



Aviation Management  
Consulting Group

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# Airport Rent Study

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Humboldt County

*Murray Field Airport*

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January 4, 2021



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Cody Roggatz  
Director of Aviation  
Humboldt County  
3561 Boeing Ave  
McKinleyville, California 95519

RE: Airport Rent Study – Murray Field Airport

Dear Mr. Roggatz:

This summary report conveys Aviation Management Consulting Group, Inc.'s (AMCG) opinion of market rent for certain land and improvements located at Murray Field Airport which are currently leased or available for lease from Humboldt County.

AMCG acknowledges the current economic impacts of COVID-19. While the value of certain off-airport properties nationwide has been affected by COVID-19, a consistent and direct affect to rental rates for general aviation properties has not been identified by the AMCG team. Conversely, the AMCG team understands the majority of airports sponsors have elected to (1) not make adjustments to rental payments from lessees, (2) defer rental payments from lessees, (3) provide time limited rent abatement for lessees, and/or (4) postpone scheduled rent adjustments (based on an index or market analysis approach). The conclusions reached in this report reflect the current general aviation real estate market conditions.

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 blue ink that reads "David C. Benner". The signature is fluid and cursive, with the first name being the most prominent.

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



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**I. EXECUTIVE SUMMARY**

Airport:	Murray Field Airport Airport Road Eureka, California 95501
Scope of Work:	This summary report conveys Aviation Management Consulting Group's opinion of market rent for certain land and improvements (Subject Properties) located at Murray Field Airport which are currently leased or available for lease from Humboldt County.
Subject Properties:	The components of the Subject Properties include: Community Hangar, Office Associated with Hangar, Shop Associated with Hangar, Small T-Hangar, T-Hangar Storage, Tiedown (Monthly), Aeronautical Land, Apron, and Vehicle Parking.
Date of Report:	January 4, 2021
Effective Date:	June 28, 2020
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, 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.

**Table 1 – Rental Rate Conclusions**

Rental Rate Conclusions						
Lessee	Component	Identification	Number of Units	Size (SF)	Market Rent Opinion	
Northern Air	Community Hangar	#2 (FBO)	N/A	8,000	\$2.90	
		#3 (Maintenance)	N/A	4,800	\$3.60	
	Office Associated with Hangar	#2 (FBO)	N/A	2,750	\$4.25	
		#3 (Maintenance)	N/A	1,200	\$4.05	
	Shop Associated with Hangar	#3 (Maintenance)	N/A	1,600	\$2.45	
Multiple	Small T-Hangar	Vehicle Parking	#2 (FBO)	N/A	23,000	\$0.40
		Brick #7-10 and #12-16	9	700	\$240.00	
		Goetz #1 (29-32 and 34-38)	9	750	\$285.00	
		Goetz #2 (22-26 and 39-43)	10	750	\$285.00	
		Stewart (50 and 52)	2	1,050	\$315.00	
		Nunno (46-48 and 54-56)	6	1,035	\$345.00	
		Gardner (2-5 and 18-21)	8	900	\$270.00	
Multiple	Small T-Hangar with T-Hangar Storage	Brick #11	1	870	\$285.33	
		Goetz #1 (33)	1	960	\$351.50	
		Stewart (49 and 51)	2	1,200	\$481.25	
		Gardner (1 and 17)	2	1,200	\$360.00	
Multiple	T-Hangar Storage	Brick #6	N/A	170	\$3.20	
		Goetz #1 (28)	N/A	210	\$3.80	
		Goetz #2 (27 and 44)	N/A	210	\$4.00	
		Nunno (45 and 53)	N/A	475	\$3.60	
Multiple	Small Tiedown	Taxi-through	15	N/A	\$80.00	
		Tail-in	32	N/A	\$65.00	
Multiple	Medium Tiedown	Taxi-through	15	N/A	\$95.00	
		Tail-in	32	N/A	\$80.00	
Multiple	Large Tiedown	Taxi-through	15	N/A	\$120.00	
		Tail-in	32	N/A	\$100.00	
Vacant	Aeronautical Improved Land	N/A	N/A	Up to 49,999	\$0.35	
				50,000 - 249,999	\$0.33	
				250,000 - 999,999	\$0.38	
				1,000,000 and greater	\$0.25	
Vacant	Aeronautical Unimproved Land	N/A	N/A	Up to 49,999	\$0.25	
				50,000 - 249,999	\$0.25	
				250,000 - 999,999	\$0.25	
				1,000,000 and greater	\$0.18	
Multiple	Asphalt Apron	Cargo Apron	N/A	23,000	\$0.40	

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)

## II. INTRODUCTION

### A. Scope of Work

This summary report conveys Aviation Management Consulting Group's (AMCG's) opinion of market rent for certain land and improvements (Subject Properties) located at the Murray Field Airport (Airport) which are currently leased or available for lease from Humboldt County (County).

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 3% 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 land and improvements, the rental rates being charged for similar land and 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 land and improvements at national, regional, comparable, and competitive airports.

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 land and improvements for aeronautical purposes. It is recognized that the size, access, amenities, and condition of the land and improvements (as applicable) 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.

## **B. Market Rent Defined**

Market rent is defined as “the rental price in cash or its equivalent that the leasehold would have brought on the date of value on the open market, at or near the location of the property acquired, assuming reasonable time to find a tenant.”<sup>1</sup>

## **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 as well as comparable and competitive airports identified,
4. analyzed the data obtained from the Airport as well as 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 preceding analysis in conjunction with the Limiting Conditions outlined in the Appendix.

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 charged for the Subject Properties by the County 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 report.

Market rents for off-airport properties were not utilized as this approach is highly problematic due to the different types of use. Off-airport properties and on-airport,

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<sup>1</sup> Uniform Appraisal Standards for Federal Land Acquisitions, Section 1.5.4.1, Page 35.

aeronautical properties do not exhibit the same bundle of rights. It is very difficult, if not impossible, to determine the adjustment applied to unencumbered off-airport rental rates to reflect the constraints imposed by the Federal Aviation Administration (FAA), the airport sponsor, and others pertaining to the development and/or use of on-airport, aeronautical properties.

When rendering an opinion of market rent 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 properties or may be considered by real estate investors, these factors are generally not consistent with the realities of the prevailing market for on-airport, aeronautical properties. Since the Subject Properties are not considered new, 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 rates<sup>2</sup> (as applicable to the Community Hangar, Office, Shop, Apron, and Vehicle Parking) as well as modified gross lease rates<sup>3</sup> (as applicable to the T-Hangars, T-Hangar Storage, and Tiedowns).

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

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 aeronautical activity and infrastructure indicators, as well as economic variables.

The following report summarizes AMCG's findings and opinions.

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<sup>2</sup> 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.).

<sup>3</sup> 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.

