ST. AUGUSTINE
AIRPORT

BOARD MEETING AGENDA

February 11, 2026

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Saint Johns County Airport Authority

Board Meeting Agenda
St Augustine Airport (UST/KSGJ)

Airport Conference Center, Wednesday, February 11, 2026, 9:00 AM

- **Call to Order**
- **Pledge of Allegiance**
- **Oath of Office – Daniel Bean**
- **Roll Call**
- **Minutes Approval**
  - 12-17-2025 Workshop Meeting
  - 12-17-2025 Regular Board Meeting
- **Agenda Approval**
- **Business Partner Updates**
  - Ms. Ann Taylor, St. Johns County Commission
  - Mr. Vinny Beyers, Atlantic Aviation
  - Mr. Duncan Graham, SAAPA President
  - Mr. Nate McKendrick, Northrop Grumman
  - Mr. Reid Deputy, AOPA
- **Public Comments – General**
  - Three minutes per speaker at the discretion of the Chair
  - Address matters that reasonably may need the attention of the Authority
  - No personal, impertinent, or slanderous remarks or boisterous behavior
  - Address Authority as a body, not individual members or staff
  - Refrain from making a demand for an immediate response from the Authority

Saint Johns County Airport Authority

Board Meeting Agenda

St Augustine Airport (UST/KSGJ)

Airport Conference Center, Wednesday, February 11, 2026, 9:00 AM

Consent Agenda:

- **Financial Report**

Agenda Items:

- **Unfinished Business**
  - Executive Director Search
  - T-Hangar Use Policy
  - Proposed T-Hangar Use Rates
  - Logo Selection
  - Internal Investigation Results – Presented by Lippes & Mathias
- **Staff Reports**
  - Mr. Courtney Pittman, Interim Executive Director
    - Construction Projects in Progress
    - Fuel Sales and Operations
    - FDOT Audit
    - Improved Payment Processes
    - T-Hangar Work Order Requests and Compliance
    - Wings and Wheels Update
  - Mr. Chris Walker, General Counsel/ Jeffrey Kempf, Deputy General Counsel
    - FRS Update
  - Mr. Chad Roberts, Aviation Attorney

Saint Johns County Airport Authority

Board Meeting Agenda

St Augustine Airport (UST/KSGJ)

Airport Conference Center, Wednesday, February 11, 2026, 9:00 AM

- **Board Member Comments and Reports**
  - Mr. Nick Primrose, Chairman
  - Mr. Mario Dipola, Vice Chairman
  - Ms. Michelle Cash-Chapman, Secretary/Treasurer
  - Mr. Jerry Dedge
  - Mr. Daniel Bean
- **Next meeting**
  - Regular Board Meeting, Wednesday, 11 March 2026, 9:00 AM, Airport Conference Center
- **Adjournment**

St. Augustine St. Johns County Airport Authority
Balance Sheet
At December 31, 2025

	Dec 31, 25	Nov 30, 25	Dec 31, 24
Current Assets			
Checking/Savings	4,451,247	4,821,494	6,764,942
Accounts Receivable	21,437	26,526	(96,165)
Grants Receivable	419,426	-	-
Inventory and Other Current Assets	1,962,804	2,014,528	649,042
Total Current Assets	6,854,914	6,862,548	7,317,819
Noncurrent Assets			
Deferred Outflow-Other	146,216	146,216	146,216
Capital Assets, net	75,372,249	75,784,747	77,117,038
Other Noncurrent Assets	919,898	933,215	616,959
Total Noncurrent Assets	76,438,363	76,864,178	77,880,213
Total Assets	83,293,277	83,726,726	85,198,032
Current Liabilities			
Accounts Payable	170,623	644,267	464,793
Credit Cards	-	17,812	443
Other Current Liabilities	264,071	186,312	116,177
Total Current Liabilities	434,694	848,391	581,413
Noncurrent Liabilities			
Deferred Inflow	527,400	527,400	527,400
Deferred Inflow - Leases	1,080,005	1,094,062	782,350
Net Pension Liability	536,729	536,729	536,729
Total Noncurrent Liabilities	2,578,828	3,006,582	2,427,892
Total Liabilities	3,013,522	3,854,973	3,009,305
Net Position	80,279,755	79,871,753	82,188,728

