

CITY HANGAR LEASING POLICY

Leasing, assignment, transfer, and use of City owned Non-Commercial Hangars shall conform with the provisions detailed in this policy and 14 CFR Chapter I [Docket No. FAA 2014–0463] FAA Policy on the Non-Aeronautical Use of Airport Hangars, as maybe amended from time-to-time.

Application – Entities desirous of obtaining an Agreement to use a City Hangar shall complete and submit a Non-Commercial Hangar Lessee Application (Hangar Application) to the Airport Manager.

- In addition to the completed Application, entity shall pay all applicable fees and provide a non-interest bearing deposit of \$500. The City shall retain a non-refundable portion of the deposit of \$50 to cover administrative costs.
- If the entity executes a Non-Commercial Aircraft Hangar Agreement (Hangar Agreement), the refundable portion of the deposit may be applied to applicable charges upon execution of the Hangar Agreement or to the first month's rent
- Upon receipt of the: (a) completed Application, (b) applicable fees, and (c) deposit, the entity shall be placed in the last position on the requested Hangar waiting list, as further described below.

Hangar Waiting List – When demand for Hangars exceeds supply, the City may manage Hangar assignments by maintaining a waiting list for Hangars, and Hangar transfer requests. The City may terminate a waiting list at any time. An Applicant on a waiting list is not guaranteed the occupancy of a Hangar.

- The City shall establish the initial Hangar waiting list using a lottery drawing. A notice of the lottery drawing, including the date and time, will be posted at each access gate, Airport administrative office, and at FBOs and SASOs located on the Airport. Entities who desire to be placed on the hangar waiting list shall complete a Hangar Application and pay applicable fees. During the formation of the hangar waiting list, deposit fees must be paid within two weeks following the date of the lottery or be removed from the list. The first entity chosen during the lottery will be placed at the number one position, the second entity chosen will be placed at the second position and so on.
- To be removed from a Hangar waiting list, the entity shall notify the Airport Manager in writing. At the time the entity is removed from the Hangar waiting list, the refundable portion of the non-interest bearing deposit shall be refunded to the entity.
- If an entity wishes to reapply, the entity shall apply in accordance with this policy and be placed in the last position on the requested waiting list.

Annual Waiting List Maintenance Procedure – The City conducts an annual waiting list maintenance program to ensure the integrity of the waiting list(s). Commencing 1 year after being established on a Hangar waiting list(s), entities are required to fully complete a maintenance form. It is the applicant's responsibility to ensure that the form is received by the City. An entity who fails to return the form in a timely manner shall be dropped from the waiting list without further notice and the deposit shall be forfeited to the City.

Hangar Transfer Request Waiting List – Lessees who desire to change Hangar assignments may apply to be placed on a Hangar transfer request waiting list. A Lessee who meets the following criteria is eligible to be placed on the Hangar transfer request list:

- Lessee has purchased an Aircraft incompatible with the assigned Hangar.
- Lessee wishes to be in a more desirable location.
- Lessee has sold or otherwise disposed of the Aircraft and terminated the Hangar Agreement and agrees in writing to acquire a permitted Aircraft within 60 days.
- A Lessee who fails to procure a permitted Aircraft within 60 days will be dropped from the Hangar transfer request waiting list.

Hangar transfers are intended to accommodate specific Aircraft requirements as well as Lessee's preference. Consideration will not be given to transfer requests intended to accommodate non-aeronautical activities.

Notification of Hangar Availability – If a City Hangar becomes available, the City shall contact the entity in the first position on the Hangar waiting list by letter and email.

- It is the entity's sole responsibility to keep a current address, telephone number, and email address on file with the City.
- If the City is unable to reach the entity in the first position on the Hangar waiting list within 7 calendar days, the entity shall not be eligible to lease the available Hangar and the entity shall be removed from the Hangar waiting list and the deposit shall be forfeited to the City.

If the entity in the first position does not respond within 7 calendar days, the City shall contact the entity in the next position on the Hangar waiting list and so on.

Hangar Assignment Procedure – The Airport Manager shall make Hangar assignments subject to the following criteria:

- Aircraft compatibility with the available Hangar (as determined by the Airport Manager).
- Small Aircraft will not be assigned to an Executive Hangar. An Aircraft too large to fit in a small Hangar will be assigned an Executive Hangar.
- Permitted Aircraft – an applicant must demonstrate to the Airport Manager that the Aircraft is owned and/or operated by (under the full and exclusive control of) the entity and provide evidence to this effect. Evidence shall be in the form of an Aircraft registration naming entity as owner, a copy of an Aircraft lease naming applicant as Lessee, or a bill of sale and associated FAA registration application.
- Fraudulent ownership information shall be deemed a default of the Hangar Agreement.