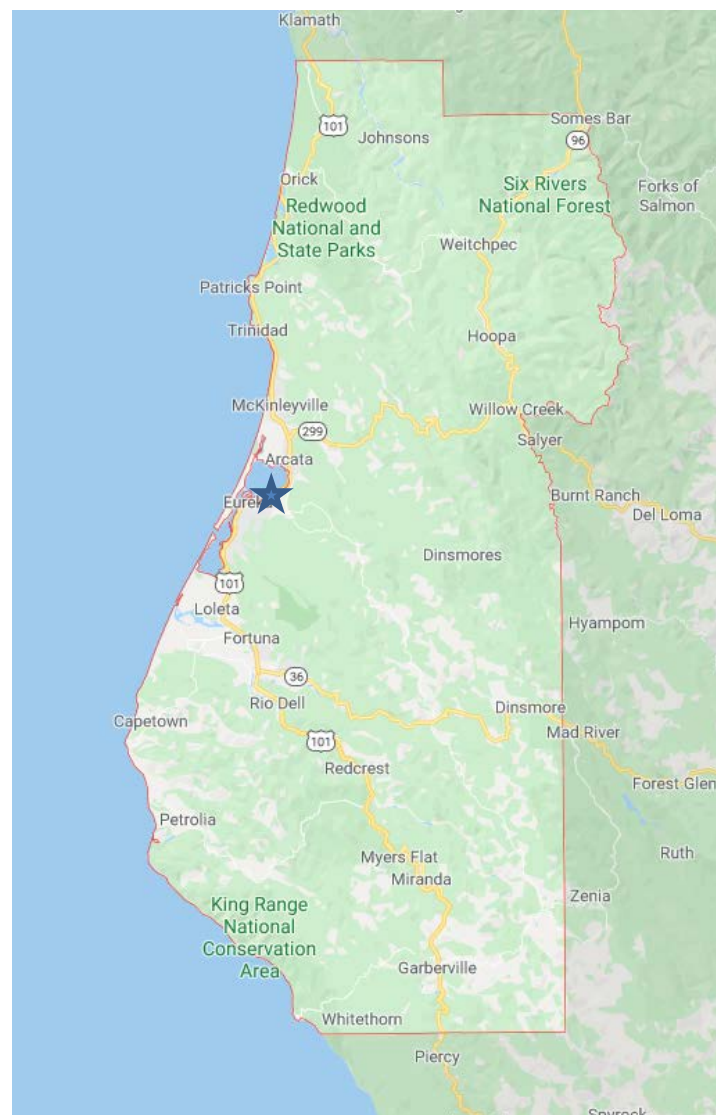
### III. COMMUNITY OVERVIEW

#### A. Geographic Location

The County is located on California’s northern Pacific Coast. The southern border of the County is 200 miles north of San Francisco, the closest major metropolitan city. The County encompasses 2.3 million acres, 80% of which is forestlands, protected redwoods, and recreational areas. The region is primarily mountainous except for an area of plains surrounding Humboldt Bay. The County seat is Eureka.

The City of Eureka (City) is in the northwestern portion of the County. The City is 209 miles northwest of Sacramento, 229 miles northwest of San Francisco, and approximately 82 miles south of the Oregon border. The Airport is located 3 miles east of the City’s Central Business District as indicated in Figure 1.

**Figure 1 – Geographic Location**



**B. History**

The County was founded by gold seekers in the 1850's. The miners and early settlers conflicted with the native populations, resulting in massacre, the building of government forts, and resettlement. Timber soon proved to be as valuable as gold and the lumber camps in the area grew. The shipping industry followed to move the supply of local wood. The rich land and moderate climate also brought farmers to the area where sheep, dairy, and fruit industries flourished.

**C. Demographics**

The population of the City has decreased a total of 0.7% which results in a compounded annual decrease of 0.1% from 27,191 in 2010 to 26,998 in 2018 (U.S. Census Bureau estimate).

The population of the County has increased a total of 2.0% which results in a compounded annual increase of 0.3% from 133,058 in 2010 to 135,768 in 2018 (U.S. Census Bureau estimate).

**D. Business and Industry**

The largest employment sectors of the City and County are (1) educational services, health care, and social assistance, (2) retail trade, and (3) arts, entertainment, recreation, and accommodation and food services. These employment sectors account for approximately 53.5% of the employment in the City and approximately 52% of the employment in the County.

**E. Economic Factors**

The labor force of the City has increased from 13,366 in 2010 to 13,429 in 2018 (U.S. Census Bureau). This represents a total increase of 0.5% and a compounded annual increase of 0.1%.

The labor force of the County has decreased from 66,742 in 2010 to 66,356 in 2018 (U.S. Census Bureau). This represents a total decrease of 0.6% and a compounded annual decrease of 0.1%.

As identified by the U.S. Bureau of Labor Statistics, the unemployment rate was preliminarily estimated at 4.1% for the City and preliminarily estimated at 4.9% for the County (for March 2020) as compared with the U.S. national unemployment rate which was approximately 4.4%.

#### IV. SUBJECT AIRPORT OVERVIEW

##### A. Airport Description

The Airport, which consists of approximately 146 acres of land, has one runway, as follows:

- Runway 12/30: 3,011 feet long and 75 feet wide, grooved asphalt in good condition.

The Airport does not have an Air Traffic Control Tower and is served by multiple non-precision approaches (RNAV – GPS, VOR, and GPS). The Airport is designated a General Aviation Airport in the *FAA National Plan of Integrated Airports System (NPIAS)* and a Local Airport in the *FAA General Aviation Airports: A National Asset* study.

##### B. Aircraft Operations

Total aircraft operations at the Airport were approximately 55,450 in 2018, as reported by the FAA Master Record 5010. Total general aviation operations consisted of approximately 35,000 local operations (or approximately 63%) and approximately 20,000 itinerant operations (or approximately 36%). The remaining 450 operations (or approximately 1%) consist of air taxi and military operations.

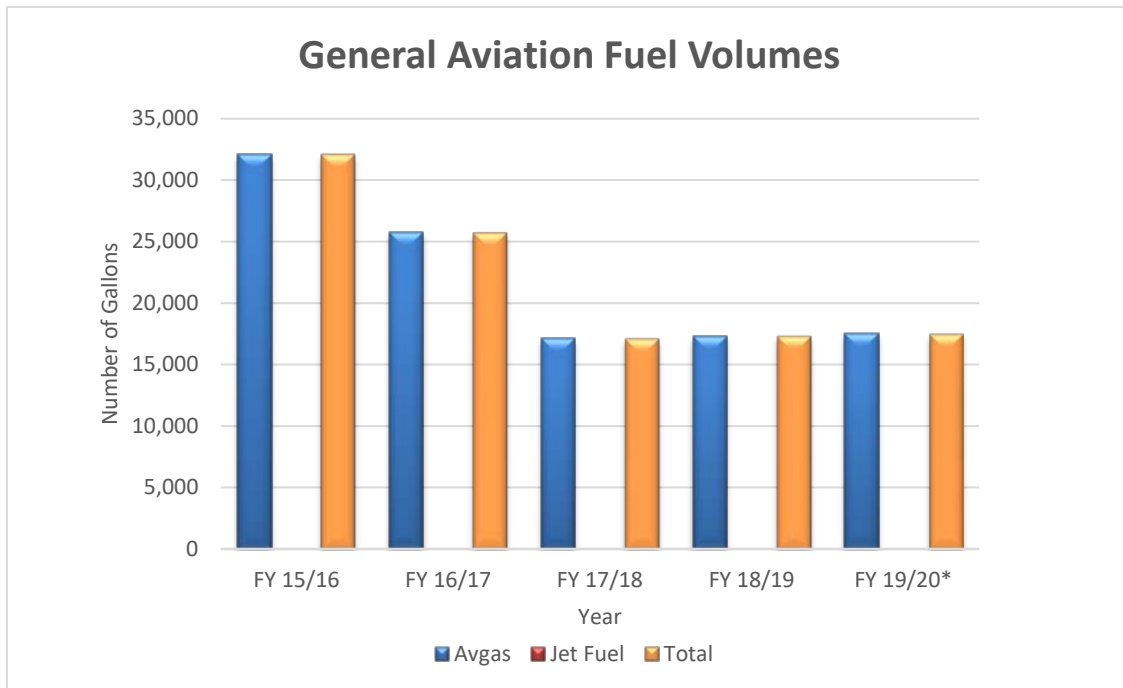
##### C. Based Aircraft

There are approximately 22 aircraft currently based at the Airport, as reported by the FAA Master Record 5010. Total based aircraft consist of approximately 18 single-engine and 4 multi-engine aircraft.

##### D. Fuel Volumes

Figure 2 depicts total general aviation fuel volumes at the Airport from Fiscal Year (FY) 2015/2016 to FY 2019/2020 (year to date through March 2020), as reported by Airport management.

Figure 2 – General Aviation Fuel Volumes



**E. Commercial Operators**

One fixed base operator (Northern Air) provides fueling (avgas), flight training, aircraft parking (hangar and tiedown), and aircraft maintenance.

**V. SUBJECT PROPERTIES OVERVIEW**

**A. Subject Properties**

The Subject Properties consists of certain land and improvements located at the Airport that are leased or available for lease from the County.

The Subject Properties are summarized in Table 2. Maps and a photographic survey of the Subject Properties are provided in the Appendix.