St. Augustine St. Johns County Airport Authority
Comparative Income Statement (Unaudited)
For the Three Months Ending December 30, 2025

	Current Month Actual	Current Month Budget	Budget Variance	Prior Year Month Actual	Current YTD Actual	Current YTD Budget	Budget Variance	Prior Year YTD Actual
Operating Revenues								
Fuel Service Revenue	88,559	99,415	(10,856)	101,230	258,452	298,245	(39,793)	297,633
Lease Revenue	353,022	363,270	(10,248)	343,228	1,059,507	1,063,210	(3,703)	1,040,013
Operating Agreements	27,380	26,494	886	15,044	64,996	79,482	(14,486)	48,683
Other Operating Revenue	1,956	2,917	(961)	2,650	8,493	8,750	(257)	10,173
Total Operating Revenues	470,917	492,096	(21,179)	462,152	1,391,447	1,449,687	(58,240)	1,396,501
Cost of Goods Sold								
Cost of Fuel	46,215	56,283	(10,068)	54,090	142,008	168,849	(26,841)	170,603
Total COGS	46,215	56,283	(10,068)	54,090	142,008	168,849	(26,841)	170,603
Gross Profit	424,702	435,813	(11,111)	408,062	1,249,440	1,280,839	(31,399)	1,225,898
Operating Expenses								
Personnel & Benefits	154,716	166,893	(12,177)	114,844	467,266	500,679	(33,413)	291,857
Professional Services	104,028	58,383	45,645	56,586	199,325	175,150	24,175	103,075
Airline Operations/Badging	237	250	(13)	240	845	750	95	712
Business Travel & Training	2,467	3,913	(1,445)	2,492	4,806	11,737	(6,931)	6,359
Technology	5,039	5,058	(20)	8,031	18,389	15,175	3,214	43,250
Utility Services	15,731	17,500	(1,769)	16,395	47,533	55,500	(7,967)	51,348
Insurance	37,163	38,685	(1,522)	39,681	112,489	116,056	(3,567)	121,530
Repairs & Maintenance	28,176	26,942	1,234	13,981	51,967	80,825	(28,858)	63,075
Promo, Dues & Memberships	1,506	1,708	(202)	130	8,211	5,125	3,086	2,379
Government Fees & Assessments	25,300	24,933	366	25,525	87,057	90,800	(3,743)	85,237
Office Expenses & Fees	1,614	2,575	(961)	1,594	5,264	7,725	(2,461)	11,224
Operating Expense	11,641	12,833	(1,192)	6,395	30,858	38,500	(7,642)	58,305
Contract/Temp Labor	-	-	-	38,107	-	-	-	66,450
Total Operating Expenses	387,618	359,674	27,944	324,002	1,034,012	1,098,022	(64,011)	904,801
Operating Inc before DS and Depr	37,084	76,139	(39,054)	84,061	215,428	182,817	32,611	321,097
Non Operating Income								
Operating Grants	369,569	602,314	(232,745)	-	630,295	1,117,069	(486,774)	-
Investment Income	13,615	14,775	(1,160)	15,648	41,556	44,325	(2,769)	47,117
Other Non Operating Income	30	30	-	45,030	90	90	-	45,033
Total Non Operating Income	383,214	617,119	(233,905)	60,678	671,941	1,161,484	(489,543)	92,150
Non Operating Expense	-	-	-	-	-	-	-	-
Total Non Operating Expense	-	-	-	-	-	-	-	-
Income Before Depreciation	420,298	693,258	(272,959)	144,738	887,369	1,344,300	(456,931)	413,247

St. Johns County Airport Authority

Financial Highlights: December 2025

REVENUES

Total operating revenues for December were $470.9K, coming in $21.2K below budget, primarily due to continued reduction of fuel service revenue ($10.9K below budget) and lower lease revenue for the month. December's lease revenue budget included expected revenue for the new T-Hangars, which were not yet completed. Operating agreements exceeded budget slightly, but not enough to offset other declines. Year-to-date, operating revenues total $1.39M, falling $58.2K below budget, largely reflecting three months of below-budget fuel activity.

