AMCG

Aviation Management Consulting Group

Airport Rent Study

Los Angeles County Department of Public Works – Aviation Division

Whiteman Airport

February 7, 2020

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Ms. Carly Shannon
Director, Sustainability
C&S Engineers, Inc.
925 North La Brea Avenue, Suite 4072
Los Angeles, California 90038

Mr. Richard Smith
Chief, Aviation Division
Los Angeles County Aviation Division
900 South Fremont Avenue
Alhambra, California 91803

RE: Airport Rent Study – Whiteman Airport

Dear Ms. Shannon and Mr. Smith:

This summary report conveys Aviation Management Consulting Group, Inc.'s (AMCG) opinion of market rent for certain improvements located at Whiteman Airport which are currently rented, or which may be available for rent from the County of Los Angeles for aeronautical uses.

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,

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

I. EXECUTIVE SUMMARY

Airport:	Whiteman Airport 10000 Airpark Way Pacoima, California 91331
Scope of Work:	This summary report conveys Aviation Management Consulting Group's opinion of market rent for certain improvements (Subject Properties) located at Whiteman Airport which are currently rented, or which may be available for rent from the County of Los Angeles for aeronautical uses.
Subject Properties:	The components of the Subject Properties include: Executive Hangar, T-Hangars (Small and Medium), Portable T-Hangars (Small, Medium, and Large), and Tiedowns (Monthly) for aeronautical uses.
Date of Report:	February 7, 2020
Property Inspection:	June 24, 2019
Methodology:	An opinion of market rent for the Subject Properties was developed based on an analysis of the information and data obtained from the County of Los Angeles and for similar properties national, regional, comparable, and competitive airports (which is summarized in Section VI. Study Findings).
Rental Rate Conclusions:	Table 1 identifies the recommended rental rate for the Subject Properties for aeronautical uses.
Definitions and Acronyms:	Defined words and acronyms utilized are defined and identified in the Appendix. Defined words and acronyms are capitalized whenever used. Words or acronyms that are not defined or identified should be construed as being consistent with its generally accepted meaning.

Table 1 – Rental Rate Conclusions

Rental Rate Conclusions				
Component	Identification	Number of Units	Size (SF)	Market Rent Opinion
Executive Hangar	HH 1	5	1,386	$687.23
	HH 2	7	1,386	$687.23
	HH 3	7	1,386	$687.23
	HH 4	7	1,386	$687.23
	HH 5	5	1,386	$687.23
	HH 6	7	1,386	$652.58
	HH 7	7	1,386	$652.58
	HH 8	7	1,386	$652.58
	Row C	15	1,512	$749.70
	BB	9	1,512	$711.90
Small T-Hangar	Row U	8	832	$315.00
	Row T	8	832	$315.00
	CC	15	889	$405.00
Medium T-Hangar	DD	13	1,312	$565.00
Small Portable T-Hangar	Row J	2	790	$340.00
	Row H	16	790	$340.00
	Row G1	21	790	$340.00
	Row D	33	790	$315.00
	Row G2	3	790	$315.00
	Row B	32	790	$315.00
Medium Portable T-Hangar	C-01A	1	1,080	$415.00
	Row J	2	1,056	$445.00
	Row F	33	1,104	$445.00
	Row E	17	1,104	$415.00
		16	1,104	$415.00
Large Portable T-Hangar	Row J	4	1,512	$745.00
		5	1,840	$745.00
Small Nested/Push-In	North Tiedown Area	72	N/A	$130.00
Medium Nested/Push-In			N/A	$160.00
Small Nested/Push-In	South Tiedown Area	117	N/A	$130.00
Medium Nested/Push-In			N/A	$160.00
Small Non-Nested/Drive-In	South Tiedown Area	17	N/A	$155.00
Medium Non-Nested/Drive-In			N/A	$190.00
Helipads	South Tiedown Area	9	N/A	$205.00

All rental rates are “per unit per month” (pu/mo)

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 Whiteman Airport (Airport) which are currently rented, or which may be available for rent from the County of Los Angeles (County) for aeronautical uses.

The County is required, by the Federal Aviation Administration (FAA) *Airport Sponsor Assurances*, to "maintain a fee and rental structure for the facilities and services at the airport[s] which will make the airport[s] as self-sustaining as possible under the circumstances existing." Further, FAA Regulation Identifier Number (RIN) 2120-AF90, *Policy Regarding Airport Rates and Charges*, states that "rates, fees, rentals, landing fees, and other service charges ('fees') imposed on aeronautical users for the aeronautical use of the airport ('aeronautical fees') must be fair and reasonable." As such, the market rent opinion outlined in this *Airport Rent Study* is fair, reasonable, and can be consistently applied to the aeronautical-use improvements.

The FAA indicates that "reasonable methodologies may include, but are not limited to, historic cost valuation, direct negotiation with aeronautical users, or objective determinations of fair market value" which are further described below:

- Historic Cost Valuation – a historic cost valuation, as outlined in the *Policy Regarding Airport Rates and Charges*, "must allocate capital and operating costs among cost centers" in accordance with a reasonable, consistent, and transparent methodology as follows: (1) "costs of airfield facilities and services directly used by the aeronautical users may be fully included in the rate base" and (2) "costs of airport facilities and services used for both aeronautical and non-aeronautical uses (shared costs) may be included in the rate base if the facility or service in question supports the airfield activity reflected in that rate base". The rate base is defined as the "total of all costs of providing airfield facilities and services to aeronautical users (which may include a share of public-use roadway costs allocated to the airfield in accordance with this policy [*Policy Regarding Airport Rates and Charges*]) that may be recovered from aeronautical users through fees charged for providing airfield aeronautical services and facilities." While the historic cost valuation is an acceptable methodology from the FAA's perspective (and typically applied to air carrier service providers), this approach may result in a rental rate unreflective of similar aeronautical-use improvements available at comparable and competitive airports. As such, this approach was not deemed most appropriate.

- Direct Negotiation – The *Policy Regarding Airport Rates and Charges* is non-descriptive in terms of the methodology for initiating and completing a negotiation process. A negotiation, by definition, is to confer with another party to arrive at a settlement of a matter; in this case, rental rates for aeronautical-use improvements. A negotiation process can result in a market transaction if (1) it is an open market, (2) the buyer (tenant) and seller (County) are acting prudently and knowledgeable, and (3) the price is not affected by undue stimulus. However, as stated in the *Airport Sponsor Assurances*, each tenant (commercial or non-commercial) "shall be subject to the same rates, fees, rentals, and other charges as are uniformly applicable" to other tenants for "the same or similar uses of such airport and utilizing the same or similar facilities." For this reason, a direct negotiation methodology was not deemed most appropriate to determine a rental rate structure that is equitable for all similarly situated tenants of aeronautical-use improvements.
- Objective Determinations of Fair Market Value – Market value, as defined by The Dictionary of Real Estate Appraisal, is "the most probable price which a specified interest in real property is likely to bring under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, assuming the price is not affected by undue stimulus." The use of value, from a real estate perspective, is typically representative of the cost to purchase or assume ownership of real property. Conversely, the purpose of this *Airport Rent Study* is to determine market rent. As such, an objective determination of fair market rent, as applicable to aeronautical-use improvements is typically determined in one of two manners:
  - An appraisal process, consistent with The Dictionary of Real Estate Appraisal, includes three approaches to value – cost approach, sales comparison approach, and income approach. Central to each approach is the principle of substitution, as an astute real estate investor will pay no more than the value of an equally desirable alternative property or investment. Upon completion of each appropriate approach, a final estimate of value is determined by considering the quality and quantity of data available under each approach and the inherent advantages and disadvantages of each approach is considered. Utilizing the final estimate of value (i.e., cost to purchase or assume ownership), airport sponsors typically utilize a rate of return (ranging from 6% to 15% for aeronautical properties) to determine an appropriate and reasonable rental rate.
  - A comparative rent analysis is a direct approach that utilizes the rental rates being charged for similar properties as the basis to establish an appropriate rental rate. As it pertains specifically to aeronautical-use improvements, the rental rates being charged for similar improvements at other similarly situated airports are adjusted (as appropriate) to establish rental rates.

As such, the opinion of market rent in this *Airport Rent Study* is based on a comparative analysis of similar improvements at national, regional, comparable, and competitive airports. Conversely, AMCG understands the County utilizes a direct negotiation methodology as it pertains to land leases.