**Table 2 – Subject Properties Overview**

Subject Properties Overview			
Component	Number of Units	Size(SF)	
		Per Unit	Total
Community Hangar	N/A	N/A	12,800
Small T-Hangar	50	700-1,050	N/A
Tiedown	47	N/A	N/A
Office Associated with Hangar	N/A	N/A	3,950
Shop Associated with Hangar	N/A	N/A	1,600
T-Hangar Storage	N/A	N/A	3,030
Aeronautical Improved Land	N/A	N/A	Various
Aeronautical Unimproved Land	N/A	N/A	Various
Asphalt Apron	N/A	N/A	19,000
Vehicle Parking	N/A	N/A	23,000

**1. Community Hangar**

There is approximately 12,800 square feet of Community Hangar included in the Subject Properties. As outlined in the Appendix, a Community Hangar is a square or rectangular-shaped hangar which is typically connected to other facilities (primarily lean-to structures and/or FBO terminal buildings) and typically range in size from 60 feet by 60 feet to upwards of 100,000 square feet. The property details of the Community Hangars are outlined in Table 3.

**Table 3 – Community Hangar Summary**

Community Hangar Summary							
Lessee	Identification	Size (SF)	Door		Access	Amenities	Condition
			Width (FT)	Height (FT)			
Northern Air	#2 (FBO)	8,000	78	16	Good	Fair	Fair
Northern Air	#3 (Maintenance)	4,800	80	15	Good	Average	Fair
<b>Total</b>		<b>12,800</b>					

- Community Hangar #2 has a metal exterior, steel frame, 6-panel metal sliding doors, fluorescent lighting, and concrete floor.
- Community Hangar #3 has a wood exterior, concrete block and wood frame, 8-panel metal sliding door, fluorescent lighting, and a painted concrete floor.

**2. Small T-Hangar**

There are 50 Small T-Hangars included in the Subject Properties. As outlined in the Appendix, a Small T-Hangar is 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. The property details of Small T-Hangars are outlined in Table 4.

**Table 4 – Small T-Hangar Summary**

Small T-Hangar Summary									
Lessee	Identification	Number of Units	Size (SF)	Door		Access	Amenities	Condition	
				Width (FT)	Height (FT)				
Multiple	Brick (7-16)	10	700	39	10	Average	Poor	Poor	
	Goetz #1 (29-38)	10	750	39	10	Average	Fair	Average	
	Goetz #2 (22-26 and 39-43)	10	750	39	10	Average	Fair	Average	
	Stewart (49-52)	4	1,050	40	10	Good	Fair	Good	
	Nunno (46-48 and 54-56)	6	1,035	40	12	Good	Average	Good	
	Gardner (1-5 and 17-21)	10	900	40	10	Average	Fair	Fair	
<b>Total</b>		<b>50</b>	<b>36,241</b>						

- Brick Row is fully subdivided, has a concrete block exterior, wood frame interior, 3-panel metal sliding doors, and concrete floor.
- Goetz #1 is fully subdivided, has a metal exterior, concrete interior, 3-panel metal sliding doors, fluorescent lighting, and concrete floor.
- Goetz #2 is fully subdivided, has a metal exterior, concrete interior, 3-panel metal sliding doors, fluorescent lighting, and concrete floor.
- Stewart is partially subdivided, with a metal exterior, steel frame interior, 2-panel metal sliding doors, fluorescent lighting, and concrete floor.
- Nunno is fully subdivided, with a metal exterior, steel frame interior, 2-panel metal sliding doors, fluorescent lighting, and concrete floor.
- Gardner is partially subdivided, has a metal exterior, wooden frame interior, 3-panel metal sliding doors, fluorescent lighting, and a concrete floor.

**3. Tiedown**

There are approximately 47 Tiedowns (Taxi-through and Tail-in) included in the Subject Properties which have been analyzed as Small, Medium, and Large Tiedowns as defined in the Appendix. The property details of the Tiedown are outlined in Table 5.

**Table 5 – Tiedown Summary**

Tiedown Summary			
Identification	Number	Access	Condition
Taxi-through	15	Good	Fair
Tail-in	32	Good	Fair
<b>Total</b>	<b>47</b>		

**4. Office Associated with Hangar**

There is approximately 3,950 square feet of Office Associated with Hangar included in the Subject Properties. As outlined in the Appendix, Office Associated with Hangar is office space connected to a Hangar that is typically utilized to conduct business and administrative related functions. The property details of the Office Associated with Hangar are outlined in Table 6.

**Table 6 – Office Associated with Hangar Summary**

Office Associated with Hangar Summary					
Lessee	Identification	Size (SF)	Access	Amenities	Condition
Northern Air	#2 (FBO)	2,750	Good	Average	Fair
Northern Air	#3 (Maintenance)	1,200	Average	Average	Fair
<b>Total</b>		<b>3,950</b>			

- Office #2 has a painted drywall interior, carpet flooring, and wood paneling. The office has electrical service with fluorescent lighting as well as heating and cooling.
- Office #3 has a wooden panel interior with carpet and tile flooring. The office has electrical service with fluorescent lighting as well as heating and cooling.

**5. Shop Associated with Hangar**

There is approximately 1,600 square feet of Shop Associated with Hangar included in the Subject Properties. As outlined in the Appendix, Shop Associated with Hangar is shop space connected to a Hangar that is typically utilized to conduct maintenance and repair related functions. The shop has a drywall interior with fluorescent lighting. The shop has concrete flooring and electrical service. The property details of the Shop Associated with Hangar are outlined in Table 7.

**Table 7 – Shop Associated with Hangar Summary**

Shop Associated with Hangar Summary					
Lessee	Identification	Size (SF)	Access	Amenities	Condition
Northern Air	#3 (Maintenance) East	1,600	Average	Fair	Fair
<b>Total</b>		<b>1,600</b>			

**6. T-Hangar Storage**

There is approximately 3,030 square feet of T-Hangar Storage included in the Subject Properties. As outlined in the Appendix, T-Hangar Storage is 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 and/or pedestrian door. The property details of T-Hangar Storage are outlined in Table 8.

**Table 8 – T-Hangar Storage Summary**

T-Hangar Storage Summary						
Lessee	Identification	Number of Units	Size (SF)	Access	Amenities	Condition
Multiple	Brick (6 and 11)	2	170	Average	Poor	Poor
Multiple	Goetz #1 (28 and 33)	2	210	Average	Fair	Average
Multiple	Goetz #2 (27 and 44)	2	210	Average	Fair	Average
Multiple	Stewart (49 and 51)	2	150	Average	Fair	Good
Multiple	Nunno (45 and 53)	2	475	Average	Average	Good
Multiple	Gardner (1 and 17)	2	300	Average	Fair	Fair
<b>Total</b>		<b>12</b>	<b>3,030</b>			

**7. Aeronautical Land**

Aeronautical Land is included in the Subject Properties which is available for lease from the County. The Aeronautical Land includes both improved and unimproved land which are defined in the Appendix as:

- Improved Land is Airport land having access (airside and landside) and utilities to the property boundary.
- Unimproved Land is Airport Land without airside and/or landside access and/or utilities to the property boundary.

**8. Asphalt Apron**

There is approximately 19,000 square feet of Asphalt Apron included in the Subject Properties which is currently utilized for air cargo purposes. The property details of the Asphalt Apron are outlined in Table 9.

**Table 9 – Asphalt Apron Summary**

Asphalt Apron Summary				
Lessee	Identification	Size (SF)	Access	Condition
N/A	Cargo Apron	19,000	Fair	Fair
<b>Total</b>		<b>19,000</b>		

**9. Vehicle Parking**

There is approximately 23,000 square feet of Vehicle Parking (associated with Northern Air Community Hangar #2) included in the Subject Properties. The vehicle parking has an asphalt surface and approximately 33 spaces. The property details of the Vehicle Parking are outlined in Table 10.

