental rate at regional airports was \$3.00 psf/yr and \$3.25 psf/yr at competitive airports. T-Hangar Storage rental rates were not available from comparable airports. It is significant to note the rental rates for T-Hangar Storage range from a minimum of \$1.00 psf/yr at resort destination and competitive airports to a maximum of \$6.40 psf/yr at resort destination and competitive airports. The current rental rate for T-Hangar Storage at the Airport ranges from \$62.48 pu/mo to \$240.55 pu/mo (\$0.3905 psf/mo).

In addition to the above findings, a comparative analysis of the base rental rates identified for T-Hangars as outlined in this *Airport Rent Study* were analyzed. The base rental rates for these T-Hangars ranges from \$4.30 psf/yr (\$0.36 psf/mo) to \$5.31 psf/yr (\$0.44 psf/mo) with a mean of approximately \$4.58 psf/yr (\$0.38 psf/mo).

Based on analyzing all available data, a base rental rate of \$4.80 psf/yr (\$0.40 psf/mo) was derived.

Utilizing the base rental rate and predicated on adjustments for access, amenities, and condition, the estimated rental rate conclusions are outlined in Table 26.

Table 26 – T-Hangar Storage Conclusions Summary

T-Hangar Storage Conclusions Summary									
Row	Identification	Size (SF)	Base Rental Rate	Adjustments			Calculated Result	Market Rent Opinion	
				Access	Amenities	Condition		psf/yr	psf/mo
Row A	X-A28S	574	\$4.80	5%	0%	5%	\$5.28	\$5.30	\$0.4417
	Unit 12	196		5%	-5%	5%	\$5.04	\$5.05	\$0.4208
Row B	Unit 1	630		5%	-5%	5%	\$5.04	\$5.05	\$0.4208
	X-B25	570		5%	5%	5%	\$5.52	\$5.50	\$0.4583
Row C	X-C01N	570		5%	0%	5%	\$5.28	\$5.30	\$0.4417
	X-C25	570		5%	0%	5%	\$5.28	\$5.30	\$0.4417
Row D	X-D01N	570		5%	0%	5%	\$5.28	\$5.30	\$0.4417
	X-D25	570		5%	-5%	5%	\$5.04	\$5.05	\$0.4208
Row E	X-E01N	570		5%	0%	5%	\$5.28	\$5.30	\$0.4417
	X-E25	570		5%	5%	5%	\$5.52	\$5.50	\$0.4583
Row G	Unit 2	616		5%	-5%	5%	\$5.04	\$5.05	\$0.4208
	X24S	205		5%	0%	5%	\$5.28	\$5.30	\$0.4417
	Unit 25	198		5%	-5%	5%	\$5.04	\$5.05	\$0.4208
Row K	Unit 1	536		5%	0%	5%	\$5.28	\$5.30	\$0.4417
	X-K14S	517		5%	0%	5%	\$5.28	\$5.30	\$0.4417
Row M	X-M01	380		5%	0%	5%	\$5.28	\$5.30	\$0.4417
	X-M18	630		5%	5%	5%	\$5.52	\$5.50	\$0.4583

B. Rental Rate Summary (for the Subject Properties)

As conveyed in Table 27, the total rent (on an annual basis for the Executive Hangars and T-Hangars, assuming 100% occupancy) based on the rental rate conclusions, would be \$1,396,102.54. Table 28 conveys the total rent (on an annual basis for the T-Hangar Storage, assuming 100% occupancy) based on the rental rate conclusions would be \$33,580.30.

Table 27 – Rental Rate Summary (Executive Hangars and T-Hangars)