Consistent with the *Airport Sponsor Assurances*, each tenant should be subject to the same rental rates as are uniformly applicable to other tenants utilizing the same or similar improvements for aeronautical purposes. It is recognized that the size, access, amenities, and condition of the improvements may vary and as a result, the opinion of market rent may vary as well. However, the County will not charge unjustly discriminatory rental rates.

The analysis and opinion of market rent are not influenced by the current management structure of the County-owned airports (through American Airports Corporation). Additionally, this study is solely focused on aeronautical use. The non-aeronautical use of improvements (e.g., Hangars) and the corresponding current rental rates did not impact the results of this study.

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.

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 and competitive airports utilizing the profile of the Airport;
3. Obtained rental rates (and related information) for aeronautical uses from the Airport and comparable and competitive airports identified;
4. Analyzed the data obtained from the Airport and comparable 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 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 aeronautical-use properties at national, regional, comparable, and competitive airports.

It is noteworthy that the rental rates currently being charged for the Subject Properties by the County (as well as rental rates currently being charged by commercial operators at the Airport for similar properties) were not included in the national, regional, comparable, or competitive rent data 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 use. The adjustment between off-airport, non-aeronautical properties and on-airport, aeronautical properties would have to reflect the fact that these 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 FAA the airport sponsor, and/or others pertaining to the development and/or use of on-airport, aeronautical properties.

When rendering an opinion of market rents for aeronautical-use 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 aeronautical-use 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

It is noteworthy that the market rent opinions conveyed in this summary report are based on the lessee having full and continued access (from the Subject Properties) to the Airport's airside and landside infrastructure. Additionally, it is important to note that the analysis was based on an evaluation of triple net lease rates[1] (as applicable to the Executive Hangars) as well as modified gross lease rates[2] (as applicable to the T-Hangars, Portable T-Hangars, and Tiedowns).

Market rents are driven by the amount a willing buyer (lessee) pays to a willing seller (lessor). 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 at a cross-section of airports that are considered comparable to the Airport.

[1] Triple net lease rates, by definition, occur when the lessee is responsible for all maintenance, utilities, insurance, and taxes associated with the Subject Property. 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 Property.

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, as well as economic variables.

The following report summarizes AMCG's findings and opinions.

III. COMMUNITY OVERVIEW

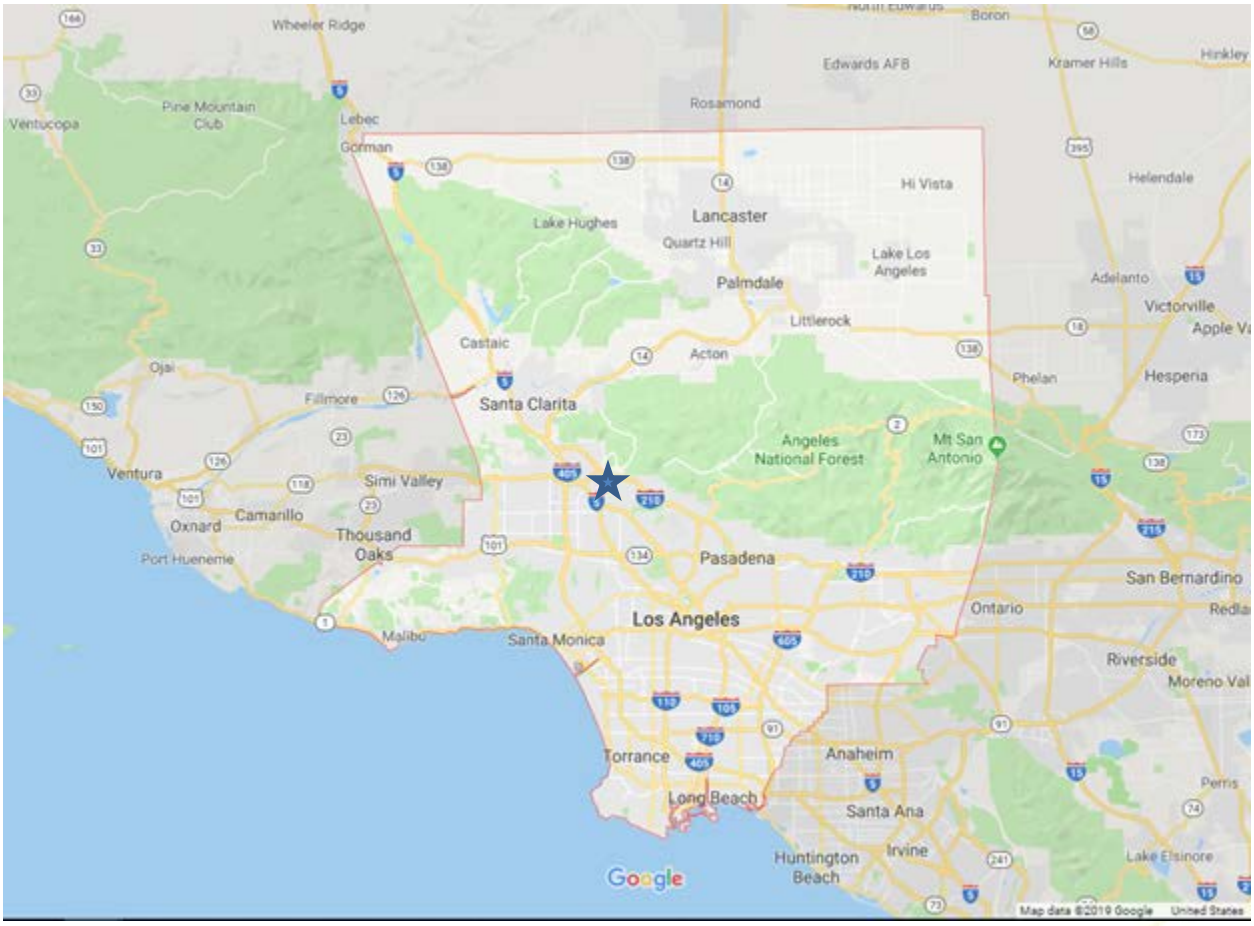
A. Airport Sponsor

The Airport is owned by the County and operated through a management contract with American Airports Corporation. The County of Los Angeles Department of Public Works, through its Aviation Division, oversees the operation, maintenance, and development of a system of five general aviation airports owned by the County. A ten-member Los Angeles County Aviation Commission (Commission) serves to advise the County Board of Supervisors regarding the operation and development of the County's airport system. The Commission is comprised of two members from each of the five supervisorial districts.

B. Geographic Location

The Airport is in the County and within the City of Los Angeles (City). The Airport is located 18 miles northwest of downtown Los Angeles as indicated in Figure 1.

Figure 1 – Geographic Location



C. Demographics

The population of Los Angeles has increased a total of 2.6% which results in a compounded annual increase of 0.3% from 3,694,820 in 2000 to 3,792,621 in 2010 (U.S. Census Bureau). Since 2010, the population has increased to 3,990,456 as of July 1, 2018 (U.S. Census Bureau estimate) which reflects a total increase of 5.2% or a compounded annual increase of 0.6%.

The population of the County has increased a total of 3.1% which results in a compounded annual increase of 0.3% from 9,519,338 in 2000 to 9,818,605 in 2010 (U.S. Census Bureau). Since 2010, the population has increased to 10,105,518 in 2018 (U.S. Census Bureau estimate) which reflects a total increase of 2.9% and a compounded annual increase of 0.4%.

D. Business and Industry

The largest employment sectors of the City are (1) educational services, health care, and social assistance (2) professional, scientific, and management, and administrative, and waste management services, and (3) arts, entertainment, and recreation, and accommodation and food services. These employment sectors account for approximately 46.3% of the employment in the City. The largest employment sectors of the County are (1) educational services, health care and social assistance (2) professional, scientific, management, administrative, and waste management services, and (3) arts, entertainment, recreation, accommodations, and food services. These employment sectors account for approximately 44.5% of the employment in the County.

E. Economic Factors

The labor force of the City has increased from 1,981,001 in 2010 to 2,126,063 in 2017 (U.S. Census Bureau estimate), which represents a total increase of 7.3% or a compounded annual decrease of 1.0%. As identified by the U.S. Census Bureau, the unemployment rate of the City was preliminarily estimated at 8.1% (for 2017) as compared with the U.S. national unemployment rate which was approximately 3.7%. The labor force of the County has increased from 7,602,252 in 2010 to 8,102,402 in 2017 (U.S. Census Bureau) which represents a total increase of 6.6% and a compounded annual increase of 0.9%.