**Table 10 – Office Associated with Hangar Summary**

Vehicle Parking (Asphalt) Summary				
Lessee	Identification	Size (SF)	Access	Condition
Northern Air	#2 (FBO)	23,000	Good	Good
<b>Total</b>		<b>23,000</b>		

**VI. STUDY FINDINGS**

Information and data from similar properties at the Airport and national, regional, comparable, and competitive airports was analyzed to derive an opinion of market rent for the Subject Properties. 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 700 airports located throughout the United States were analyzed. A summary and statistical analysis of the findings for national airports is provided in Table 11.

**Table 11 – National Airport Data Summary**

National Airport Data Summary						
Component	Minimum	Maximum	Mean	Standard Deviation	Median	Range
Community Hangar	\$0.03	\$10.20	\$2.80	\$2.11	\$2.37	\$10.17
Small T-Hangar	\$45.00	\$639.00	\$230.46	\$115.11	\$206.00	\$594.00
Small Tiedown	\$10.00	\$162.00	\$56.00	\$28.85	\$50.00	\$152.00
Medium Tiedown	\$20.00	\$297.00	\$77.02	\$50.87	\$65.00	\$277.00
Large Tiedown	\$30.00	\$1,500.00	\$267.14	\$348.77	\$116.00	\$1,470.00
Office Associated with Hangar	\$0.14	\$18.00	\$6.80	\$3.88	\$6.65	\$17.86
Shop Associated with Hangar	\$0.04	\$8.84	\$3.03	\$2.01	\$2.35	\$8.80
T-Hangar Storage	\$0.10	\$8.39	\$2.70	\$1.95	\$2.15	\$8.29
Aeronautical Improved Land	\$0.01	\$1.19	\$0.26	\$0.19	\$0.21	\$1.18
Aeronautical Unimproved Land	\$0.01	\$0.70	\$0.20	\$0.14	\$0.16	\$0.69
Asphalt Apron	\$0.01	\$2.08	\$0.43	\$0.35	\$0.35	\$2.07
Vehicle Parking	\$0.02	\$1.08	\$0.37	\$0.20	\$0.35	\$1.06

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 from more than 125 airports in the FAA Western-Pacific Region (consisting of Arizona, California, Hawaii, and Nevada)<sup>4</sup> were analyzed. A summary and statistical analysis of the findings for regional airports is provided in Table 12.

<sup>4</sup> 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 12 – Regional Airport Data Summary**

Regional Airport Data Summary						
Component	Minimum	Maximum	Mean	Standard Deviation	Median	Range
Community Hangar	\$0.03	\$8.05	\$3.11	\$1.77	\$2.90	\$8.02
Small T-Hangar	\$50.83	\$750.50	\$283.75	\$138.58	\$241.50	\$699.67
Small Tiedown	\$20.00	\$297.00	\$62.68	\$51.09	\$50.00	\$277.00
Medium Tiedown	\$25.00	\$284.00	\$74.73	\$52.20	\$62.00	\$259.00
Large Tiedown	\$30.00	\$1,119.00	\$349.11	\$333.65	\$209.00	\$1,089.00
Office Associated with Hangar	\$0.75	\$9.35	\$4.32	\$2.44	\$3.50	\$8.60
Shop Associated with Hangar	\$0.50	\$4.80	\$2.19	\$1.16	\$2.00	\$4.30
T-Hangar Storage	\$0.29	\$11.21	\$4.41	\$2.77	\$3.60	\$10.92
Aeronautical Improved Land	\$0.06	\$1.89	\$0.32	\$0.28	\$0.22	\$1.83
Aeronautical Unimproved Land	\$0.02	\$0.64	\$0.23	\$0.15	\$0.24	\$0.62
Asphalt Apron	\$0.03	\$3.52	\$0.74	\$0.75	\$0.60	\$3.49
Vehicle Parking	\$0.23	\$1.08	\$0.47	\$0.19	\$0.43	\$0.85

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, 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 aeronautical activity and infrastructure criteria including historic activity levels, total based aircraft, runway length, total airport acreage, and FAA NPIAS and 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.

While a total of 13 airports were considered comparable to the Airport, rental rates and related information from 8 airports were obtained and analyzed, as shown in Table 13.

**Table 13 – Comparable Airports**

Comparable Airports		
Airport	Identifier	Location
Abilene Municipal Airport	K78	Abilene, Kansas
Benson Municipal Airport	E95	Benson, Arizona
Decatur Municipal Airport	LUD	Decatur, Texas
Haigh Field	O37	Orland, California
Lompoc Airport	LPC	Lompoc, California
Reedley Municipal Airport	O32	Reedley, California
Marina Municipal Airport	OAR	Marina, California
Rio Vista Municipal Airport	O88	Rio Vista, California

Table 14 provides a summary and statistical analysis of the findings for the comparable airports.

**Table 14 – Comparable Airport Data Summary**

Comparable Airport Data Summary						
Component	Minimum	Maximum	Mean	Standard Deviation	Median	Range
Community Hangar	\$1.83	\$2.40	\$2.16	\$0.24	\$2.25	\$0.57
Small T-Hangar	\$60.00	\$304.00	\$162.57	\$76.05	\$145.00	\$244.00
Small Tiedown	\$32.00	\$73.00	\$46.60	\$14.07	\$45.00	\$41.00
Medium Tiedown	\$52.00	\$83.00	\$66.67	\$12.71	\$65.00	\$31.00
Large Tiedown	\$200.00	\$200.00	\$200.00	\$0.00	\$200.00	\$0.00
Office Associated with Hangar	\$1.95	\$3.35	\$2.51	\$0.52	\$2.38	\$1.40
Shop Associated with Hangar	N/A	N/A	N/A	N/A	N/A	N/A
T-Hangar Storage	N/A	N/A	N/A	N/A	N/A	N/A
Aeronautical Improved Land	\$0.08	\$0.60	\$0.29	\$0.15	\$0.27	\$0.52
Aeronautical Unimproved Land	N/A	N/A	N/A	N/A	N/A	N/A
Asphalt Apron	N/A	N/A	N/A	N/A	N/A	N/A
Vehicle Parking	N/A	N/A	N/A	N/A	N/A	N/A

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 located in 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 three airports owned by the County (California Redwood Coast – Humboldt County Airport, Kneeland Airport, and Rohnerville Airport) 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 6 airports were considered competitive to the Airport, rental rates and related information from 1 airport were obtained and analyzed, as shown in Table 15:

**Table 15 – Competitive Airports**

Competitive Airports		
Airport	Identifier	Location
Andy McBeth Airport	S51	Klamath Glen, California

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

**Table 16 – Competitive Airport Data Summary**

Competitive Airport Data Summary						
Component	Minimum	Maximum	Mean	Standard Deviation	Median	Range
Community Hangar	N/A	N/A	N/A	N/A	N/A	N/A
Small T-Hangar	N/A	N/A	N/A	N/A	N/A	N/A
Small Tiedown	\$40.00	\$40.00	\$40.00	\$0.00	\$40.00	\$0.00
Medium Tiedown	\$64.00	\$64.00	\$64.00	\$0.00	\$64.00	\$0.00
Large Tiedown	\$120.00	\$120.00	\$120.00	\$0.00	\$120.00	\$0.00
Office Associated with Hangar	N/A	N/A	N/A	N/A	N/A	N/A
Shop Associated with Hangar	N/A	N/A	N/A	N/A	N/A	N/A
T-Hangar Storage	N/A	N/A	N/A	N/A	N/A	N/A
Aeronautical Improved Land	N/A	N/A	N/A	N/A	N/A	N/A
Aeronautical Unimproved Land	N/A	N/A	N/A	N/A	N/A	N/A
Asphalt Apron	N/A	N/A	N/A	N/A	N/A	N/A
Vehicle Parking	N/A	N/A	N/A	N/A	N/A	N/A

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 17 identifies AMCG’s opinion of market rent for the Subject Properties. The rental rate conclusions (effective June 28, 2020 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 square foot per year” (psf/yr) or “per unit per month” (pu/mo) basis.