Rental Rate Summary						
Row	Component	Identification	Number of Units	Size (SF)	Market Rent Opinion	Total Compensation (by component)
Row A	Executive Hangar	9	N/A	3,416	\$6.00	\$20,496.00
		10	N/A	3,209	\$5.50	\$17,649.50
	Small T-Hangar	12 (includes T-Hangar Storage)	1	1,343	\$557.36	\$6,688.29
	Medium T-Hangar	11 and 13-29	18	1,148	\$520.00	\$112,320.00
Row B	Small T-Hangar	2	1	1,139	\$455.00	\$5,460.00
		6, 10, 14, and 18	4	1,139	\$455.00	\$21,840.00
		22	1	1,082	\$455.00	\$5,460.00
	Medium T-Hangar	1 (includes T-Hangar Storage)	1	1,747	\$760.13	\$9,121.50
		3, 5, 7, 9, 11, 13, 15, 17, 19, and 21	10	1,177	\$495.00	\$59,400.00
		4, 8, 12, 16, and 20	5	1,224	\$495.00	\$29,700.00
		23	1	1,234	\$495.00	\$5,940.00
Large T-Hangar	24	1	1,329	\$550.00	\$6,600.00	
Row C	Small T-Hangar	2	1	1,139	\$475.00	\$5,700.00
		6, 10, 14, and 18	4	1,139	\$475.00	\$22,800.00
		22	1	1,082	\$475.00	\$5,700.00
	Medium T-Hangar	1, 3, 5, 7, 9, 11, 13, 15, 17, 19, and 21	11	1,117	\$520.00	\$68,640.00
		4, 8, 12, 16, and 20	5	1,215	\$520.00	\$31,200.00
		23	1	1,234	\$520.00	\$6,240.00
Large T-Hangar	24	1	1,329	\$580.00	\$6,960.00	
Row D	Small T-Hangar	2, 6, and 22	3	1,082	\$455.00	\$16,380.00
		10, 14, and 18	3	1,139	\$455.00	\$16,380.00
	Medium T-Hangar	8, 12, 16, and 20	4	1,215	\$495.00	\$23,760.00
		1, 3, 5, 7, 9, 11, 13, 15, 17, 19, and 21	11	1,177	\$495.00	\$65,340.00
		23	1	1,234	\$495.00	\$5,940.00
Large T-Hangar	4 and 24	2	1,329	\$550.00	\$13,200.00	
Row E	Small T-Hangar	2, 6, and 22	3	1,082	\$455.00	\$16,380.00
		10, 14, and 18	3	1,139	\$455.00	\$16,380.00
	Medium T-Hangar	8, 12, 16, and 20	4	1,215	\$495.00	\$23,760.00
		1, 3, 5, 7, 9, 11, 13, 15, 17, 19, and 21	11	1,177	\$495.00	\$65,340.00
		23	1	1,234	\$495.00	\$5,940.00
Large T-Hangar	4 and 24	2	1,330	\$550.00	\$13,200.00	
Row F	Executive Hangar	1 and 20	N/A	2,871	\$5.50	\$15,790.50
	Small T-Hangar	4, 8, 12, and 16	4	1,156	\$475.00	\$22,800.00
	Medium T-Hangar	3, 5, 7, 9, 11, 13, 15, 17, 19, and 21	10	1,232	\$580.00	\$69,600.00
	Large T-Hangar	2 and 18	2	1,479	\$520.00	\$12,480.00
Row G	Medium T-Hangar	1, and 3-23	22	1,232	\$520.00	\$137,280.00
		2 (includes T-Hangar Storage)	1	1,848	\$779.23	\$9,350.80
		24 (includes T-Hangar Storage)	1	1,437	\$610.54	\$7,326.50
		25 (includes T-Hangar Storage)	1	1,437	\$603.33	\$7,239.90
Row H	Executive Hangar	1-10	N/A	4,030	\$6.25	\$25,187.50
Row J	Medium T-Hangar	1-8	8	1,015	\$475.00	\$45,600.00
Row K	Small T-Hangar	1 (includes T-Hangar Storage)	1	1,603	\$671.73	\$8,060.80
	Medium T-Hangar	2-14	13	1,066	\$475.00	\$74,100.00
Row L	Executive Hangar	1-6	N/A	4,025	\$6.25	\$25,156.25
Row M	Medium T-Hangar	2-17	16	1,056	\$520.00	\$99,840.00
Row N	Executive Hangar	1-4	N/A	4,140	\$6.25	\$25,875.00
		5	N/A	4,370	\$6.25	\$27,312.50
Row P	Executive Hangar	1-4	N/A	4,140	\$6.25	\$25,875.00
		5	N/A	4,370	\$6.25	\$27,312.50
Total Compensation						\$1,396,102.54

Rental rates for T-Hangars are on a "per unit per month" (pu/mo) basis
Rental rates for Executive Hangars are "per square foot per year" (psf/yr) basis

- Row A, Unit 12 consists of Small T-Hangar (\$475.00 pu/mo) plus 196 square feet of T-Hangar Storage area (\$5.05 psf/yr) which results in a total monthly rental rate of \$557.36 pu/mo.