FUEL COSTS

Cost of goods sold remained favorable for the month at $46.2K, or $10.1K under budget, resulting in a December gross profit of $424.7K, which is modestly below budget. Year-to-date gross profit is $1.25M, trailing budget by $31.4K, but still consistent with overall revenue activity.

EXPENSES

Operating expenses for December totaled $387.6K, exceeding budget by $27.9K. The primary driver was Professional Services, which ran $45.6K over budget, with smaller increases in Repairs & Maintenance and Government Fees. These were partially offset by continued savings in personnel, utilities, insurance, and other general operating categories. On a year-to-date basis, operating expenses remain $64.0K under budget, despite December's overage.

BOTTOM LINE

December's operating income before debt service and depreciation was $37.1K, falling short of the monthly budget by $39.1K. However, year-to-date operating income remains favorable at $215.4K, exceeding budget by $32.6K, reflecting strong performance in October and November. Non-operating revenues for December fell below budget primarily due to the timing of grant reimbursements brought about by the delay in the T-Hangar project. Overall income before depreciation was $420.3K for December—below budget due to the grant timing impact—but year-to-date income before depreciation totals $887.4K.

BALANCE SHEET

The Authority's balance sheet remains strong, with total assets of $83.3M and a net position of $80.3M, up from November due to grant-related inflows. Cash decreased slightly to $4.45M, consistent with normal operating cycles. Accounts payable dropped sharply from November, indicating timely payment of outstanding invoices.

CONCERNS

While December's results were overall stable, a couple of items warrant attention: monthly fuel revenue continues to underperform budget due to only one operational tank, and grant reimbursements remain behind schedule but are consistent with project delays. These items do not present immediate financial risk but should be monitored as the fiscal year progresses.

ST. AUGUSTINE/ST JOHNS COUNTY AIRPORT AUTHORITY

Briefing Memorandum
To: Board of Directors
From: Courtney Pittman, Interim Executive Director
Date: February 11, 2026
Subject: Executive Director Search

Purpose of Briefing

The purpose of this item is to provide the Board with an update regarding the Executive Director search.

Background

The St. Johns County Airport Authority is conducting a search for a permanent Executive Director in accordance with applicable law, Authority policies, and public-sector governance practices.

Briefing

Board Member Jerry Dedge will brief the Board regarding the Executive Director search, including any updates, observations, or process-related considerations deemed appropriate for discussion.

Board Action

The Board may discuss the update and vote on any items as needed.

Briefing Memorandum
To: Board of Directors
From: Courtney Pittman, Interim Executive Director
Date: February 11, 2026
Subject: Ratification and Adoption of Updated T-Hangar Use Agreement

I. Purpose of Briefing

The purpose of this briefing is to present the proposed T-Hangar Use Agreement to the Board for consideration and action. The proposed agreement reflects continued efforts to ensure alignment with applicable Federal Aviation Administration (FAA) requirements, promote consistency in hangar administration, and provide clarity to tenants regarding permissible uses of Authority-owned T-Hangars at the St. Augustine Airport.

This briefing summarizes the rationale for the proposed agreement, outlines key considerations, and identifies materials provided for Board review.

II. Background

As a federally obligated, publicly owned airport, the Authority is required to ensure that hangars constructed or operated on airport property are used in accordance with FAA policy and applicable grant assurances.

The administration of T-hangar usage needs to be affordable for the limited staff resources of the Airport Authority, predictable for the tenants, and done in a way which does not put the Airport Authority at risk for compliance enforcement by the FAA itself.

To address these issues, staff has undertaken a structured review of hangar-use practices, FAA guidance, and tenant feedback. The proposed T-Hangar Use Agreement is intended to formalize expectations, reduce ambiguity, and ensure uniform application across similarly situated tenants.

Importantly, the T-Hangar Use Agreement is specifically tailored to the needs and experiences of the St. Augustine Airport, and staff's comprehensive familiarity with the current status of existing T-Hangar use profiles.

III. Current Situation

The proposed T-Hangar Use Agreement is designed to establish a clear contractual framework governing hangar use while preserving the Authority's ability to administer hangar operations economically, consistently, and in a non-discriminatory manner.