**Table 17 – Rental Rate Conclusions**

Rental Rate Conclusions						
Lessee	Component	Identification	Number of Units	Size (SF)	Market Rent Opinion	
Northern Air	Community Hangar	#2 (FBO)	N/A	8,000	\$2.90	
		#3 (Maintenance)	N/A	4,800	\$3.60	
	Office Associated with Hangar	#2 (FBO)	N/A	2,750	\$4.25	
		#3 (Maintenance)	N/A	1,200	\$4.05	
	Shop Associated with Hangar	#3 (Maintenance)	N/A	1,600	\$2.45	
Multiple	Small T-Hangar	Vehicle Parking	#2 (FBO)	N/A	23,000	\$0.40
		Brick #7-10 and #12-16	9	700	\$240.00	
		Goetz #1 (29-32 and 34-38)	9	750	\$285.00	
		Goetz #2 (22-26 and 39-43)	10	750	\$285.00	
		Stewart (50 and 52)	2	1,050	\$315.00	
		Nunno (46-48 and 54-56)	6	1,035	\$345.00	
		Gardner (2-5 and 18-21)	8	900	\$270.00	
Multiple	Small T-Hangar with T-Hangar Storage	Brick #11	1	870	\$285.33	
		Goetz #1 (33)	1	960	\$351.50	
		Stewart (49 and 51)	2	1,200	\$481.25	
		Gardner (1 and 17)	2	1,200	\$360.00	
Multiple	T-Hangar Storage	Brick #6	N/A	170	\$3.20	
		Goetz #1 (28)	N/A	210	\$3.80	
		Goetz #2 (27 and 44)	N/A	210	\$4.00	
		Nunno (45 and 53)	N/A	475	\$3.60	
Multiple	Small Tiedown	Taxi-through	15	N/A	\$80.00	
		Tail-in	32	N/A	\$65.00	
Multiple	Medium Tiedown	Taxi-through	15	N/A	\$95.00	
		Tail-in	32	N/A	\$80.00	
Multiple	Large Tiedown	Taxi-through	15	N/A	\$120.00	
		Tail-in	32	N/A	\$100.00	
Vacant	Aeronautical Improved Land	N/A	N/A	Up to 49,999	\$0.35	
				50,000 - 249,999	\$0.33	
				250,000 - 999,999	\$0.38	
				1,000,000 and greater	\$0.25	
Vacant	Aeronautical Unimproved Land	N/A	N/A	Up to 49,999	\$0.25	
				50,000 - 249,999	\$0.25	
				250,000 - 999,999	\$0.25	
				1,000,000 and greater	\$0.18	
Multiple	Asphalt Apron	Cargo Apron	N/A	23,000	\$0.40	

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)

The average national, regional, 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. Once a base rental rate is 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 analysis, 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 4,500 data points correlating size ranges to existing rental rates compared to the national average rental rate.

**1. Community Hangar**

The results of the study indicate that the average rental rates for Community Hangar range from \$2.16 psf/yr at comparable airports to \$3.11 psf/yr at regional airports. The average rental rate at national airports was \$2.80 psf/yr. No usable or relevant data was available from competitive airports. It is significant to note the rental rates for Community Hangar range from a minimum of \$1.83 psf/yr to a maximum of \$2.40 psf/yr at comparable airports. However, due to the Community Hangar data available for regional airports, a conclusion above the comparable range was deemed appropriate.

**Based on analyzing all available data, a base rental rate of \$2.75 psf/yr was derived.**

The average rental rate for a Community Hangar exhibits the following size adjustments compared to the national average rental rate.

**Table 18 – Community Hangar Rental Rate Adjustments**

Rental Rate Adjustments	
Range (square feet)	Adjustment (based on size)
Up to 7,499	+30%
7,500 – 12,499	+10%
12,500 – 17,499	-30%
17,500 – 22,499	0%
22,500 – 49,999	-10%
Greater than 50,000	-5%

Utilizing the base rental rate and predicated on adjustments for size, access, amenities, and condition, the estimated rental rate conclusions are outlined in Table 19.

**Table 19 – Community Hangar Conclusions Summary**

Community Hangar Conclusions Summary									
Lessee	Identification	Size (SF)	Base Rental Rate	Adjustments				Calculated Result	Market Rent Opinion
				Size	Access	Amenities	Condition		
Northern Air	#2 (FBO)	8,000	\$2.75	10%	5%	-5%	-5%	\$2.89	\$2.90
Northern Air	#3 (Maintenance)	4,800		30%	5%	0%	-5%	\$3.58	\$3.60

All rental rates are “per square foot/year” (psf/yr)

**2. Small T-Hangar**

The results of the study indicate that the average rental rates for Small T-Hangar range from \$162.57 pu/mo at comparable airports to \$283.75 pu/mo at regional airports. The average rental rate at national airports was \$230.46 pu/mo. No usable or relevant data was available from competitive airports. It is significant to note the rental rates for Small T-Hangar range from a minimum of \$60.00 pu/mo to a maximum of \$304.00 pu/mo at comparable airports. The current established rate for Small T-Hangar as identified on the 2019-2020 Humboldt County Schedule of Fees and Charges ranges from \$146.00 pu/mo to \$324.00 pu/mo.

**Based on analyzing all available data, a base rental rate of \$300.00 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 20.

**Table 20 – Small T-Hangar Conclusions Summary**

Small T-Hangar Conclusions Summary							
Lessee	Identification	Base Rental Rate	Adjustments			Calculated Result	Market Rent Opinion
			Access	Amenities	Condition		
Multiple	Brick (7-16)	\$300.00	0%	-10%	-10%	\$240.00	\$240.00
Multiple	Goetz #1 (29-38)		0%	-5%	0%	\$285.00	\$285.00
Multiple	Goetz #2 (22-26 and 39-43)		0%	-5%	0%	\$285.00	\$285.00
Multiple	Stewart (49-52)		5%	-5%	5%	\$315.00	\$315.00
Multiple	Nunno (46-48 and 54-56)		5%	5%	5%	\$345.00	\$345.00
Multiple	Gardner (1-5 and 17-21)		0%	-5%	-5%	\$270.00	\$270.00

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

**3. Small Tiedown**

The results of the study indicate that the average rental rates for Small Tiedown range from \$40.00 pu/mo at competitive airports to \$62.68 pu/mo at regional airports. The average rental rate at national airports was \$56.00 pu/mo and \$46.00 pu/mo at comparable airports. It is significant to note the rental rates for Small Tiedown (taxi-through or tail-in) range from a minimum of \$32.00 pu/mo to a maximum of \$73.00 at comparable airports. The current established rate for Tiedown (with a wingspan of less than 40 feet) as identified on the 2019-2020 Humboldt County Schedule of Fees and Charges is \$64.60 pu/mo.

**Based on analyzing all available data, a base rental rate of \$65.00 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 taxi-through Tiedowns.

Utilizing the base rental rate and predicated on adjustments for size, access, and condition, the estimated rental rate conclusions are outlined in Table 21.

**Table 21 – Small Tiedown Conclusions Summary**

Small Tiedown Conclusions Summary					
Identification	Base Rental Rate	Adjustments		Calculated Result	Market Rent Opinion
		Access	Condition		
Taxi-through	\$65.00	25%	-5%	\$78.00	\$80.00
Tail-in		5%	-5%	\$65.00	\$65.00

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

**4. Medium Tiedown**

The results of the study indicate that the average rental rates for Medium Tiedown range from \$64.00 pu/mo at competitive airports to \$77.02 pu/mo at national airports. The average rental rate at regional airports was \$74.73 pu/mo and \$66.67 pu/mo at comparable airports. It is significant to note the rental rates for Medium Tiedown (taxi-through or tail-in) range from a minimum of \$52.00 pu/mo to a maximum of \$83.00 at comparable airports. The current established rate for Tiedown (with a wingspan from 40 feet to 50 feet) as identified on the 2019-2020 Humboldt County Schedule of Fees and Charges is 81.80 pu/mo.

**Based on analyzing all available data, a base rental rate of \$80.00 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 taxi-through Tiedowns.