- Row K, Unit 1 consists of Small T-Hangar (\$435.00 pu/mo) plus 536 square feet of T-Hangar Storage area (\$5.30 psf/yr) which results in a total monthly rental rate of \$671.73 pu/mo.
- Row B, Unit 1 consists of Medium T-Hangar (\$495.00 pu/mo) plus 630 square feet of T-Hangar Storage area (\$5.05 psf/yr) which results in a total monthly rental rate of \$760.13 pu/mo.
- Row G, Unit 2 consists of Medium T-Hangar (\$520.00 pu/mo) plus 616 square feet of T-Hangar Storage area (\$5.05 psf/yr) which results in a total monthly rental rate of \$779.23 pu/mo.
- Row G, Unit 24 consists of Medium T-Hangar (\$520.00 pu/mo) plus 205 square feet of T-Hangar Storage area (\$5.30 psf/yr) which results in a total monthly rental rate of \$610.54 pu/mo.
- Row G, Unit 25 consists of Medium T-Hangar (\$520.00 pu/mo) plus 198 square feet of T-Hangar Storage area (\$5.05 psf/yr) which results in a total monthly rental rate of \$603.33 pu/mo.

Table 28 – Rental Rate Summary (T-Hangar Storage)

T-Hangar Storage Rental Rate Summary				
Row	Identification	Size (SF)	Market Rent Opinion	Total Compensation
Row A	X-A28S	574	\$5.30	\$3,042.20
Row B	X-B25	570	\$5.50	\$3,135.00
Row C	X-C01N	570	\$5.30	\$3,021.00
	X-C25	570	\$5.30	\$3,021.00
Row D	X-D01N	570	\$5.30	\$3,021.00
	X-D25	570	\$5.05	\$2,878.50
Row E	X-E01N	570	\$5.30	\$3,021.00
	X-E25	570	\$5.50	\$3,135.00
Row G	X24S	205	\$5.30	\$1,086.50
Row K	X-K14S	517	\$5.30	\$2,740.10
Row M	X-M01	380	\$5.30	\$2,014.00
	X-M18	630	\$5.50	\$3,465.00
Total Compensation				\$33,580.30

Rental rates for T-Hangar Storage are on a "per square foot per year" (psf/yr) basis

VIII. APPENDIX

A. Limiting Conditions

This report is subject to the following conditions and to other specific and limiting conditions as described by Aviation Management Consulting Group, Inc. (AMCG) in this report.