As identified by the U.S. Bureau of Labor Statistics, the unemployment rate in the Los Angeles – Long Beach – Anaheim Metropolitan Statistical Area (MSA) which is where the Airport is located was approximately 4.6% (as of July 2019); this is lower in comparison to the U.S. national unemployment rate of approximately 3.7% (as of August 2019).

IV. SUBJECT AIRPORT OVERVIEW

A. Airport Description

The Airport, which consists of approximately 184 acres of land, has one runway, as follows:

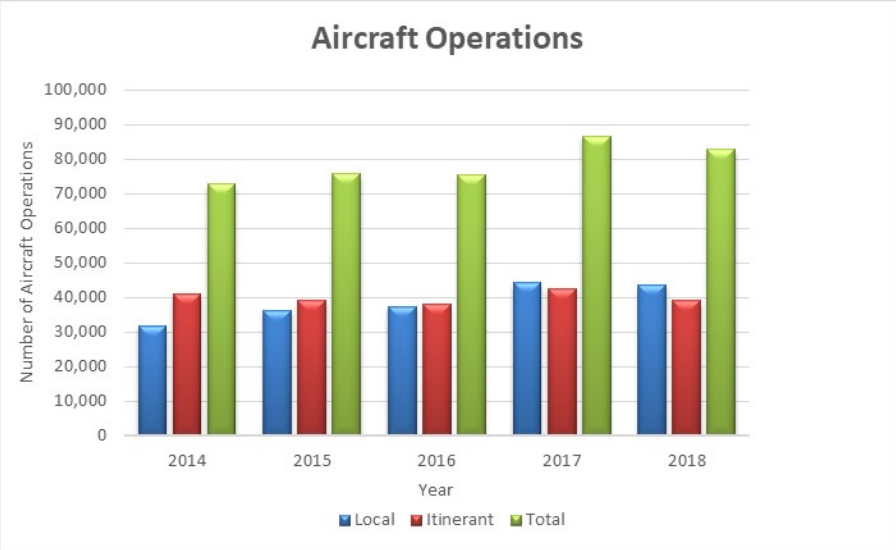
- Runway 12/30: 4,120 feet long and 75 feet wide, asphalt in good condition.

The Airport has an Air Traffic Control Tower (which operates from 8:00 a.m. to 8:00 p.m. local) and is served by multiple non-precision approaches (RNAV – GPS, VOR). The Airport is designated as a Reliever 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 general aviation (GA) aircraft operations (by category – local, itinerant, and total) at the Airport from 2014 to 2018, as reported by Airport management.

Figure 2 – GA Aircraft Operations



As shown in Table 2, total GA aircraft operations at the Airport have increased from 72,808 in 2014 to 82,781 in 2018. This represents a total increase of 13.7% and a compounded annual increase of 3.26%.

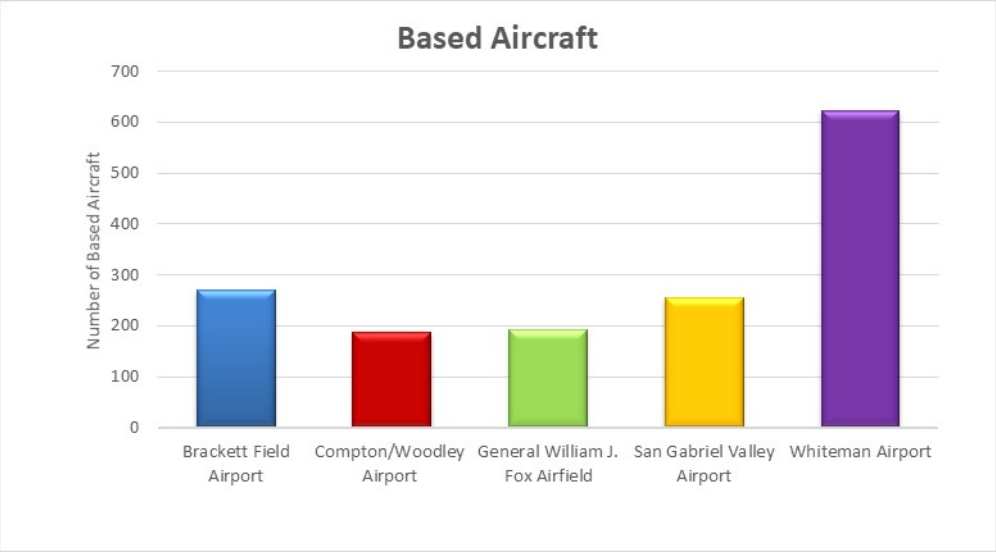
Table 2 – GA Aircraft Operations

Aircraft Operations				
Year	Local	Itinerant	Total	% Change
2014	31,905	40,903	72,808	N/A
2015	36,362	39,338	75,700	4.0%
2016	37,424	38,046	75,470	-0.3%
2017	44,220	42,528	86,748	14.9%
2018	43,705	39,076	82,781	-4.6%

C. Based Aircraft

Figure 3 illustrates the number of based aircraft at County owned airports as of June 2019, as reported by Airport management.

Figure 3 – GA Based Aircraft



As shown in Table 3, 623 aircraft are currently based at the Airport.

Table 3 – GA Based Aircraft

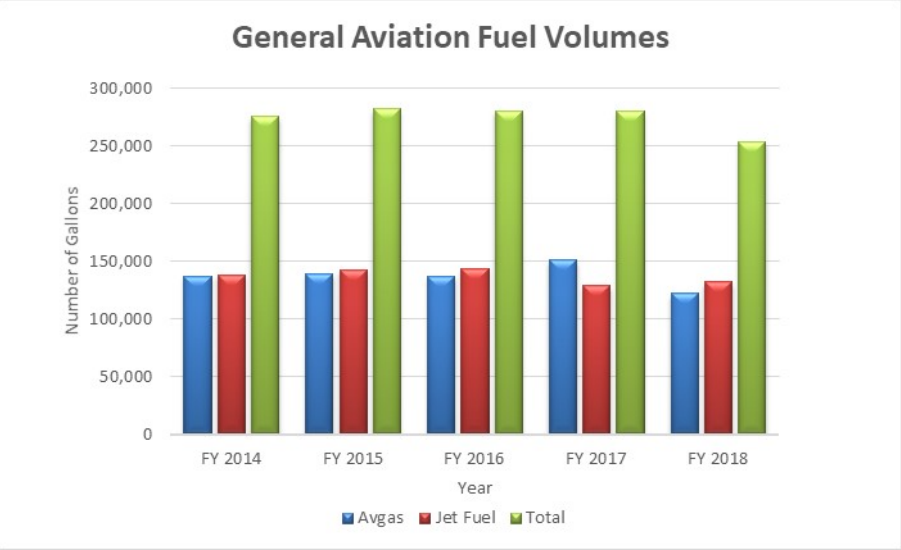
General Aviation Based Aircraft	
Airport	Total
Brackett Field Airport	271
Compton/Woodley Airport	188
General William J. Fox Airfield	193
San Gabriel Valley Airport	256
Whiteman Airport	623

D. Fuel Volumes

Figure 4 depicts total general aviation fuel volumes (by type – jet fuel and avgas) at the Airport from Fiscal Year[3] (FY) 2014 to FY 2018, as reported by Airport management.

[3] The County fiscal year begins July 1st and ends June 30th.

Figure 4 – GA Fuel Volumes



As depicted in Table 4, total GA fuel volumes decreased from 275,758 gallons in FY 2014 to 254,030 gallons in FY 2018, which represents a total decrease of 7.88% or a compounded annual decrease of 2.03%. Additionally, approximately 50.02% of the general aviation fuel volume is jet fuel.

Table 4 – GA Fuel Volumes

GA Fuel Volumes				
Year	Avgas	Jet Fuel	Total	% Change
FY 2014	137,361	138,397	275,758	N/A
FY 2015	139,551	142,972	282,523	2.5%
FY 2016	136,951	143,624	280,575	-0.7%
FY 2017	150,897	129,014	279,911	-0.2%
FY 2018	121,858	132,172	254,030	-9.2%

E. Commercial Operators

American Airports Corporation provides fueling (jet and avgas), line services, and aircraft parking (Hangar and tiedown). Multiple aeronautical commercial operators provide, on a combined basis, aircraft parking (Hangar and tiedown), aircraft maintenance, aircraft sales, aircraft rental, and flight training.