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

**Table 22 – Medium Tiedown Conclusions Summary**

Medium Tiedown Conclusions Summary					
Identification	Base Rental Rate	Adjustments		Calculated Result	Market Rent Opinion
		Access	Condition		
Taxi-through	\$80.00	25%	-5%	\$96.00	\$95.00
Tail-in		5%	-5%	\$80.00	\$80.00

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

**5. Large Tiedown**

The results of the study indicate that the average rental rates for Large Tiedown range from \$120.00 pu/mo at competitive airports to \$349.11 pu/mo at regional airports. The average rental rate at comparable airports was \$200.00 pu/mo and \$267.14 pu/mo at national airports. The current established rate for Tiedown (with a wingspan of 50 feet and larger) as identified on the 2019-2020 Humboldt County Schedule of Fees and Charges is \$93.90 pu/mo.

**Based on analyzing all available data, a base rental rate of \$80.00 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 taxi-through Tiedowns.

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

**Table 23 – Large Tiedown Conclusions Summary**

Large Tiedown Conclusions Summary					
Identification	Base Rental Rate	Adjustments		Calculated Result	Market Rent Opinion
		Access	Condition		
Taxi-through	\$100.00	25%	-5%	\$120.00	\$120.00
Tail-in		5%	-5%	\$100.00	\$100.00

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

**6. Office Associated with Hangar**

The results of the study indicate that the average rental rates for Office Associated with Hangar range from \$2.51 psf/yr at comparable airports to \$6.80 psf/yr at national airports. The average rental rate at regional airports was \$4.32 psf/yr. No usable or relevant data was available from competitive airports. It is significant to note the rental rates for Office Associated with Hangar range from a minimum of \$1.95 psf/yr to a maximum of \$3.35 psf/yr at comparable airports.

In addition to the above findings, a comparative analysis of data in the national airport database was conducted. This analysis included airports where Office Associated with Hangar and Community Hangar are both leased. Through this analysis, it was determined that an adjustment of +60% for Office Associated with Hangar exists at such airports. Applying this adjustment to the Community Hangar base rental rate (\$2.75 psf/yr) would yield an Office Associated with Hangar rental rate of \$4.40 psf/yr.

**Based on analyzing all available data, a base rental rate of \$4.25 psf/yr was derived.**

The average rental rate for Office Associated with Hangar exhibits the following size adjustments compared to the national average rental rate.

**Table 24 – Office Associated with Hangar Rental Rate Adjustments**

Rental Rate Adjustments	
Range (square feet)	Adjustment (based on size)
Up to 1,999	-5%
Greater than 2,000	0%

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

**Table 25 – Office Associated with Hangar Conclusions Summary**

Office Associated with Hangar Conclusions Summary									
Lessee	Identification	Size (SF)	Base Rental Rate	Adjustments				Calculated Result	Market Rent Opinion
				Size	Access	Amenities	Condition		
Northern Air	#2 (FBO)	2,750	\$4.25	0%	5%	0%	-5%	\$4.25	\$4.25
Northern Air	#3 (Maintenance)	1,200		-5%	0%	0%	-5%	\$4.04	\$4.05

All rental rates are “per square foot/year” (psf/yr)

### 7. Shop Associated with Hangar

The results of the study indicate that the average rental rates for Shop Associated with Hangar range from \$2.19 psf/yr at regional airports to \$3.03 psf/yr at national airports. No usable or relevant data was available from comparable or competitive airports.

In addition to the above findings, a comparative analysis of data in the national airport database was conducted. This analysis included airports where Shop Associated with Hangar and Community Hangar are both leased. Through this analysis, it was determined that an adjustment of -2.5% for Shop Associated with Hangar exists at such airports. Applying this adjustment to the Community Hangar base rental rate (\$2.75 psf/yr) would yield a Shop Associated with Hangar rental rate of \$2.68 psf/yr.

**Based on analyzing all available data, a base rental rate of \$2.70 psf/yr was derived.**

The average rental rate for Shop Associated with Hangar exhibits the following size adjustments compared to the national average rental rate.

**Table 26 – Shop Associated with Hangar Rental Rate Adjustments**

Rental Rate Adjustments	
Range (square feet)	Adjustment (based on size)
Up to 1,499	+15%
Greater than 1,500	0%

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

**Table 27 – Shop Associated with Hangar Conclusions Summary**

Shop Associated with Hangar Conclusions Summary									
Lessee	Identification	Size (SF)	Base Rental Rate	Adjustments				Calculated Result	Market Rent Opinion
				Size	Access	Amenities	Condition		
Northern Air	#3 (Maintenance)	1,600	\$2.70	0%	0%	-5%	-5%	\$2.43	\$2.45

All rental rates are “per square foot/year” (psf/yr)

### 8. T-Hangar Storage

The results of the study indicate that the mean rental rates for T-Hangar Storage areas range from \$2.70 psf/yr at national airports to \$4.41 psf/yr at regional airports. No usable or relevant data was available from comparable or competitive airports.

In addition to the above findings, a comparative analysis of the market rent opinion identified for Small T-Hangars as outlined in this *Airport Rent Study* were analyzed. The average rental rate for Small T-Hangars (on a “per square foot per year” basis) ranges from \$3.43 psf/yr to \$4.56 psf/yr with an average of \$4.08 psf/yr.

**Based on analyzing all available data, a base rental rate of \$4.00 psf/yr was derived.**

Utilizing the base rental rate and predicated on adjustments for facility access, amenities, and condition, the estimated rental rate conclusions are outlined in Table 28.

**Table 28 – T-Hangar Storage Conclusions Summary**

T-Hangar Storage Conclusions Summary								
Lessee	Identification	Size (SF)	Base Rental Rate	Adjustments			Calculated Result	Market Rent Opinion
				Access	Amenities	Condition		
Multiple	Brick (6 and 11)	170	\$4.00	0%	-10%	-10%	\$3.20	\$3.20
Multiple	Goetz #1 (28 and 33)	210		0%	-5%	0%	\$3.80	\$3.80
Multiple	Goetz #2 (27 and 44)	210		0%	-5%	0%	\$3.80	\$3.80
Multiple	Stewart (49 and 51)	150		0%	-5%	5%	\$4.00	\$4.00
Multiple	Nunno (45 and 53)	475		0%	0%	5%	\$4.20	\$4.20
Multiple	Gardner (1 and 17)	300		0%	-5%	-5%	\$3.60	\$3.60

All rental rates are “per square foot/year” (psf/yr)

**9. Aeronautical Improved Land**

The results of the study indicate that the average rental rates for Aeronautical Improved Land range from \$0.26 psf/yr at national airports to \$0.32 psf/yr at regional airports. The average rental rate at comparable airports was \$0.29 psf/yr. No usable or relevant data was available from competitive airports. It is significant to note the rental rates for Aeronautical Improved Land range from a minimum of \$0.08 psf/yr to a maximum of \$0.60 at comparable airports.

**Based on analyzing all available data, a base rental rate of \$0.35 psf/yr was derived.**

The average rental rate for Aeronautical Land up to 49,999 square feet in the national database exhibits an adjustment of approximately -5% (based on size) while the average rental rate for Aeronautical Land ranging from 50,000 square feet to 249,999 square feet in the national database exhibit an adjustment of approximately -10% (based on size) compared to the national average rental rate. The average rental rate for Aeronautical Land ranging from 250,000 square feet to 999,999 square feet in the national database exhibits no adjustment (based on size) while the average rental rate for Aeronautical Land greater than 1,000,000 square feet in the national database exhibit an adjustment of approximately -35% (based on size) compared to the national average rental rate.

Utilizing the base rental rate and predicated on adjustments for size and access, the estimated rental rate conclusions are outlined in Table 29.

**Table 29 – Aeronautical Improved Land Conclusions Summary**

Aeronautical Improved Land Conclusions Summary					
Size (SF)	Base Rental Rate	Adjustments		Calculated Result	Market Rent Opinion
		Size	Access		
Up to 49,999	\$0.35	-5%	5%	\$0.35	\$0.35
50,000 - 249,999		-10%		\$0.33	\$0.33
250,000 - 999,999		0%		\$0.37	\$0.38
1,000,000 and greater		-35%		\$0.25	\$0.25

All rental rates are “per square foot/year” (psf/yr)

**10. Aeronautical Unimproved Land**

The results of the study indicate that the average rental rates for Aeronautical Unimproved Land range from \$0.20 psf/yr at national airports to \$0.23 psf/yr at regional airports. No usable or relevant data was available from comparable or competitive airports.