Certain topics raised during stakeholder discussions (for example, how FMV is determined by the Airport Authority, the availability of general aviation maintenance resources at the Airport, etc.) are more appropriately addressed outside the Use Agreement itself to avoid inflexible policy doctrine that does not benefit the tenants.

The agreement focuses on core use provisions necessary to support compliance, clarity, and enforceability.

IV.FAA Alignment and Compliance Framework

The proposed T-Hangar Use Agreement is entirely consistent with Federal Aviation Administration hangar-use policy, and the Authority's discretion to craft policy doctrine specific to the Airport's needs and obligations as a federally obligated airport sponsor.

While FAA policy establishes baseline compliance parameters, the Authority, as airport sponsor, retains discretion to implement reasonable, non-discriminatory standards necessary to ensure consistent application, operational clarity, and long-term compliance.

This standardized approach provides clarity for tenants, supports equitable treatment of all stakeholders, and makes T-Hangar administration predictable and manageable.

V. Stakeholder Engagement

Staff engaged with tenants, SAAPA members, and the Airport's FAA compliance officer to craft the proposed T-Hangar Use Agreement. Feedback received during these discussions informed refinements to the agreement and helped identify topics more appropriately addressed outside the contractual framework.

VI. Key Considerations for the Board

- The proposed agreement establishes a consistent, predictable standard for hangar use.
- Alignment with FAA policy is maintained while exercising sponsor discretion to ensure clarity and uniform application.
- The agreement reduces compliance risk and supports defensible decision-making.
- Adoption of the agreement promotes equitable treatment of tenants and administrative consistency.

VII. Recommended Action

Staff recommend that the Board adopt the proposed T-Hangar Use Agreement as presented.

VIII. Attachments Provided for Board Review

The following materials are provided in support of this briefing and will be distributed with the agenda package:

1. Proposed T-Hangar Use Agreement (Redline Version)
2. Proposed T-Hangar Use Agreement (Clean Version)
3. T-Hangar Frequently Asked Questions (FAQs) – Published on website September 2025
4. FAA Hangar Use Policy Memorandum – Dated February 3, 2025

Conclusion

The proposed T-Hangar Use Agreement represents a measured and necessary step to align the Authority's hangar-use practices with FAA requirements while establishing a clear, consistent standard for administration and enforcement. Adoption of the agreement as presented will strengthen compliance, reduce risk, and provide clarity for both tenants and the Authority moving forward.

T-HANGAR USE AGREEMENT

Hangar Unit No.: ___________

( ) T-Hangar ( ) Box-Hangar

Initial Monthly Use Rate: ___________________

Date: ____________________

Owner Information

St. Johns County Airport Authority
4796 US Highway 1, North
St. Augustine, FL 32095
Phone: (904) 209-3900
E-mail: hangars@sgj-airport.com

User Information

Name: ____

Address: ____

____

City: ____________________________ State: _____Zip: ________

Telephone: _______________________________

Email: ____

Alt. Email: ____

Stored Aircraft Information (if Box Hangar, and if applicable, complete second Aircraft Information below.

FAA Reg. No.: ____________ Manufacturer: ________________ Model: ______________ Ser. No. _________

Date of Last Annual: _____________________ Color (Base): _______________ Color (Trim): _______________

FAA Reg. Owner: ________________________________ If entity, State of Incorporation: ____________________

Terms

SECTION 1. USE OF T-HANGAR UNIT – Owner conditionally permits the use of the T-Hangar Unit (the Unit) indicated above, and the User hereby agrees to use the Unit subject to the terms and conditions set forth in this Agreement (hereinafter, the "Use Agreement").

SECTION 2. USE TERM – The use term shall commence on the date indicated above and shall end the last day of the following September (one year or less), except this Use Agreement shall automatically renew for one (1) consecutive year terms, unless otherwise earlier terminated. The Use Agreement shall not automatically renew for a successive year if the User has not timely paid Use Payment or is otherwise in default. The parties' early termination rights are described in Section 27.