V. SUBJECT PROPERTIES OVERVIEW

A. Subject Properties

The Subject Properties consists of certain improvements located at the Airport that are rented, or which may be available for rent from the County for aeronautical use. The Subject Properties are identified in Table 5. Maps and a photographic survey of the Subject Properties are provided in the Appendix.

Table 5 – Subject Properties Overview

Subject Properties Overview			
Component	Identification	Number of Units	Size (SF)
Executive Hangar	HH 1	5	1,386
	HH 2	7	1,386
	HH 3	7	1,386
	HH 4	7	1,386
	HH 5	5	1,386
	HH 6	7	1,386
	HH 7	7	1,386
	HH 8	7	1,386
	Row C	15	1,512
	BB	9	1,512
Small T-Hangar	Row U	8	832
	Row T	8	832
	CC	15	889
Medium T-Hangar	DD	13	1,312
Small Portable T-Hangar	Row J	2	790
	Row H	16	790
	Row G1	21	790
	Row D	33	790
	Row G2	3	790
	Row B	32	790
Medium Portable T-Hangar	C-01A	1	1,080
	Row J	2	1,056
	Row F	33	1,104
	Row E	17	1,104
		16	1,104
Large Portable T-Hangar	Row J	4	1,512
		5	1,840
Small Nested/Push-In	North Tiedown Area	72	N/A
Medium Nested/Push-In			N/A
Small Nested/Push-In	South Tiedown Area	117	N/A
Medium Nested/Push-In			N/A
Small Non-Nested/Drive-In	South Tiedown Area	17	N/A
Medium Non-Nested/Drive-In			N/A
Helipads	South Tiedown Area	9	N/A

1. Executive Hangar

There is approximately 108,360 square feet of Executive Hangar included in the Subject Properties. As outlined in the Appendix, an Executive Hangar is a square or rectangular-shaped hangar designed to accommodate the proprietary aircraft operations of a single company or individual. Executive Hangars (ranging in size from 50 feet by 50 feet to upwards of 100 feet by 100 feet) are typically larger than T-Hangars and are typically smaller than most Community Hangars. In many cases, these hangars have shop, office, and storage areas located within the footprint of the hangar.

The property details of the Executive Hangars are outlined in Table 6.

Table 6 – Executive Hangar Summary

Executive Hangar Summary										
Identification	Interior	Exterior	Number of Units	Size Per Unit (SF)	Door			Condition	Access	Amenities
					Type	Width (FT)	Height (FT)			
HH 1	Steel Frame, Concrete Floor, Fluorescent Lighting	Metal	5	1,386	2 Panel Sliding Metal	40	12	Average	Fair	Average
HH 2			7	1,386						
HH 3			7	1,386						
HH 4			7	1,386						
HH 5			5	1,386						
HH 6			7	1,386					Poor	
HH 7			7	1,386						
HH 8			7	1,386						
Row C	Steel Frame, Asphalt Floor, Fluorescent Lighting	Metal	15	1,512	8 Panel Sliding Metal	42	11	Average	Fair	Average
BB	Steel Frame, Concrete Floor, Fluorescent Lighting	Metal	9	1,512	2 Panel Sliding Metal	40	12	Average	Poor	Average
			Total	**108,360**						

2. Small T-Hangar

There is approximately 26,647 square feet of Small T-Hangar included in the Subject Properties. As outlined in the Appendix, Small T-Hangars are typically 1,000 square feet or less with a door width up to 40 feet and a door height which can accommodate most single-engine piston-powered aircraft (e.g., Beechcraft Bonanza; Cessna 150, 172, 182, and 210; Cirrus 20 and 22; Diamond Star and Katana; Piper Arrow, Cherokee, and Saratoga; etc.).

The property details of the Small T-Hangars are outlined in Table 7.

Table 7 – Small T-Hangar Summary

Small T-Hangar Summary										
Identification	Interior	Exterior	Number of Units	Size Per Unit (SF)	Door			Condition	Access	Amenities
					Type	Width (FT)	Height (FT)			
Row U	Plaster, Wood Frame, Concrete Floor	Plaster, Galvanized Steel, Wood	8	832	2 Panel Sliding Metal	40	10	Poor	Poor	Poor
Row T	Plaster, Wood Frame, Concrete Floor	Plaster, Galvanized Steel, Wood	8	832	2 Panel Sliding Metal	40	10	Poor	Poor	Poor
CC	Steel Frame, Concrete Floor, Fluorescent Lighting	Metal	15	889	2 Panel Sliding Metal	40	12	Average	Poor	Average
			Total	**26,647**						

3. Medium T-Hangar

There is approximately 17,056 square feet of Medium T-Hangar included in the Subject Properties. As outlined in the Appendix, Medium T-Hangars typically range from 1,000 square feet up to 1,300 square feet with a door width ranging from 40 feet up to 45 feet and a door height which can accommodate most light multi-engine piston-powered aircraft (e.g., Cessna 310, Diamond Twin Star, Piper Seminole and Seneca, etc.).

The property details of the Medium T-Hangars are outlined in Table 8.

Table 8 – Medium T-Hangar Summary

Medium T-Hangar Summary										
Identification	Interior	Exterior	Number of Units	Size Per Unit (SF)	Door			Condition	Access	Amenities
					Type	Width (FT)	Height (FT)			
DD	Steel Frame, Concrete Floor, Fluorescent Lighting	Metal	13	1,312	2 Panel Sliding Metal	40	12	Good	Poor	Average
			Total	**17,056**						

4. Small Portable T-Hangars

There is approximately 84,530 square feet of Small Portable T-Hangar included in the Subject Properties. As outlined in the Appendix, Small Portable T-Hangars are typically up to 1,000 square feet with a door width up to 40 feet and a door height which can accommodate most single-engine piston-powered aircraft (e.g., Beechcraft Bonanza; Cessna 150, 172, 182, and 210; Cirrus 20 and 22; Diamond Star and Katana; Piper Arrow, Cherokee, and Saratoga; etc.).

The property details of the Small Portable T-Hangars are outlined in Table 9.

Table 9 – Small Portable T-Hangar Summary

Smal Portable T-Hangar Summary										
Identification	Interior	Exterior	Number of Units	Size Per Unit (SF)	Door			Condition	Access	Amenities
					Type	Width (FT)	Height (FT)			
Row J	Steel Frame, Asphalt Floor, Fluoresecent Lighting	Metal	2	790	Standard Port-A-Port Door	39.5	10	Average	Average	Average
Row H	Steel Frame, Asphalt Floor, Fluoresecent Lighting	Metal	16	790	Standard Port-A-Port Door	39.5	10	Average	Average	Average
Row G1	Steel Frame, Asphalt Floor, Fluoresecent Lighting	Metal	21	790	Standard Port-A-Port Door	39.5	10	Average	Average	Average
Row D	Steel Frame, Asphalt Floor, Fluoresecent Lighting	Metal	33	790	Standard Port-A-Port Door	39.5	10	Average	Fair	Average
Row G2	Steel Frame, Asphalt Floor, Fluoresecent Lighting	Metal	3	790	Standard Port-A-Port Door	39.5	10	Average	Fair	Average
Row B	Steel Frame, Asphalt Floor, Fluoresecent Lighting	Metal	32	790	Standard Port-A-Port Door	39.5	10	Average	Fair	Average
			Total	**84,530**						

5. Medium Portable T-Hangars

There is approximately 76,056 square feet of Medium Portable T-Hangar included in the Subject Properties. As outlined in the Appendix, Medium Portable T-Hangars typically range from 1,000 square feet up to 1,300 square feet with a door width ranging from 40 feet up to 45 feet and a door height which can accommodate most light multi-engine piston-powered aircraft (e.g., Cessna 310, Diamond Twin Star, Piper Seminole and Seneca, etc.).

The property details of the Medium Portable T-Hangars are outlined in Table 10.