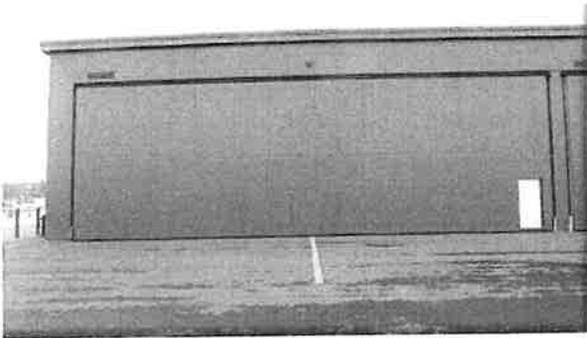
1. AMCG assumes no responsibility for matters legal in nature affecting the Subject Properties, nor does AMCG render any opinion as to the title of the Subject Properties, which are assumed to be good and marketable. The Subject Properties have been analyzed as though free and clear and held under responsible ownership and competent management.
2. Information, estimates, and opinions furnished to AMCG and contained in this report were obtained from sources considered to be reliable and are believed to be true and correct. However, AMCG assumes no responsibility for their accuracy.
3. Although parcel dimensions were taken from a source considered reliable, this should not be construed as a land survey. A licensed engineer or land surveyor should verify the exact land size and legal description.
4. Sketches presented in this report may show approximate dimensions and are included to assist the reader in visualizing the Subject Properties. AMCG assumes no responsibility for the accuracy and has not conducted a survey of the Subject Properties.
5. Unless noted in this report, the rental rate conclusions do not include contributory value of any personal property, furniture, fixtures, equipment, or on-going business value.
6. It is assumed that the utilization of the improvements is within the boundaries or property lines of the Subject Properties and that there is no encroachment or trespass unless noted in this report.
7. This report is prepared for the sole, exclusive use of the client. No third parties are authorized to rely on this report without the prior written consent of AMCG and the client.
8. It is assumed that all applicable zoning and use regulations have been complied with unless non-conformity was stated, defined, and considered in this report.
9. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or federal government or private entity or organization have been or can be obtained or renewed for any use on which the rental rate conclusions are based.
10. Full compliance with all applicable federal, state, and local environmental regulations and laws is assumed unless noncompliance is stated, defined, and considered in this report.
11. In this assignment, the existence of potentially hazardous material, gases, toxic waste, and mold, which may or may not be present on the Subject Properties, nor does AMCG have any knowledge of the existence of such materials on the Subject Properties. To AMCG's knowledge, the presence of potentially hazardous waste, materials, or gases has not been detected, or if detected, it has been determined that the amount or level is considered to be safe according to standards established by the Environmental Protection Agency (EPA). However, AMCG is not qualified to detect such substances and does not make any guarantees or warranties that the Subject Properties have been tested for the presence of potentially hazardous waste, gases, toxic waste, or mold and, if tested, that the tests were conducted pursuant to EPA-approved procedures. The existence of any potentially hazardous waste, gases, toxic waste, or mold may have an effect on the rental rate conclusions.

12. The American with Disabilities Act (ADA) became effective January 26, 1992. AMCG has not made a specific compliance survey and analysis of the Subject Properties to determine whether or not the Subject Properties are in conformity with the various detailed analysis of the requirements of the ADA. It is possible that a compliance survey of the Subject Properties together with a detailed analysis of the requirements of the ADA could reveal that the Subject Properties are not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative impact on the market rent conclusion. Since AMCG has no direct evidence relating to this issue, possible noncompliance with the requirements of the ADA was not considered in the rental rate conclusions.
13. AMCG assumes there are no hidden or unapparent conditions of the Subject Properties or subsoil that would render the Subject Properties more or less valuable. AMCG assumes no responsibility for such conditions or for engineering that might be required to discover such factors.
14. No requirements shall be made of AMCG to give testimony or appear in court by reason of this report, unless arrangements have been made previously. If any courtroom or administrative testimony is required in connection with this report, additional fees and expenses shall be charged for those services.
15. Possession of this report, or copy hereof, does not carry with it the right of publication nor may it be used for any purpose whatsoever by any entity but the client without the prior written consent of AMCG and the client.
16. Neither all nor any part of the contents of this report shall be disseminated to the public through advertising media or public means of communication without the prior written consent of AMCG and the client.