SECTION 3. PERMITTED USES – The use of the Unit shall be limited to the following non-commercial aeronautical uses:

1. the hangaring of an airworthy aircraft owned by the User. Upon request of the Owner, ~~The~~ the User may be asked to provide, and agrees to provide, verification or documentation of ownership in the stored aircraft and evidence of the airworthy status of the stored aircraft.~~upon request of the Owner~~ Aeronautical accessories and non-aeronautical habitability items, described more specifically below, may be kept in the hangar;
2. the non-commercial construction of amateur-built or kit-built aircraft.

The following ~~items~~ aeronautical accessories and non-aeronautical habitability items ~~are not considered to be stored~~ may be kept in the hangar under the circumstances described, if the items are normally located within 36 inches the Hangar walls:

1. Towbars and small aircraft handling machinery used with towbars to facilitate the movement of the Aircraft in and out of the hangar;
2. tools, toolboxes, workbenches, manuals, and documentation used for routine owner maintenance of the aircraft stored;
3. if the use is for the non-commercial construction of an amateur or kit-built aircraft, tools appropriate for such activity;
4. a reasonable amount of consumables used for the Aircraft or the Hangar such as motor oil and cleaning supplies;
5. a modest amount of habitability items for use while ~~performing maintenance of~~ attending to the aircraft such as a desk, seating, a small refrigerator unit (see Section 12, below, relating to Utilities,) radio, etc. provided such items are located along the hangar walls and do not impair the movement of the aircraft in or out of the hangar;
6. While the stored aircraft is in use and temporarily absent from the hangar, the vehicle(s) used to commute to or from the hangar.

For additional interpretive guidance concerning permissible uses under this section, including permissible periods of time when the Aircraft may not be airworthy due to routine, scheduled, or unscheduled maintenance, the Owner publishes "Frequently Asked Questions Concerning T-Hangar Use" on the St. Johns County Airport Authority's website.

User Initials: ________________ No other use is permitted. Specifically, the Unit may not be used for the storage of any other content including, but not limited to, watercraft, trailers, household goods, vehicles, motor vehicles, motorcycles, recreational vehicles, non-aeronautical items, derelict aircraft or the prolonged storage of aircraft parts, or the storage of any other content without the Owner's express written consent. Use of the Unit is for the beneficial use of the User only. Use of the Unit itself may not be monetized by the User, including by assignment or sub-leasing.

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SECTION 4. USE PAYMENT - User agrees to pay Owner the initial sum indicated above per month plus sales tax and, ad valorem tax, if applicable. Use Payment is due and payable on the first day of each month, in advance of use. A Late Fee of $50.00 per month shall apply to all Use Payments remaining unpaid after the tenth day of the month. Late fees shall be cumulative and shall not be Owner's exclusive remedy. The Use Payment rate may be adjusted with a minimum of thirty (30) days advanced notification of the increase having been made to User. The Use Payment rate shall also be subject to annual adjustments based on the Consumer Price Index, and from time to time the Use Payment rate shall be adjusted to reflect Fair Market Use Value. Each adjustment to Fair Market Use Value shall serve as the base for subsequent annual CPI adjustments. Any such Fair Market Use Value adjustment shall exclude sales tax in such computation.

SECTION 5. NOTICES – COMPUTATION OF TIME All formal notices, certificates or other formal communications hereunder shall be sufficiently given and shall be deemed given when mailed by registered or certified mail, postage prepaid, addressed as follows:
- if to the **User** at the above indicated address with a copy by electronic mail message, and:
- if to **Owner**, at 4796 U.S. Highway 1, North, St. Augustine, FL 32095 with a copy by electronic mail message to **hangars@sgj-airport.com**.

The Owner and the User may, by notice given hereunder, designate any ~~further~~ additional or different address to which subsequent notices, certificates or other communications shall be sent.
For computation of any deadline that begins to run upon the provision of such Notice, the date on which the Notice is given is excluded from computation, and first day of the calculation of days begins with the day following the day on which Notice was given. Intermediate Saturdays, Sundays, and legal holidays are counted in the computation, provided however, that if the last day of the time period falls on a Saturday, Sunday, or legal holiday, then the time period is extended to the next day that is not a Saturday, Sunday, or legal holiday.