Table 10 – Medium Portable T-Hangar Summary

Medium Portable T-Hangars Summary										
Identification	Interior	Exterior	Number of Units	Size Per Unit (SF)	Door			Condition	Access	Amenities
					Type	Width (FT)	Height (FT)			
C-01A	Steel Frame, Asphalt Floor, Fluoresecent Lighting	Metal	1	1,080	8 Panel Sliding Metal	42	11	Average	Fair	Average
Row J	Steel Frame, Asphalt Floor, Fluoresecent Lighting	Metal	2	1,056	Standard Port-A-Port Door	42	11	Average	Average	Average
Row F	Steel Frame, Asphalt Floor, Fluoresecent Lighting	Metal	33	1,104	8 Panel Sliding Metal	42	11	Average	Average	Average
Row E	Steel Frame, Asphalt Floor, Fluoresecent Lighting	Metal	17	1,104	8 Panel Sliding Metal	42	11	Average	Fair	Average
		Metal	16	1,104	Standard Port-A-Port Door	42	11	Average	Fair	Average
			Total	**76,056**						

6. Large Portable T-Hangars

There is approximately 15,248 square feet of Large Portable T-Hangar included in the Subject Properties. As outlined in the Appendix, Large Portable T-Hangars typically range from 1,300 square feet up to 2,000 square feet with a door width ranging from 45 feet up to 55 feet and a door height which can accommodate most multi-engine piston-powered aircraft and similarly sized turbine-powered aircraft (e.g., Cessna 421, King Air 90, Piper Cheyenne, Piper Malibu, etc.).

The property details of the Large Portable T-Hangars are outlined in Table 11.

Table 11 – Large Portable T-Hangar Summary

Large Portable T-Hangars Summary										
Identification	Interior	Exterior	Number of Units	Size Per Unit (SF)	Door			Condition	Access	Amenities
					Type	Width (FT)	Height (FT)			
Row J	Steel Frame, Asphalt Floor, Fluoresecent Lighting	Metal	4	1,512	8 Panel Sliding Metal	49.5	14	Average	Average	Average
Row J			5	1,840						
			Total	**15,248**						

7. Tiedown

There are approximately 215 Tiedowns included in the Subject Properties. As outlined in the Appendix, a Tiedown is an aircraft parking area typically signified by a painted "T" and usually equipped with three-point tiedown anchors to secure the aircraft. The majority of tiedown spaces can accommodate both single-engine aircraft (typically requiring width of up to 40 feet) and certain multi-engine aircraft (typically requiring a width of 40 feet to 45 feet). For the purposes of this *Airport Rent Study,* tiedowns are analyzed based on the type of aircraft accommodated (Small Tiedown and Medium Tiedown). Additionally, certain Tiedowns are designed specifically for helicopters (identified as helipads).

As such, the total number and property details of the tiedown units are outlined in Table 12.

Table 12 – Tiedown Summary

Tiedown Summary				
Identification	Component	Number of Units	Condition	Access
North Tiedown Area	Nested/Push-in	72	Good	Good
	Non-Nested/Drive-in	0		
	Helipads	0		
South Tiedown Area	Nested/Push-in	117	Good	Good
	Non-Nested/Drive-in	17		
	Helipads	9		
	Total	**215**		

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 as well as similar properties (leased from airport sponsors) at national, regional, comparable, 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 over the last 10 years from more than 550 airports (including all categories of NPIAS airports – general aviation to Large Hub Primary Commercial Service) located throughout the United States were analyzed. A summary and statistical analysis of the findings for national airports is provided in Table 13.

Table 13 – National Airport Data Summary

National Airport Data Summary						
Component	Minimum	Maximum	Mean	Standard Deviation	Median	Range
Executive Hangar	$0.05	$8.47	$2.94	$1.70	$2.89	$8.42
Small T-Hangar	$56.60	$541.50	$218.54	$96.55	$204.24	$484.90
Medium T-Hangar	$50.00	$671.00	$291.37	$122.43	$265.50	$621.00
Small Tiedown	$15.08	$250.00	$55.24	$44.33	$40.00	$234.92
Medium Tiedown	$15.00	$564.00	$101.07	$139.55	$51.00	$549.00

Rental rates for T-Hangars and Tiedowns are “per unit per month” (pu/mo)
All other rental rates are “per square foot per year” (psf/yr)

B. Regional Data (FAA Western-Pacific Region)

As an additional supplement to the comparable airport data, rents obtained over the last 10 years from more than 90 airports (including all categories of NPIAS airports – general aviation to Large Hub Primary Commercial Service) in the FAA Western-Pacific Region (consisting of Arizona, California, Hawaii, and Nevada)[4] were analyzed. A summary and statistical analysis of the findings for regional airports is provided in Table 14.

[4] 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.

Table 14 – Regional Airport Data Summary

Regional Airport Data Summary						
Component	Minimum	Maximum	Mean	Standard Deviation	Median	Range
Executive Hangar	$0.15	$8.47	$3.35	$1.63	$3.21	$8.32
Small T-Hangar	$91.00	$541.50	$249.85	$97.30	$217.13	$450.50
Medium T-Hangar	$90.00	$751.00	$334.05	$127.36	$291.00	$661.00
Small Tiedown	$25.00	$250.00	$59.07	$57.01	$45.00	$225.00
Medium Tiedown	$25.00	$564.00	$124.76	$168.55	$68.00	$539.00

Rental rates for T-Hangars and Tiedowns are “per unit per month” (pu/mo)
All other rental rates are “per square foot per year” (psf/yr)

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 and 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, the presence of a control tower, runway length, total airport acreage, FAA NPIAS classification, and FAA General Aviation Asset Study classification as well as population, median household income, and mean household income for the Airport’s associated City. Parameters were then established in each of these areas to facilitate the selection process. It is significant to note that while one airport owned by the County (San Gabriel Valley Airport) was identified as a comparable airport, the relevant and useable data ascertained from this Airport was not included in the findings to ensure the County’s rental rates did not have an undue influence on the results of the study.

While a total of 15 airports were considered comparable to the Airport, rental rates and related information from 10 airports[5] were obtained and analyzed, as shown in Table 15.

Table 15 – Comparable Airports

Comparable Airports		
Airport	**Identifier**	**Location**
Aurora State Airport	UAO	Aurora, Oregon
Bowman Field Airport	LOU	Louisville, Kentucky
Buchanan Field Airport	CCR	Concord, California
Essex County Airport	CDW	Caldwell, New Jersey
Georgetown Municipal Airport	GTU	Georgetown, Texas
Grand Prairie Municipal Airport	GPM	Grand Prairie, Texas
Hayward Executive Airport	HWD	Hayward, California
Phoenix Goodyear Airport	GYR	Goodyear, Arizona

[5] Relevant and useable information was not available from Boca Raton Airport (BCT) Danbury Municipal Airport (DXR), Flying Cloud Airport (FCM), Jack Northrop Field/Hawthorne Municipal Airport (HHR), and North Perry Airport (HWO).

Comparable Airports		
Airport	**Identifier**	**Location**
Renton Municipal Airport	RNT	Renton, Washington
Shreveport Downtown Airport	DTN	Shreveport, Louisiana

Table 16 provides a summary and statistical analysis of the findings for the comparable airports.

Table 16 – Comparable Airport Data Summary

Comparable Airport Data Summary						
Component	Minimum	Maximum	Mean	Standard Deviation	Median	Range
Executive Hangar	$2.52	$4.48	$3.98	$0.98	$4.47	$1.96
Small T-Hangar	$140.00	$731.00	$282.32	$149.97	$230.00	$591.00
Medium T-Hangar	$230.00	$513.00	$392.88	$114.03	$397.50	$283.00
Small Tiedown	$17.77	$218.00	$64.67	$53.96	$45.00	$200.23
Medium Tiedown	$17.77	$218.00	$76.71	$57.60	$75.00	$200.23

Rental rates for T-Hangars and Tiedowns are “per unit per month” (pu/mo)
All other rental rates are “per square foot per year” (psf/yr)

D. Competitive Airport Data

Typically, an airport is considered competitive if it is located in relatively close proximity to the Airport and serves a similar market. 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 40 nautical miles of the Airport were identified as being potentially competitive airports. It is significant to note that while four airports owned by the County (Brackett Field Airport, Compton/Woodley Airport, San Gabriel Valley Airport, and William J. Fox Airfield) are located within the competitive area, the relevant and useable data obtained from these Airports was not included in the findings to ensure the County’s existing rental rates did not have an undue influence on the results of this study.