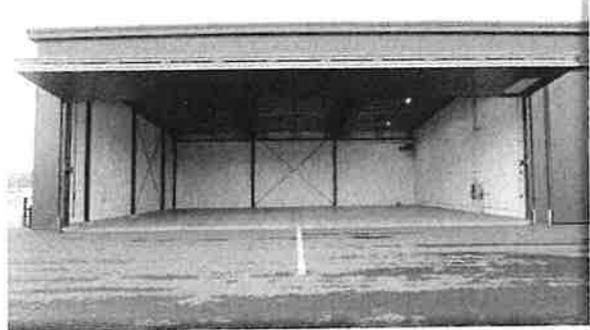
B. Definitions and Acronyms

- Commercial - An activity undertaken with the intent to generate and/or secure earnings, income, or compensation (including exchange or barter of goods or services), and/or profit, whether or not such objectives are accomplished.
- Executive Hangar - A square or rectangular-shaped hangar designed to accommodate the proprietary aircraft operations of a single company or individual. Executive Hangars (typically ranging in size from 50 feet by 50 feet to upwards of 100 feet by 100 feet) are typically larger than T-Hangars, smaller than Community Hangars, and may have associated shop, office, and storage areas.
- Itinerant - Aircraft operations terminated at an airport which (1) arrive from outside the airport area or (2) depart the airport and leave the airport area.
- Local - Aircraft operations which (1) remain in the local traffic pattern, (2) execute simulated instrument approaches or low passes at an airport, or (3) operate to or from an airport and a designated practice area within a 20-mile radius of the Air Traffic Control Tower.
- Maximum - Maximum value present in the data range.
- Mean - Arithmetic average of all data in the data range.
- Median - Figure wherein half of the data points in the number series are below the median value while half of the data points in the number series are above the median value.
- Minimum - Minimum value present in the data range.
- Range - Mathematical difference between the maximum and minimum values of the data range.
- RNAV – GPS - Area navigation-global positioning system.
- Standard Deviation - Statistical method designed to mathematically measure the variability in a set of data points. The calculated figure for standard deviation is indicative of the relative distance between the mean and every data point. For a normally distributed data range, approximately 68% of the data points would fall within one standard deviation of the mean, as illustrated by a normal bell curve. Similarly, approximately 95% of the data points would fall within two standard deviations, while approximately 99.7% of the data points would fall within three standard deviations of the mean. Assuming the data points from the airports are representative of the population and the population follows a normal bell curve, the calculated standard deviation values would illustrate the relative variability in data points (i.e., how close these data points are to the mean).
- T-Hangar - A hangar that typically has the capacity to store only one aircraft, usually not larger than a cabin class multi-engine aircraft. This type of hangar derives its name from its shape (in the form of a "T") which increases the efficiency of the design so as to accommodate the wing span and the tail section of an aircraft. T-hangars may be stand-alone structures or they may be combined and "nested" so that the tail sections of the "T" configuration interlock to form a single congruous structure.
 - Small T-Hangar - Typically 1,000 square feet or less with a door width of 40 feet or less and a door height which can accommodate most single-engine piston-powered aircraft.
 - Medium T-Hangar - Typically ranges from 1,000 square feet up to 1,300 square feet with a door width ranging from 41.5 feet to 45 feet and a door height which can accommodate most light multi-engine piston-powered aircraft.
 - Large T-Hangar - Typically ranges from 1,300 square feet up to 2,000 square feet with a door width ranging from 45 feet to 55 feet and a door height which can accommodate most multi-engine piston-powered aircraft and similarly sized turbine-powered aircraft.
- T-Hangar Storage – Storage areas located on the end of a T-Hangar row which are typically fully subdivided from the adjacent T-Hangar and accessed through an overhead door, bi-fold door, or pedestrian door.

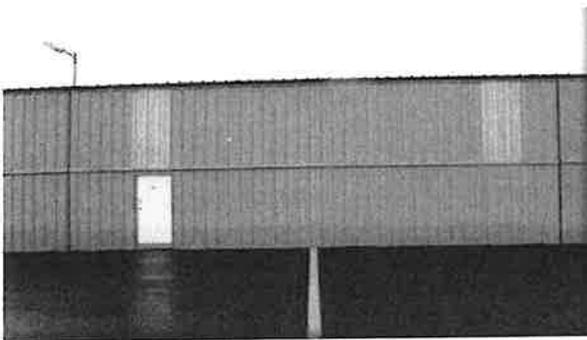
C. Subject Properties Photographic Survey and Hangar Layouts



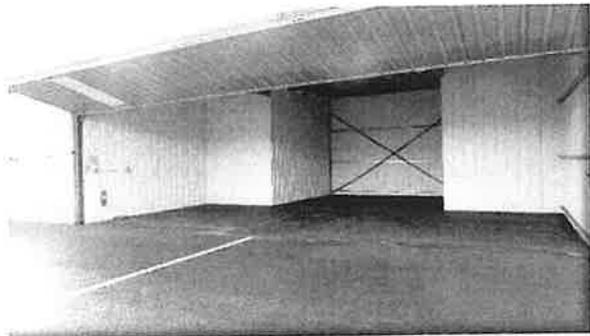
Executive Hangar



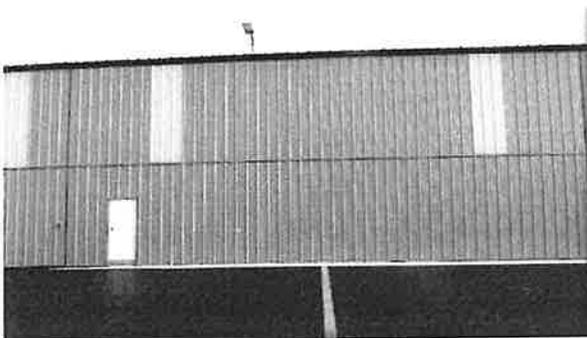
Executive Hangar



Medium T-Hangar



Medium T-Hangar



Large T-Hangar



Large T-Hangar



T-Hangar Storage



T-Hangar Storage

Figure 5 – Hangar Layout (Row A – Row K)