In addition to the above findings, a comparative analysis of data in the national airport database was conducted. This analysis included airports where Aeronautical Improved Land and Aeronautical Unimproved Land are both leased. Through this analysis, it was determined that an adjustment of -30.0% for Aeronautical Unimproved Land exists at such airports. Applying this adjustment to the Aeronautical Improved Land base rental rate (\$0.35 psf/yr) would yield an Aeronautical Unimproved Land rental rate of \$0.25 psf/yr.

**Based on analyzing all available data, a base rental rate of \$0.25 psf/yr was derived.**

The average rental rate for Aeronautical Land up to 49,999 square feet in the national database exhibits an adjustment of approximately -5% (based on size) while the average rental rate for Aeronautical Land ranging from 50,000 square feet to 249,999 square feet in the national database exhibit an adjustment of approximately -10% (based on size) compared to the national average rental rate. The average rental rate for Aeronautical Land ranging from 250,000 square feet to 999,999 square feet in the national database exhibits no adjustment (based on size) while the average rental rate for Aeronautical Land greater than 1,000,000 square feet in the national database exhibit an adjustment of approximately -35% (based on size) compared to the national average rental rate.

Utilizing the base rental rate and predicated on adjustments for size and access, the estimated rental rate conclusions are outlined in Table 30.

**Table 30 – Aeronautical Unimproved Land Conclusions Summary**

Aeronautical Unimproved Land Conclusions Summary					
Size (SF)	Base Rental Rate	Adjustments		Calculated Result	Market Rent Opinion
		Size	Access		
Up to 49,999	\$0.25	-5%	5%	\$0.25	\$0.25
50,000 - 249,999		-10%		\$0.24	\$0.25
250,000 - 999,999		0%		\$0.26	\$0.25
1,000,000 and greater		-35%		\$0.18	\$0.18

All rental rates are “per square foot/year” (psf/yr)

**11. Asphalt Apron**

The results of the study indicate that the average rental rates for Asphalt Apron range from \$0.43 psf/yr at national airports to \$0.74 psf/yr at regional airports. No usable or relevant data was available from comparable or competitive airports.

In addition to the above findings, a comparative analysis of data in the national airport database was conducted. This analysis included airports where Asphalt Apron and Aeronautical Improved Land are both leased. Through this analysis it was determined that an adjustment of +30% for Asphalt Apron exists at such airports. Applying this adjustment to the Aeronautical Improved Land base rental rate (\$0.35 psf/yr) would yield an Asphalt Apron rental rate of \$0.46 psf/yr.

**Based on analyzing all available data, a base rental rate of \$0.45 psf/yr was derived.**

The average rental rate for Asphalt Apron exhibits the following size adjustments compared to the national average rental rate.

**Table 31 – Asphalt Apron Rental Rate Adjustments**

Rental Rate Adjustments	
Range (square feet)	Adjustment (based on size)
Up to 99,999	-2.5%
Greater than 100,000	0%

Utilizing the base rental rate and predicated on adjustments for size, access, and condition, the estimated rental rate conclusions are outlined in Table 32.

**Table 32 – Asphalt Apron Conclusions Summary**

Asphalt Apron Conclusions Summary								
Lessee	Identification	Size (SF)	Base Rental Rate	Adjustments			Calculated Result	Market Rent Opinion
				Size	Access	Condition		
N/A	Cargo Apron	19,000	\$0.45	-2.5%	-5%	-5%	\$0.39	\$0.40

All rental rates are “per square foot/year” (psf/yr)

**12. Vehicle Parking**

The results of the study indicate that the average rental rates for Vehicle Parking range from \$0.37 psf/yr at national airports to \$0.47 psf/yr at regional airports. No usable or relevant data was available from comparable or competitive airports.

In addition to the above findings, a comparative analysis of data in the national airport database was conducted. This analysis included airports where Vehicle Parking and Aeronautical Improved Land are both leased. Through this analysis, it was determined that an adjustment of +10% for Vehicle Parking exists at such airports. Applying this adjustment to the Aeronautical Improved Land base rental rate (\$0.35 psf/yr) would yield a Vehicle Parking rental rate of \$0.39 psf/yr.

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

The average rental rate for Asphalt Vehicle Parking exhibits the following size adjustments compared to the national average rental rate.

**Table 33 – Vehicle Parking Rental Rate Adjustments**

Rental Rate Adjustments	
Range (square feet)	Adjustment (based on size)
Up to 49,999	0%
Greater than 50,000	-20%

Utilizing the base rental rate and predicated on adjustments for size, access, and condition, the estimated rental rate conclusions are outlined in Table 34.

**Table 34 – Vehicle Parking Conclusions Summary**

Vehicle Parking Conclusions Summary								
Lessee	Identification	Size (SF)	Base Rental Rate	Adjustments			Calculated Result	Market Rent Opinion
				Size	Access	Condition		
Northern Air	#2 (FBO)	23,000	\$0.40	0%	5%	5%	\$0.44	\$0.45

All rental rates are “per square foot/year” (psf/yr)

**B. Rental Rate Conclusions Summary**

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 35.

**Table 35 – Rental Rate Conclusions Summary**

Rental Rate Conclusions						
Lessee	Component	Identification	Number of Units	Size (SF)	Market Rent Opinion	
Northern Air	Community Hangar	#2 (FBO)	N/A	8,000	\$2.90	
		#3 (Maintenance)	N/A	4,800	\$3.60	
	Office Associated with Hangar	#2 (FBO)	N/A	2,750	\$4.25	
		#3 (Maintenance)	N/A	1,200	\$4.05	
	Shop Associated with Hangar	#3 (Maintenance)	N/A	1,600	\$2.45	
Multiple	Small T-Hangar	Vehicle Parking	#2 (FBO)	N/A	23,000	\$0.40
		Brick #7-10 and #12-16	9	700	\$240.00	
		Goetz #1 (29-32 and 34-38)	9	750	\$285.00	
		Goetz #2 (22-26 and 39-43)	10	750	\$285.00	
		Stewart (50 and 52)	2	1,050	\$315.00	
		Nunno (46-48 and 54-56)	6	1,035	\$345.00	
		Gardner (2-5 and 18-21)	8	900	\$270.00	
Multiple	Small T-Hangar with T-Hangar Storage	Brick #11	1	870	\$285.33	
		Goetz #1 (33)	1	960	\$351.50	
		Stewart (49 and 51)	2	1,200	\$481.25	
		Gardner (1 and 17)	2	1,200	\$360.00	
Multiple	T-Hangar Storage	Brick #6	N/A	170	\$3.20	
		Goetz #1 (28)	N/A	210	\$3.80	
		Goetz #2 (27 and 44)	N/A	210	\$4.00	
		Nunno (45 and 53)	N/A	475	\$3.60	
Multiple	Small Tiedown	Taxi-through	15	N/A	\$80.00	
		Tail-in	32	N/A	\$65.00	
Multiple	Medium Tiedown	Taxi-through	15	N/A	\$95.00	
		Tail-in	32	N/A	\$80.00	
Multiple	Large Tiedown	Taxi-through	15	N/A	\$120.00	
		Tail-in	32	N/A	\$100.00	
Vacant	Aeronautical Improved Land	N/A	N/A	Up to 49,999	\$0.35	
				50,000 - 249,999	\$0.33	
				250,000 - 999,999	\$0.38	
				1,000,000 and greater	\$0.25	
Vacant	Aeronautical Unimproved Land	N/A	N/A	Up to 49,999	\$0.25	
				50,000 - 249,999	\$0.25	
				250,000 - 999,999	\$0.25	
				1,000,000 and greater	\$0.18	
Multiple	Asphalt Apron	Cargo Apron	N/A	23,000	\$0.40	

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)

## 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. All existing liens and encumbrances, if any, have been designated and 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. The exact size of the Subject Properties and legal description (as appropriate) should be verified by a licensed engineer or surveyor.
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 their accuracy and has not conducted a survey of the Subject Properties.
5. Unless noted in this report, the 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 Subject Properties is within the boundaries or property lines 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.
8. It is assumed that all applicable zoning and use regulations have been complied with unless a 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 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. AMCG does not have any knowledge of the existence of potentially hazardous material, gases, toxic waste, or mold on or in the Subject Properties. To AMCG's knowledge, the presence of potentially hazardous waste, materials, or gases has not been detected, or if they have been 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 material or gases, if tested, that the tests were conducted pursuant to EPA-approved procedures. The existence of any potentially hazardous material, gases, toxic waste, or mold may have an effect on the conclusions. An expert in this field should be retained by the client if desired.