While a total of 8 airports were considered competitive to the Airport, rental rates and related information from 4 airports[6] were obtained and analyzed, as shown in Table 17:

Table 17 – Competitive Airports

Competitive Airports		
Airport	**Identifier**	**Location**
Camarillo Airport	CMA	Camarillo, California
Fullerton Municipal Airport	FUL	Fullerton, California
Long Beach Airport (Daugherty Field)	LGB	Long Beach, California
Zamperini Field Airport	TOA	Torrance, California

[6] Relevant and useable information was not available from Agua Dulce Airport (L70) and Jack Northrop Field/Hawthorne Municipal Airport (HHR). While relevant and useable information was available from Santa Monica Municipal Airport (SMO) and Van Nuys Airport (VNY), the information was deemed as a statistical outlier and therefore not utilized in this analysis.

Table 18 provides a summary and statistical analysis of the findings for the competitive airports.

Table 18 – Competitive Airport Data Summary

Competitive Airport Data Summary						
Component	Minimum	Maximum	Mean	Standard Deviation	Median	Range
Executive Hangar	$4.08	$7.10	$5.57	$0.88	$5.72	$3.02
Small T-Hangar	$464.00	$625.00	$521.33	$89.95	$475.00	$161.00
Medium T-Hangar	$340.00	$711.00	$567.50	$107.70	$564.00	$371.00
Small Tiedown	$35.28	$128.00	$101.06	$37.35	$115.00	$92.72
Medium Tiedown	$54.72	$243.00	$146.18	$77.83	$143.50	$188.28

Rental rates for T-Hangars and Tiedowns are “per unit per month” (pu/mo)
All other rental rates are “per square foot per year” (psf/yr)

VII. RENTAL RATE SUMMARY

A. Rental Rate Conclusions (By Component)

Table 19 identifies the conclusions of AMCG's opinion of market rent for the Subject Properties. The rental rate conclusions (effective June 25, 2019 which is consistent with the date of property inspection) are based on the analysis of the Subject Properties and the rents being charged for similar properties at the Airport and national, regional, comparable, and competitive airports. The market rental rate conclusions are conveyed on a "per unit per month" (pu/mo) basis.

Table 19 – Rental Rate Conclusions

Rental Rate Conclusions				
Component	Identification	Number of Units	Size (SF)	Market Rent Opinion
Executive Hangar	HH 1	5	1,386	$687.23
	HH 2	7	1,386	$687.23
	HH 3	7	1,386	$687.23
	HH 4	7	1,386	$687.23
	HH 5	5	1,386	$687.23
	HH 6	7	1,386	$652.58
	HH 7	7	1,386	$652.58
	HH 8	7	1,386	$652.58
	Row C	15	1,512	$749.70
	BB	9	1,512	$711.90
Small T-Hangar	Row U	8	832	$315.00
	Row T	8	832	$315.00
	CC	15	889	$405.00
Medium T-Hangar	DD	13	1,312	$565.00
Small Portable T-Hangar	Row J	2	790	$340.00
	Row H	16	790	$340.00
	Row G1	21	790	$340.00
	Row D	33	790	$315.00
	Row G2	3	790	$315.00
	Row B	32	790	$315.00
Medium Portable T-Hangar	C-01A	1	1,080	$415.00
	Row J	2	1,056	$445.00
	Row F	33	1,104	$445.00
	Row E	17	1,104	$415.00
		16	1,104	$415.00
Large Portable T-Hangar	Row J	4	1,512	$745.00
		5	1,840	$745.00
Small Nested/Push-In	North Tiedown Area	72	N/A	$130.00
Medium Nested/Push-In			N/A	$160.00
Small Nested/Push-In	South Tiedown Area	117	N/A	$130.00
Medium Nested/Push-In			N/A	$160.00
Small Non-Nested/Drive-In	South Tiedown Area	17	N/A	$155.00
Medium Non-Nested/Drive-In			N/A	$190.00
Helipads	South Tiedown Area	9	N/A	$205.00

All rental rates are "per unit per month" (pu/mo)

It is significant to note that the Airport is associated with the second largest MSA in the United States. When available, more weight has been given to the competitive airports as the amenities and attributes and/or location of these airports and similar properties align with the Airport and the Subject Properties. As such, the rental rates at these airports are more reflective of relevant and useable data to establish rental rate conclusions for the Airport.

Additionally, airports associated with the largest MSAs in the United States (a population greater than 5 million persons) reflect an average rental rate higher than the national average. Based on a comparative analysis, airports associated with the largest MSAs reflect an average adjustment of +50% as compared with the national average. As such, this adjustment for the national average will be utilized as an additional validation of the base rental rates.

The average national, regional (FAA Western-Pacific Region), comparable, 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. The resulting data points were analyzed independently as well as analyzing the overall statistical representation to determine a base rental rate for each component of the Subject Properties. 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). For the purposes of this *Airport Rent Study*, size adjustments were developed, where appropriate, based on an analysis of AMCG's proprietary industry database (for all airports nationally). This process included an analysis of more than 4,000 data points correlating size ranges to existing rental rates compared to the national average rental rate.

1. Executive Hangar

The results of the study indicate that the average rental rates for Executive Hangar range from $2.94 psf/yr at national airports to $5.57 psf/yr at competitive airports. The average rental rate at regional airports was $3.35 psf/yr and $3.98 psf/yr at comparable airports. Utilizing the comparative analysis of the largest MSAs to the national average results in an adjusted national average of $4.41 psf/yr. It is significant to note that the rental rates for Executive Hangar range from a minimum of $2.52 psf/yr at comparable airports to $7.10 psf/yr at competitive airports. The current established rate for Executive Hangar ranges from $651.42 pu/mo to $711.00 pu/mo (approximately $5.64 psf/yr).

Based on analyzing all available data, a base rental rate of $6.25 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 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.

Utilizing the base rental rate and predicated on adjustments for size, access, amenities, and condition, the estimated rental rate conclusions are outlined in Table 20.

Table 20 – Executive Hangar Conclusions Summary

Executive Hangar Conclusions Summary								
Identification	Base Rental Rate	Adjustments				Calculated Result	Market Rent Opinion	Market Rent Opinion
		Size	Access	Amenities	Condition			
HH 1	$6.25	0%	-5%	0%	0%	$5.94	$5.95	$687.23
HH 2		0%	-5%	0%	0%	$5.94	$5.95	$687.23
HH 3		0%	-5%	0%	0%	$5.94	$5.95	$687.23
HH 4		0%	-5%	0%	0%	$5.94	$5.95	$687.23
HH 5		0%	-5%	0%	0%	$5.94	$5.95	$687.23
HH 6		0%	-10%	0%	0%	$5.63	$5.65	$652.58
HH 7		0%	-10%	0%	0%	$5.63	$5.65	$652.58
HH 8		0%	-10%	0%	0%	$5.63	$5.65	$652.58
Row C		0%	-5%	0%	0%	$5.94	$5.95	$749.70
BB		0%	-10%	0%	0%	$5.63	$5.65	$711.90

All rental rates are “per unit per month” (pu/mo)

2. Small T-Hangar

The results of the study indicate the average rental rates for Small T-Hangar range from $218.54 pu/mo at national airports to $521.33 pu/mo at competitive airports. The average rental rate at regional airports was $249.85 pu/mo and $282.32 pu/mo at comparable airports. Utilizing the comparative analysis of the largest MSAs to the national average results in an adjusted national average of $327.81 pu/mo. It is significant to note that the rental rates for Small T-Hangar range from a minimum of $140.00 pu/mo at comparable airports to a maximum of $731.00 pu/mo at comparable airports. The current established rate for Small T-Hangar as approved by the Board for FY 2019-2020 is $357.00 pu/mo.

Based on analyzing all available data, a base rental rate of $450.00 psf/yr 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 21.

Table 21 – Small T-Hangar Conclusions Summary

Small T-Hangar Conclusions Summary						
Identification	Base Rental Rate	Adjustments			Calculated Result	Market Rent Opinion
		Access	Amenities	Condition		
Row U	$450.00	-10%	-10%	-10%	$315.00	$315.00
Row T		-10%	-10%	-10%	$315.00	$315.00
CC		-10%	0%	0%	$405.00	$405.00

All rental rates are “per unit per month” (pu/mo)

3. Medium T-Hangar

The results of the study indicate the average rental rates for Medium T-Hangar range from $291.37 pu/mo at national airports to $567.50 pu/mo at competitive airports. The average rental rate at regional airports was $334.05 pu/mo and $392.88 pu/mo at comparable airports. Utilizing the comparative analysis of the largest MSAs to the national average results in an adjusted national average of $437.05 pu/mo. It is significant to note that the rental rates for Medium T-Hangar range from a minimum of 230.00 pu/mo at comparable airports to a maximum of $711.00 pu/mo at competitive airports. The current established rate for Medium T-Hangar as approved by the Board for FY 2019-2020 is $547.00 pu/mo.