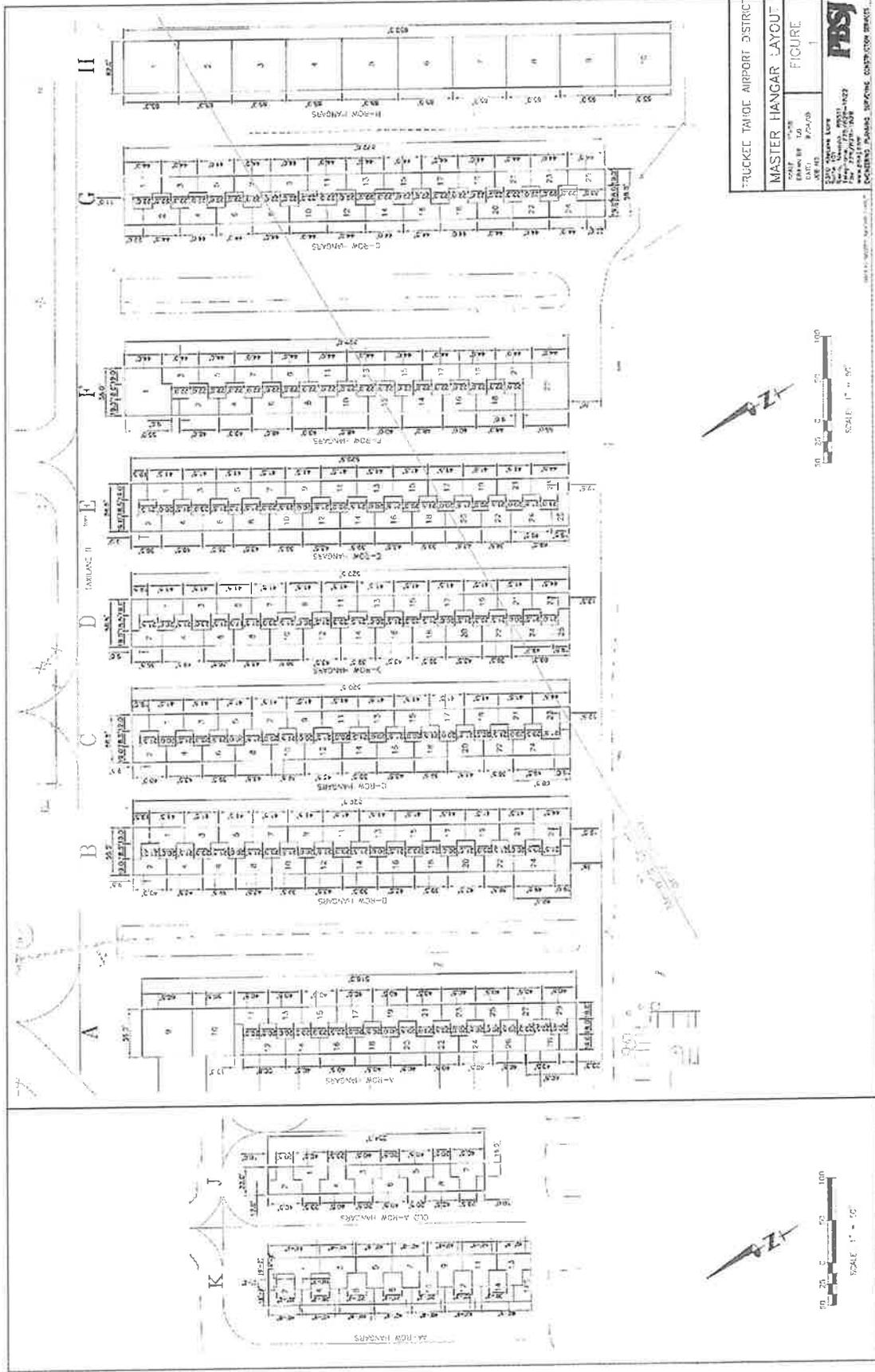


Figure 6 – Hangar Layout (Row L)