SECTION 6. BINDING EFFECT - This Use Agreement shall inure in the benefit of and shall be binding upon the OWNER and the USER.

SECTION 7. COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS - User will use the Unit and conduct or allow any activities upon the Unit only in compliance with all applicable laws, governmental regulations, and regulations established from time to time by Owner, including policy and interpretive guidance ("Hangar Use Frequently Asked Questions") as may be published on the Owner's public web site .

SECTION 8. NO ASSIGNMENT - User may not assign this Use Agreement. User may not store in the Unit an aircraft not owned by User, nor permit any other person to use the Unit for any purpose whatsoever. No aircraft, other than the Aircraft identified above, may be stored in the Hangar.

SECTION 9. INSURANCE - Insurance Types and Limits are not presently required. However, the requirement for insurance may from time to time be reviewed and determined by Owner.

SECTION 10. INDEMNIFICATION –

a. User agrees to indemnify and hold harmless the Owner and its agents, employees and members thereof, from any claim arising out of injury to any person or damage to any property resulting from User's activity upon the Unit. Owner assumes no liability for risks associated with the User's use.
b. User shall indemnify and hold Owner harmless against and from liability and claims of any kind for loss or damage to property of User or any other person, or for any injury to or death of any person, arising out of: (1) User's use of the Unit, or any work, activity or other things allowed or suffered by User to be done in, on or about the Unit; (2) any breach or default by User of any of User's obligations under this Use Agreement; or (3) any negligent or otherwise tortious act or omission of User, its agents, employees, invitees or contractors. User shall at User's expense, and by counsel satisfactory to Owner, defend Owner in any action or proceeding arising from any such claim and shall indemnify Owner against all costs, attorneys' fees, expert witness fees and any other expenses incurred in such action or proceeding. As a material part of the consideration for Owner's execution of this Use Agreement, User hereby assumes all risk of damage or injury to any person or property in, on or about the Unit from any cause.
c. Owner shall not be liable for injury or damage which may be sustained by the person or property of User, its employees, invitees or customers, or any other person in or about the Unit, caused by or resulting from fire, steam, electricity, gas, water or rain which may leak or flow from or into any part of the Unit, or from the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, or resulting from aircraft damage or property damage resulting from sharing the Unit, whether such damage or injury results from conditions arising upon the Unit or upon other portions of the Building or from other sources. Owner shall not be liable for any damages arising from any act or omission of any User of the Building.

SECTION 11. SECURITY - Owner makes no implication or guarantees as to the provision of security of the Unit. The User is solely responsible for the security of the Unit.

SECTION 12. UTILITIES - Owner shall pay all normal and applicable costs and charges for water and electricity, and any other Owner provided utilities used in connection with the Unit while this Use Agreement remains in force. Any excess use or abuse will be charged to and payable by User. The hangar is provided with electrical outlets for the use of the User. It is provided for intermittent use of small electrical devices and normal lighting. Approved devices include items such as: vacuum cleaners, fans, small handheld power tools, small intermittent use battery chargers, radios, air compressors requiring less than 15 amps of peak current draw, or similar devices. The installation or placement of items that consume electricity on a continual basis or automatically cycle on-off such as refrigerators or similar devices including household appliances or devices not considered with the approved use of the Unit, are not permitted except when complying with one (1) of the following conditions and as approved in writing by the Owner: **(a)** The User has caused the installation of a separate power meter along with whatever additional modifications are required to facilitate electrical service. All modifications consistent with this provision shall have the written approval of the Owner; shall be properly permitted with St. Johns County; and shall be installed by a licensed contractor(s) approved for such work. The ongoing cost for electrical service shall be that of the User. The improvements made shall at the expiration of the Use Agreement, be completely removed and the hangar restored to a condition like that prior to modification or at the option of the Owner, shall become a Unit improvement and become the property of the Owner. Modifications for power will not be approved by the Owner to facilitate more than the total units by any one User in any one building; **OR (b)** A monthly surcharge would be paid by the User. The amount of the surcharge will be per Addendum "A" of this agreement, and as modified by the Owner at the time of renewal or automatic extension. User shall not connect any apparatus with electric, water, gas or other utility except through existing electrical outlets, faucets, valves or as otherwise existing in the Unit without first procuring the written consent of Owner, which Owner may refuse.