Based on analyzing all available data, a base rental rate of $595.00 psf/yr 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 22.

Table 22 – Small T-Hangar Conclusions Summary

Medium T-Hangar Conclusions Summary						
Identification	Base Rental Rate	Adjustments			Calculated Result	Market Rent Opinion
		Access	Amenities	Condition		
DD	$595.00	-10%	0%	5%	$565.25	$565.00

All rental rates are “per unit per month” (pu/mo)

4. Small Portable T-Hangar

Portable T-Hangars that are owned and leased by the airport sponsor are not common at airports, as such, a comparative analysis of data in the national airport database was conducted. This analysis included airports where Portable T-Hangars and T-Hangars are both leased. Through this analysis, it was determined that an adjustment of -25% from similarly sized T-Hangars for Portable T-Hangars exists at such airports. The current established rates for Small Portable T-Hangar as approved by the Board for FY 2019-2020 ranges from $350.00 pu/mo to $396.00 pu/mo.

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

Table 23 – Small Portable T-Hangar Conclusions Summary

Small Portable T-Hangar							
Identification	Base Rental Rate	Adjustments				Calculated Result	Market Rent Opinion
		Type	Access	Amenities	Condition		
Row J	$450.00	-25%	0%	0%	0%	$337.50	$340.00
Row H		-25%	0%	0%	0%	$337.50	$340.00
Row G1		-25%	0%	0%	0%	$337.50	$340.00
Row D		-25%	-5%	0%	0%	$315.00	$315.00
Row G2		-25%	-5%	0%	0%	$315.00	$315.00
Row B		-25%	-5%	0%	0%	$315.00	$315.00

All rental rates are “per unit per month” (pu/mo)

5. Medium Portable Hangar

Portable T-Hangars that are owned and leased by the airport sponsor are not common at airports, as such, a comparative analysis of data in the national airport database was conducted. This analysis included airports where Portable T-Hangars and T-Hangars are both leased. Through this analysis, it was determined that an adjustment of -25% from similarly sized T-hangars for Portable T-Hangars exists at such airports. The current established rates for Medium Portable T-Hangar as approved by the Board for FY 2019-2020 ranges from $466.00 pu/mo to $495.00 pu/mo.

It is important to note Medium T-Hangars are not leased by the County at the Airport. As such, a base rental rate for Medium T-Hangars was developed based on the relationship to Small T-Hangars. Utilizing the base rental rate for Small T-Hangars ($450.00 pu/mo) would result in a base rental rate for Medium T-Hangars of $595.00 pu/mo

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

Table 24 – Medium Portable T-Hangar Conclusions Summary

Medium Portable T-Hangar							
Identification	Base Rental Rate	Adjustments				Calculated Result	Market Rent Opinion
		Type	Access	Amenities	Condition		
C-01A	$595.00	-25%	-5%	0%	0%	$416.50	$415.00
Row J		-25%	0%	0%	0%	$446.25	$445.00
Row F		-25%	0%	0%	0%	$446.25	$445.00
Row E		-25%	-5%	0%	0%	$416.50	$415.00

All rental rates are “per unit per month” (pu/mo)

6. Large Portable Hangar

Portable T-Hangars that are owned and leased by the airport sponsor are not common at airports, as such, a comparative analysis of data in the national airport database was conducted. This analysis included airports where Portable T-Hangars and T-Hangars are both leased. Through this analysis, it was determined that an adjustment of -25% from similarly sized T-Hangars for Portable T-Hangars exists at such airports. The current established rate for Medium Portable T-Hangar as approved by the Board for FY 2019-2020 is $765.00 pu/mo.

It is important to note Large T-Hangars are not leased by the County at the Airport. As such, a base rental rate for Large T-Hangars was developed based on the relationship to Small T-Hangars. Utilizing the base rental rate for Small T-Hangars ($450.00 pu/mo) would result in a base rental rate for Large T-Hangars of $995.00 pu/mo.

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

Table 25 – Large Portable T-Hangar Conclusions Summary

Large Portable T-Hangar							
Identification	Base Rental Rate	Adjustments				Calculated Result	Market Rent Opinion
		Type	Access	Amenities	Condition		
Row J	$995.00	-25%	0%	0%	0%	$746.25	$745.00

All rental rates are "per unit per month" (pu/mo)

7. Small Tiedown

The results of the study indicate the average rental rates for Small Tiedown (nested or push-in) range from $55.24 pu/mo at national airports to $101.06 pu/mo at competitive airports. The average rental rate at regional airports was $59.07 pu/mo and $64.67 pu/mo at comparable airports. Utilizing the comparative analysis of the largest MSAs to the national average results in an adjusted national average of $82.86 pu/mo. It is significant to note that the rental rates for Small Tiedown (nested or push-in) range from a minimum of $17.77 pu/mo at comparable airports to a maximum of $128.00 pu/mo at competitive airports. The current established rate for Single-Engine Tiedown as approved by the Board for FY 2019-2020 ranges from $96.00 pu/mo to $135.00 pu/mo (including both nested or push-in Single-Engine Tiedowns and non-nested or drive-in Single-Engine Tiedowns).

Based on analyzing all available data, a base rental rate of $120.00 pu/mo was derived.

The ability to consistently taxi into a tiedown space is considered an enhanced access amenity (and adjusted accordingly). Based on AMCG's experience, an upward adjustment of 20% for access was determined most appropriate for non-nested (or drive-in) Tiedowns.

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

Table 26 – Small Tiedown Conclusions Summary

Small Tiedown Conclusions Summary							
Identification	Component	Base Rental Rate	Adjustments			Calculated Result	Market Rent Opinion
			Size	Access	Condition		
North Tiedown Area	Nested/Push-in	$120.00	0%	5%	5%	$132.00	$130.00
	Non-Nested/Drive-in		0%	25%	5%	$156.00	$155.00
South Tiedown Area	Nested/Push-in		0%	5%	5%	$132.00	$130.00
	Non-Nested/Drive-in		0%	25%	5%	$156.00	$155.00

All rental rates are "per unit per month" (pu/mo)

8. Medium Tiedown

The results of the study indicate the average rental rates for Medium Tiedown (nested or push-in) range from $76.71 pu/mo at comparable airports to $146.18 pu/mo at competitive airports. The average rental rate at national airports was $101.07 pu/mo and $124.76 pu/mo at regional airports. Utilizing the comparative analysis of the largest MSAs to the national average results in an adjusted national average of $151.60 pu/mo.

It is significant to note that the rental rates for Medium Tiedown (nested or push-in) range from a minimum of $17.77 pu/mo at comparable airports to a maximum of $243.00 pu/mo at competitive airports. The current established rate for Twin Tiedown as approved by the Board for FY 2019-2020 ranges from $109.00 pu/mo to $135.00 pu/mo (including both nested or push-in Twin Tiedowns and non-nested or drive-in Twin Tiedowns).

Based on analyzing all available data, a base rental rate of $145.00 pu/mo was derived.

The ability to consistently taxi into a tiedown space is considered an enhanced access amenity (and adjusted accordingly). Based on AMCG's experience, an upward adjustment of 20% for access was determined most appropriate for non-nested (or drive-in) Tiedowns. Additionally, the Tiedowns designed specifically for helicopters have been analyzed as Medium Tiedown. Due to the additional space requirements for these helipads, an upward adjustment of 10% for size was determined as most appropriate.

Utilizing the base rental rate and predicated on adjustments for size, access, and condition, the estimated rental rate conclusions are outlined in Table 27.

Table 27 – Medium Tiedown Conclusions Summary

Medium Tiedown Conclusions Summary							
Identification	Component	Base Rental Rate	Adjustments			Calculated Result	Market Rent Opinion
			Size	Access	Condition		
North Tiedown Area	Nested/Push-in	$145.00	0%	5%	5%	$159.50	$160.00
	Non-Nested/Drive-in		0%	25%	5%	$188.50	$190.00
	Helipads		10%	25%	5%	$203.00	$205.00
South Tiedown Area	Nested/Push-in		0%	5%	5%	$159.50	$160.00
	Non-Nested/Drive-in		0%	25%	5%	$188.50	$190.00
	Helipads		10%	25%	5%	$203.00	$205.00

All rental rates are "per unit per month" (pu/mo)

B. Rental Rate Summary (for the Subject Properties)

Based on the preceding analysis and analysis of the rents being charged for similar properties at the Airport and national, regional, comparable and competitive airports, the conclusions of AMCG's opinion of market rent for the Subject Properties are outlined in Table 28.