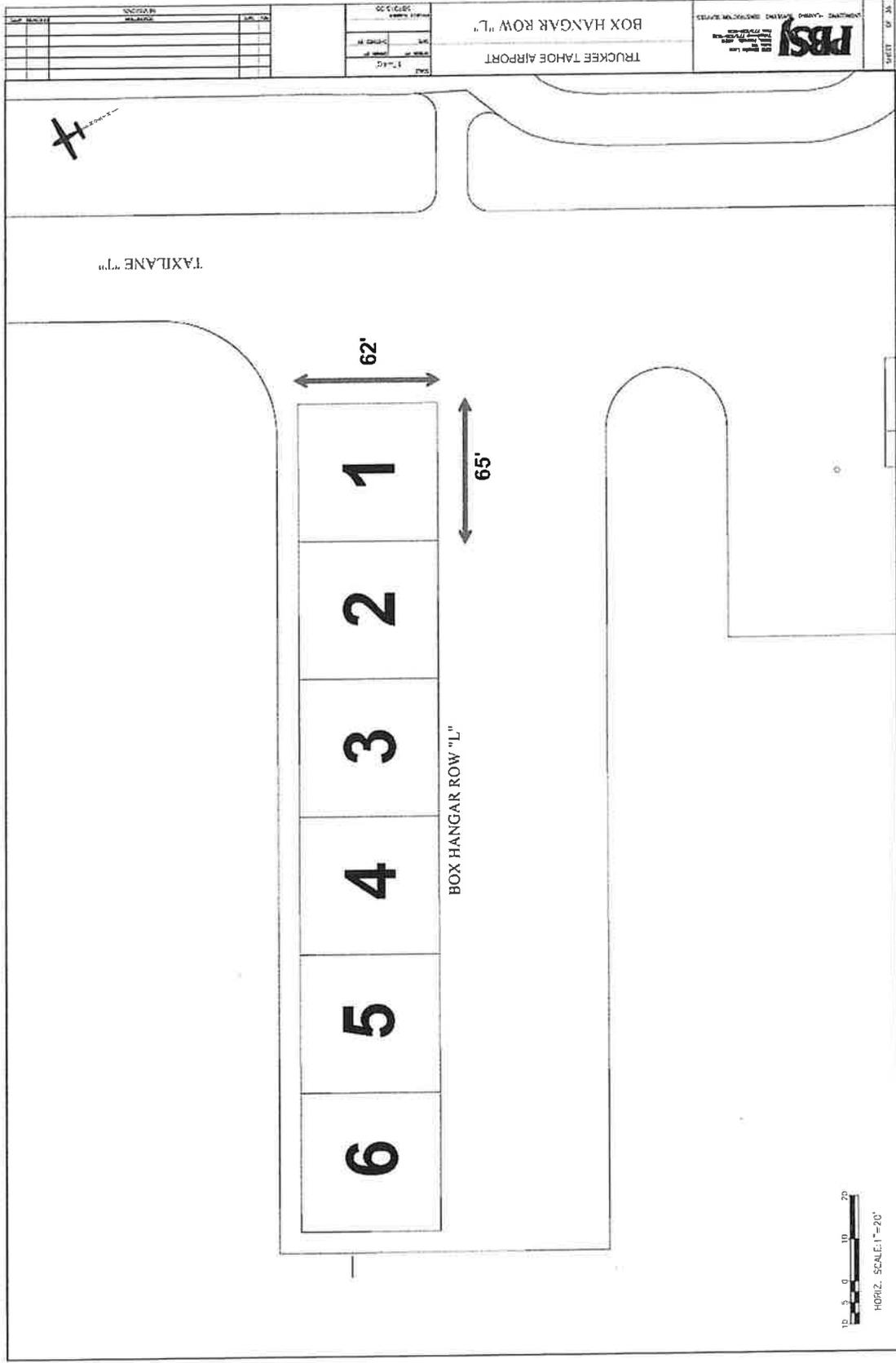


Figure 7 – Hangar Layout (Row M)