12. AMCG is not a property or environmental inspector. The AMCG team has provided an opinion of rent. This report does not guarantee that the Subject Properties are free of defects of environmental issues. AMCG has performed an inspection of the visible and accessible areas only. AMCG is not qualified to determine the existence of mold, the cause of mold, the type of mold, or whether, if any, mold exists, the mold might pose any risk to the Subject Properties or its inhabitants. Mold may be present in areas of the Subject Properties, including areas AMCG could not see. A professional property inspector or environmental inspection is recommended.
13. It is assumed the Subject Properties will have an adequate supply of energy in the future.
14. 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 if 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 conclusions. Since AMCG has no direct evidence relating to this issue, possible noncompliance with the requirements of the ADA was not considered in the analysis.
15. AMCG assumes there are no hidden or unapparent conditions of the Subject Properties, subsoil, or structures 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.
16. No requirements shall be made of AMCG to give testimony or appear in court by reason of this report of the Subject Properties in question, 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.
17. 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.
18. 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.
19. AMCG's inspection of the site shall in no way be constructed as an engineering inspection for structural soundness, physical condition, or for the condition of the mechanical systems.

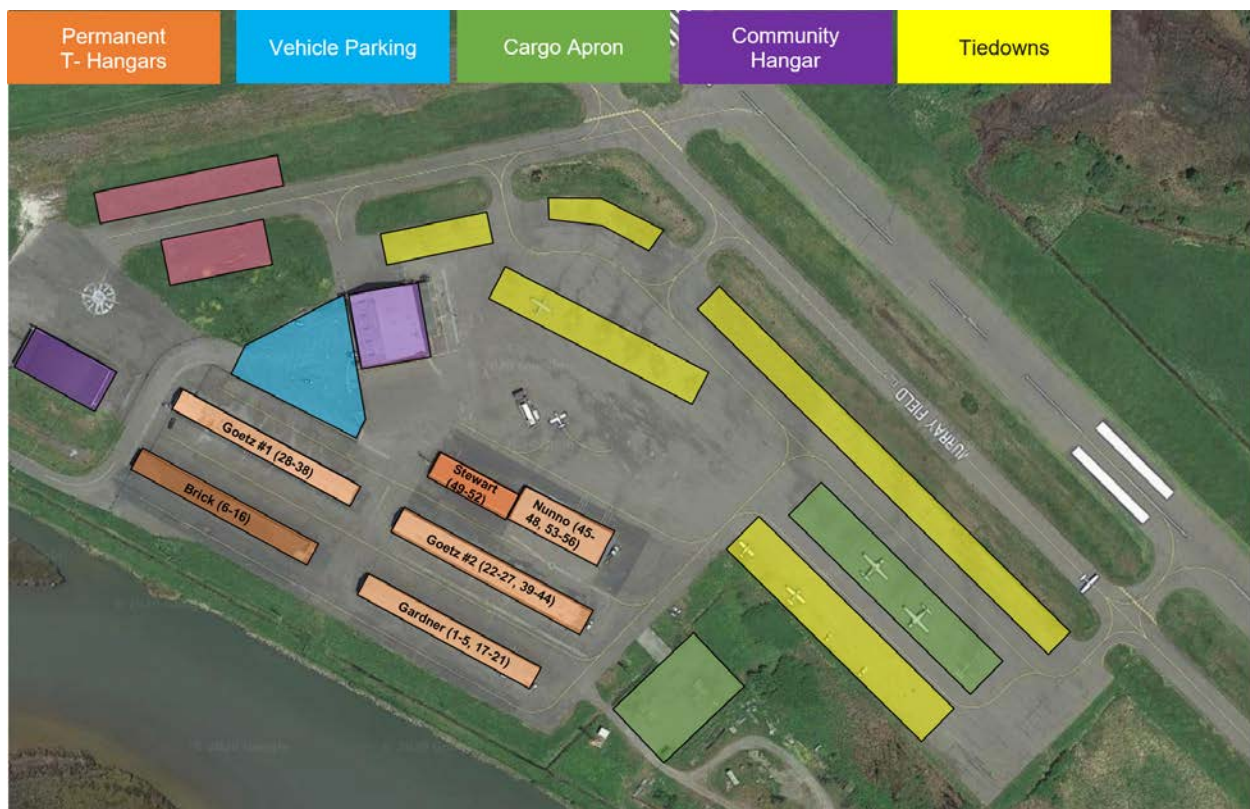
## B. Definitions and Acronyms

- 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.
- Community Hangar – A square or rectangular-shaped hangar which is typically connected to other facilities (primarily to lean-to structures and/or FBO terminal buildings). Community Hangars typically range in size from 60 feet by 60 feet to upwards of 100,000 square feet per building. Community Hangars can accommodate multiple aircraft of various sizes and configurations which are owned by more than one company or individual.
- GPS – Global positioning system.
- Improved Land – Airport land having access (airside and landside) and utilities to the property boundary.
- 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 – Value wherein half of the data points in the number series are below while half of the data points in the number series are above.
- Minimum – Minimum value present in the data range.
- Office Associated with Hangar – Office space connected to a Hangar that is typically utilized to conduct business and administrative related functions.
- Non-Commercial – Not for the purpose of securing earnings, income, compensation (including exchange or barter of goods and services), and/or profit.
- Range – Mathematical difference between the maximum and minimum values of the data range.
- RNAV – GPS – Area navigation-global positioning system.
- Shop Associated with Hangar – Shop space connected to a Hangar that is typically utilized to conduct maintenance and repair related functions.
- 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 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.
- 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 and/or pedestrian door.

- 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 with an overall width up to 40 feet.
  - Medium Tiedown – Utilization of a Tiedown by most light multi-engine piston-powered aircraft with an overall width from 40 feet up to 45 feet.
  - Large Tiedown – Utilization of a Tiedown by most multi-engine piston-powered aircraft and similarly sized turbine-powered aircraft with an overall width from 45 feet up to 55 feet.
- Unimproved Land – Airport land without airside and/or landside access and/or utilities to the property boundary.
- VOR – Very high frequency omnidirectional range.

### C. Subject Properties Identification Map

Figure 3 – Subject Properties



For reference purposes only

D. Subject Properties Photographic Survey



Community Hangar  
*Northern Air*



Community Hangar  
*Northern Air*



Community Hangar  
*Northern Air*



Small T-Hangar  
*Brick*



Small T-Hangar  
*Brick*



Small T-Hangar  
*Brick*



Small T-Hangar  
*Gardner*



Small T-Hangar  
*Stewart*



Small T-Hangar  
*Stewart*



Small T-Hangar  
*Nunno*



Small T-Hangar  
*Nunno*



Tiedown



Tiedown



Tiedown



Office Associated with Hangar  
*Northern Air*



Office Associated with Hangar  
*Northern Air*



Office Associated with Hangar  
*Northern Air*



Office Associated with Hangar  
*Northern Air*



Shop Associated with Hangar  
*Northern Air*



Shop Associated with Hangar  
*Northern Air*



Asphalt Apron



Asphalt Apron



Vehicle Parking  
*Northern Air*



Vehicle Parking  
*Northern Air*