Table 28 – Rental Rate Summary

Rental Rate Conclusions					
Component	Identification	Number of Units	Size (SF)	*Current Rental Rate	Market Rent Opinion
Executive Hangar	HH 1	5	1,386	$651.42	$687.23
	HH 2	7	1,386	$651.42	$687.23
	HH 3	7	1,386	$651.42	$687.23
	HH 4	7	1,386	$651.42	$687.23
	HH 5	5	1,386	$651.42	$687.23
	HH 6	7	1,386	$651.42	$652.58
	HH 7	7	1,386	$651.42	$652.58
	HH 8	7	1,386	$651.42	$652.58
	Row C	15	1,512	$679.00	$749.70
	BB	9	1,512	$711.00	$711.90
Small T-Hangar	Row U	8	832	$357.00	$315.00
	Row T	8	832	$357.00	$315.00
	CC	15	889	$489.00	$405.00
Medium T-Hangar	DD	13	1,312	$547.00	$565.00
Small Portable T-Hangar	Row J	2	790	$396.00	$340.00
	Row H	16	790	$350.00	$340.00
	Row G1	21	790	$350.00	$340.00
	Row D	33	790	$396.00	$315.00
	Row G2	3	790	$350.00	$315.00
	Row B	32	790	$350.00	$315.00
Medium Portable T-Hangar	C-01A	1	1,080	$396.00	$415.00
	Row J	2	1,056	$466.00	$445.00
	Row F	33	1,104	$495.00	$445.00
	Row E	17	1,104	$465.00	$415.00
		16	1,104	$465.00	$415.00
Large Portable T-Hangar	Row J	4	1,512	$537.00	$745.00
		5	1,840	$765.00	$745.00
Small Nested/Push-In	North Tiedown Area	72	N/A	$96.00/$109.00	$130.00
Medium Nested/Push-In			N/A	$109.00	$160.00
Small Nested/Push-In	South Tiedown Area	117	N/A	$96.00/$109.00	$130.00
Medium Nested/Push-In			N/A	$109.00	$160.00
Small Non-Nested/Drive-In	South Tiedown Area	17	N/A	$132.00/$135.00	$155.00
Medium Non-Nested/Drive-In			N/A	$135.00	$190.00
Helipads	South Tiedown Area	9	N/A	$109.00	$205.00

*Current established rental rate as approved by the Board for FY 2019-2020
All rental rates are “per unit per month” (pu/mo)

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 dimensions were taken from a source considered reliable, this should not be construed as a survey. A licensed engineer or surveyor should verify the exact 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, was not observed by AMCG; 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.

17. AMCG's inspection of the Subject Properties shall in no way be constructed as an engineering inspection for structural soundness, physical condition, or for the condition of the mechanical systems.

B. Definitions and Acronyms

- Executive Hangar - A square or rectangular-shaped Hangar designed to accommodate the proprietary aircraft operations of a single company or individual. Executive Hangars (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.
- GPS - Global positioning system.
- Hangar – Any fully or partially enclosed storage facility for an aircraft.
- 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.
- 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.
- Maximum - Maximum value present in the data range.
- Mean - Arithmetic average of all data in the data range.
- Portable Hangar - A Hangar that is square, rectangular-shaped, or "T" shaped and is not permanently affixed to associated apron area and the Portable Hangar can be reasonably removed or is designed to be removed.
    - Small Portable Hangar – Typically up to 1,000 square feet with a door width up to 40 feet and a door height which can accommodate most single-engine piston-powered aircraft (e.g., Beechcraft Bonanza; Cessna 150, 172, 182, and 210; Cirrus 20 and 22; Diamond Star and Katana; Piper Arrow, Cherokee, and Saratoga; etc.).
    - Medium Portable Hangar - Typically ranges from 1,000 square feet up to 1,300 square feet with a door width ranging from 40 feet up to 45 feet and a door height which can accommodate most light multi-engine piston-powered aircraft (e.g., Cessna 310, Diamond Twin Star, Piper Seminole and Seneca, etc.).
    - Large Portable Hangar - Typically ranges from 1,300 square feet up to 2,000 square feet with a door width ranging from 45 feet up to 55 feet and a door height which can accommodate most multi-engine piston-powered aircraft and similarly sized turbine-powered aircraft (e.g., Cessna 421, King Air 90, Piper Cheyenne, Piper Malibu, etc.).
- 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 wingspan 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 up to 1,000 square feet with a door width up to 40 feet and a door height which can accommodate most single-engine piston-powered aircraft (e.g., Beechcraft

Bonanza; Cessna 150, 172, 182, and 210; Cirrus 20 and 22; Diamond Star and Katana; Piper Arrow, Cherokee, and Saratoga; etc.).

- Medium T-Hangar - Typically ranges from 1,000 square feet up to 1,300 square feet with a door width ranging from 40 feet up to 45 feet and a door height which can accommodate most light multi-engine piston-powered aircraft (e.g., Cessna 310, Diamond Twin Star, Piper Seminole and Seneca, etc.).
- Large T-Hangar - Typically ranges from 1,300 square feet up to 2,000 square feet with a door width ranging from 45 feet up to 55 feet and a door height which can accommodate most multi-engine piston-powered aircraft and similarly sized turbine-powered aircraft (e.g., Cessna 421, King Air 90, Piper Cheyenne, Piper Malibu, etc.).

➢ Tiedown - An aircraft parking area typically signified by a painted "T" and equipped with three-point tiedown anchors to secure the aircraft wingtips and tail.

- Small Tiedown - Utilization of a Tiedown by most single-engine piston-powered aircraft (e.g., Beechcraft Bonanza; Cessna 150, 172, 182, and 210; Cirrus 20 and 22; Diamond Katana and Diamond Star; Piper Arrow, Cherokee, and Saratoga; etc.) with an overall width up to 40 feet.
- Medium Tiedown - Utilization of a Tiedown by most light multi-engine piston-powered aircraft (e.g., Cessna 310, Diamond Twin Star, Piper Seminole, Piper Seneca, etc.) with an overall width from 40 feet up to 45 feet.

➢ Range - Mathematical difference between the maximum and minimum values of the data range.

➢ VOR - Very high frequency omnidirectional range.

C. Subject Properties Identification Map

Figure 5 – Airport Overview

For reference purposes only

Figure 6 – Subject Properties

For reference purposes only

Figure 7 – Subject Properties

For reference purposes only

Figure 8 – Subject Properties

For reference purposes only

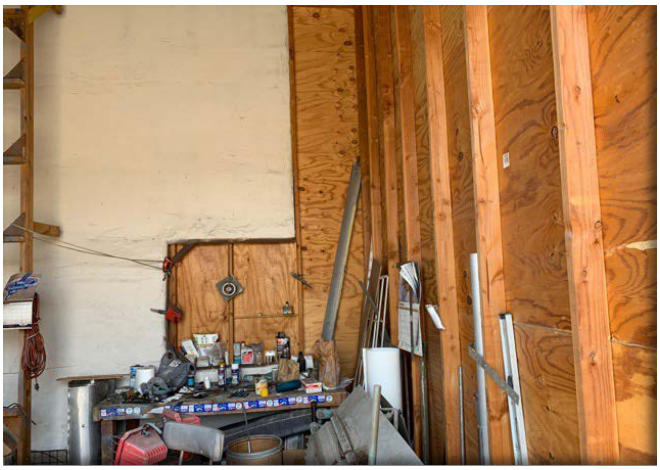
D. Subject Properties Photographic Survey

Executive Hangar
Row HH

Executive Hangar
Row HH

Small T-Hangar
Row T

Small T-Hangar
Row T



Small T-Hangar
Row T

Small T-Hangar
Row CC

Medium T-Hangar
Row DD

Small Portable T-Hangar
Row H

Medium Portable T-Hangar
C-01A

Medium Portable T-Hangar
C-01A

Large Portable Hangar
Row J

North Tiedown Area

North Tiedown Area

South Tiedown Area