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Lease Implementation Policy Review Privately Owned Aircraft Storage Hangar Agreements



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County of Ventura, November 2017



...Leaders in Business Aviation Property Development, Leasing, Management & Airport Consulting...



Today's Discussion-

1. What are the current conditions and concerns?
2. Why review the process?
3. What the FAA says....
4. What are other airports doing?
5. Best Management Practices (BMPs)
6. Moving forward...



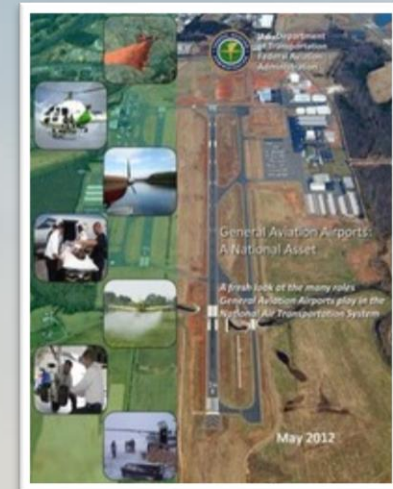


What are the current conditions and concerns in Ventura County ?

Evolving airports- user demand and need to review agreements

Concerns Summarized:

1. Storing multiple aircraft
2. Non operational aircraft, or not in airworthy condition
3. Desire to have “Quiet Enjoyment”
4. Relocation- reimbursement of cost if applicable
5. The desire to sublease
6. Recourse for any incident of default





Why Review the Process?

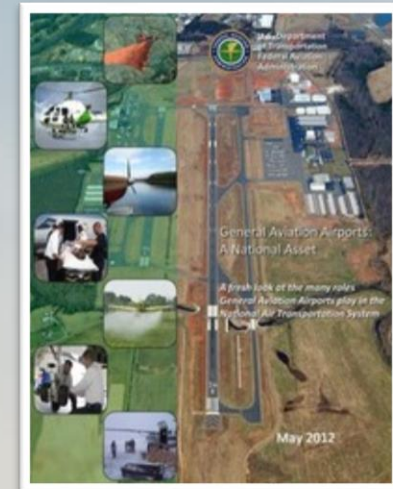
1. County's requirement and desire to meet aviation demand
2. Evolving airport as a business –level playing field
3. Airport self sustainability
4. Non aeronautical uses
5. Commercial vs Private uses- Minimum Standards
6. Risk management- the need for security/indemnity provisions
7. Consistency





What the FAA says..

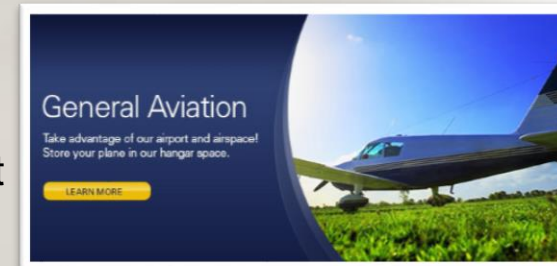
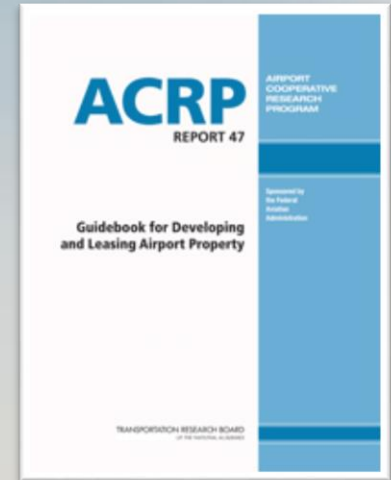
1. National policy vs local control
2. FAA monitors and enforces, in exchange for benefits: AIP funding
3. Airport makes a binding commitment in the form of grant assurances
4. Airport must remain as self sustainable as possible
5. Non aeronautical uses must be approved by FAA
6. The FAA does not approve airport leases but provides requirements/guidelines that must be implemented by the airport sponsor.





What are other airports doing?

1. The FAA's recently adopted policy on the use of airport hangars, are minimum guidelines that provide discretion and permit airports to implement policies that meet, or exceed the FAA's recommendations.
2. Airports are managing their operations as business enterprises, maximizing their facility assets in order to best serve the public and achieve self sustainability.
3. Airport sponsors create rules, regulations, minimum standards and inspections required by FAA, so to be consistent with all airport stakeholders.
4. Private aircraft storage units are not to be managed by users as businesses, investments or commercial enterprises.



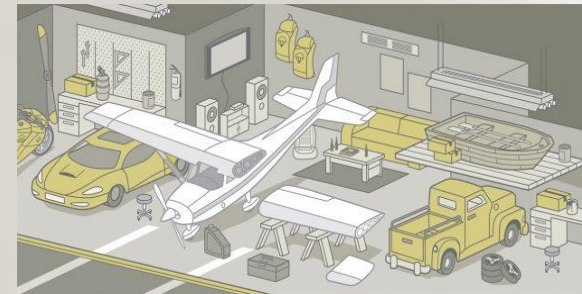


Best Management Practices (BMPs)

1. Airports may adopt more stringent rules for use of hangars than required by the FAA based on proprietary concerns for the safe, secure and efficient use of airport property.
2. Airports are expected to take measures to ensure that aeronautical facilities are reserved for aeronautical use. To include a periodic inspection program.
3. Subleasing private storage hangars would be inconsistent with their intended use as non commercial storage units for personal aircraft.
4. Aircraft storage ground leases should have reversion clauses upon lease termination/expiration, or after a reasonable term.
5. Relocating private aircraft storage agreements at the cost and obligation of the owner of the privately held hangar.
6. Airport leasing must focus on a negotiation process and policies that accommodate the needs of both the airport users and the airport sponsor, with the ability to reasonably adjust terms as needed to serve current and future demand, while protecting the long-term health of the airport.

Future Projects (12 months and beyond)

- Construction of the runway overlay (2013/14)
- Aviation development precinct (ongoing) (2014/15/16)
- Relocation of airside hangars (2014)
- Terminal building stage III (2016/17/18)
- General aviation apron (continued)
- ARFFS infrastructure (2014/15) (CAGRO)
- Land purchase to eastern end





Today's take away

- Ventura County is taking the appropriate steps to review leasing policies under its management responsibility.
- Ventura County appears to be going above and beyond in its efforts to adapt the current month to month agreements.
- The 30 year plus month to month tenancies has given the hangar owners reasonable time to depreciate the original investment.
- Restricting subleasing is within the County's rights since it is not a permitted use under the minimum standards and diverts revenue.
- The County has provided the tenants reasonable options.
- The current County agreements comply with FAA private hangar aeronautical use guidelines, BMPs and other airport lease agreements.
- The current waiting list for private storage hangars at the County airports makes this a time sensitive matter.

Links:

www.faa.gov/airports/airport_compliance/

https://www.faa.gov/airports/resources/publications/orders/compliance_5190_6/





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