An entity who is offered a Hangar assignment has 2 options:

- Accept the offer, execute a Hangar Agreement, and take possession of the Hangar with a permitted Aircraft or;
- Decline the available Hangar and request that the entity be removed from the Hangar waiting list and the deposit shall be forfeited to the City.

An entity who fails to execute a Hangar Agreement or fails to decline the offer within 7 business days, shall forfeit the deposit to the City and shall be dropped from the waiting list(s).

General Hangar Leasing Policy – Lessee must fully comply with the provisions of the Hangar Agreement

- Occupancy of a Hangar is not permitted until the Hangar Agreement has been fully executed.
- Lessee shall not assign, sublet, or permit occupancy or use of a Hangar by any entity unless authorized in writing by the Airport Manager.
- Compensation received by Lessee from an unauthorized Hangar occupancy or use shall be forfeited to the City.
- The City reserves the right to reassign Hangars at any time. The City does not consider space for non-aeronautical uses during reassignments.
- An FBO/SASO based at the Airport may enter into a Hangar Agreement.
- The City reserves the right to give priority Hangar assignment to an FBO/SASO at any time.
- The City will not permit an entity to occupy or control more than 2 Hangars at any given time, excluding conditions prior to the date of this policy.
- The City reserves the right to use Hangars in short-term occupancy programs.
- City may review and amend the Hangar Agreement to ensure consistency with PMCDs and Legal Requirements.

Utility Charges – The Airport Manager shall include utility charges (when not billed to Lessee) in the monthly rent. These charges may be adjusted annually based on actual City costs for the prior 12-month period.

Certificates of Insurance – A current certificate of insurance in compliance with the Airport Minimum Insurance Requirements schedule shall be delivered to the City prior to the execution of the Hangar Agreement. It is the sole responsibility of the tenant to ensure that the City has a current certificate of insurance.

Aircraft Partnership – Each Aircraft partner shall provide proof of ownership or lease and proof of liability insurance coverage in compliance with the Airport Minimum Insurance Requirements schedule to the City.

Hangar Interest Transfer – Lessee may not transfer interest in the Hangar to an Aircraft partner within 2 years of the date of the Aircraft partnership agreement on file with the City.

Hangar Occupation as Contingency for Aircraft Sale – The sale of any Aircraft, contingent upon the continued use of any Hangar, is not permitted. Lessee shall not permit the new owner of the Aircraft to occupy the Hangar. At the time of purchase, the new owner of the Aircraft must vacate the Hangar.

Vacating a Hangar – Lessee shall provide written notice to the City no less than 30 calendar days prior to vacating a Hangar.

Hangar Trades – Lessees may elect to trade Hangars, if mutually agreed and subject to obtaining the prior written consent of the Airport Manager, in accordance with the following requirements:

- Each Lessee is in full compliance with the Hangar Agreement.
- Each Lessee must have used and/or occupied the Hangar for a period of not less than 30 calendar days.
- Prior written notification shall be provided to the Airport Manager at least 30 calendar days prior to the proposed trade date.
- Hangar trades must be between Lessees of like-sized Hangars, as determined by the Airport Manager.
- Hangar trades will commence on the first day of the month.

Aircraft Construction Project – The City may, at the sole discretion of the Airport Manager, allow a Lessee to commence a construction project on a permitted Aircraft and retain possession of the Hangar for up to 2 years under the following conditions:

- Tenant must demonstrate construction progress to the Airport Manager 3 months after the date of lease execution and every 3 months thereafter.
- Prior written permission for the Aircraft construction project has been granted by the Airport Manager.
- Lessee is in full compliance with PMCDs and Legal Requirements.
- Lessee provides a copy of an FAA airworthiness certificate before the end of the 2-year period or the lessee forfeits the hangar.
- A copy or affidavit of an "annual inspection" verifying airworthiness.

Loss of Hangar Assignment – The Hangar Agreement shall automatically terminate in the event of the following circumstances:

- Failure to comply with the terms of the Hangar Agreement.
- Lessee is no longer in possession of a permitted Aircraft for a period of 90 days unless otherwise extended in writing by the Airport Manager.
- Permitted Aircraft is no longer flyable.
- Lessee acquires an Aircraft that is incompatible with the assigned Hangar.

Non-Aeronautical Use of Hangars - During times of high aeronautical Hangar vacancy, the City reserves the right to lease hangars for non-aeronautical purposes within acceptable FAA guidelines as set forth in 14 CFR Chapter I [Docket No. FAA 2014–0463] FAA Policy on the Non-Aeronautical Use of Airport Hangars, as maybe amended from time-to-time.