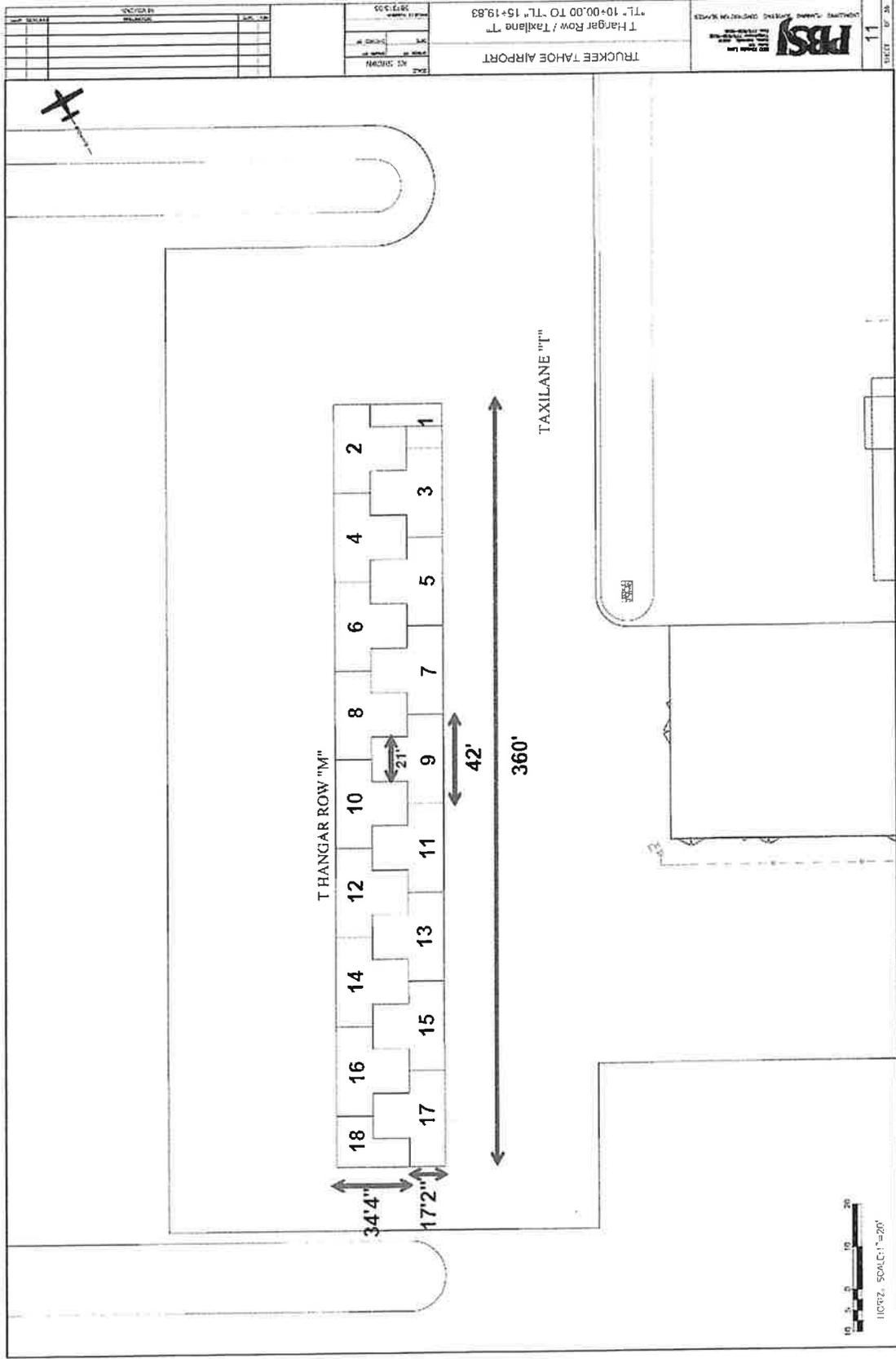


Figure 8 – Hangar Layout (Row N and P)