SECTION 13. SIGNS - User shall not affix, paint, erect or inscribe any sign, projection, awning, signal or advertisement of any kind to any part of the Unit, including without limitation, the inside or outside of windows or doors, without the written consent of Owner, which may be withheld for any or no reason. Owner shall have the right to remove any signs or other matter, installed without Owner's permission, without being liable to User by reason of such removal. Owner reserves the right to name the Building and to change the name or street address of the Building and to install and maintain all signs on the exterior and interior of the Building, including ADA signage.

SECTION 14. ACCESS AND PARKING - User automobile parking for personal vehicles shall be permitted within the Unit only when the aircraft is in use, or on the access driveway to the individual hangar unit. At all times, automobile parking shall be accomplished in a manner to provide unrestricted movement of aircraft and other automobiles on common taxiways. Other parking areas may be provided by Owner. No on-street parking is permitted.

Vehicle Access to the hangar area is to be accomplished through gates designated by Owner. No hangar access is to be accomplished utilizing the FBO Area. No automobile, wheeled vehicle or pedestrian use of airfield movement areas is permitted. At all times, vehicle surface traffic shall yield to aircraft. User acknowledges that the airport is a secured facility. User shall abide by any and all parking regulations and rules established from time to time by Owner, Owner's parking operator or other security personnel.

SECTION 15. MAINTENANCE - Owner assumes and retains reasonable maintenance responsibilities for the Unit, building and surrounding grounds. User shall maintain the interior of the hangar, including any HVAC. User agrees that in the event of abuse or damage to Owner's property the cost of repairs may be charged to the User. Owner reserves the right to facilitate all maintenance and repairs of the Unit. Owner shall have no liability to User nor shall User's obligations under this Use Agreement be reduced or abated in any manner whatsoever by reason of any inconvenience, annoyance, interruption or damage arising from Owner's making any repairs, upgrades, renovations or changes which Owner is required or permitted by this Use Agreement or required by law to make in or to any portion of the Building or the Unit. Owner shall nevertheless use reasonable efforts to minimize any interference with User's use of the Unit.

SECTION 16. SOLID WASTE AND REFUSE DISPOSAL - The disposal of solid waste and refuse must be in conformance with the system of disposal used on the Airport and must comply with local and State governmental requirements, including compliance with airport recycling programs.

SECTION 17. HAZARDOUS STORAGE - No material of a hazardous or toxic characteristic shall be permitted to be stored in the Unit. This provision shall not apply to aircraft fuel and lubricants stored within an aircraft, or a modest amount of lubricants consumed in the routine use of the aircraft that are stored in the original containers in which they are sold. The storage of fuel in portable containers, regardless of type, shall not be permitted in the Unit.

SECTION 18. SUITABILITY OF UNIT - User has examined the Unit before entering into this Use Agreement and does not rely upon any representations by Owner as to the condition of the Unit or its suitability for User's purposes.

SECTION 19. REMEDIES FOR DEFAULT – OPPORTUNITY TO CURE – If done for the purpose of protecting public safety or to address an immediate threat of danger to persons or property, the Owner may interrupt the User's use of the Unit immediately and without notice. If user is engaged in commercial activities utilizing the Unit or is otherwise monetizing access or use of the Unit, Owner may interrupt the User's use of the Unit immediately and without notice.
If User is otherwise engaged in a non-compliant use of the Unit, Owner will provide written Notice to User and will provide thirty days (30 days) for the User to cure the non-compliant use. If the non-compliant use is not cured within the thirty day (30 day) period, the Owner may terminate User's use of the Unit.
If User fails to pay Owner the Use Payment required hereunder when due and said failure continues for thirty (30) days or if the User otherwise fails to perform any of the User's obligations hereunder and said failure continues for thirty (30) days, Owner may declare a default and retake possession of the Unit, including retaking by but not limited to, forcible eviction. Owner shall also be entitled to recover from User any special damages to Owner by reason of User's default. The remedies specified above are not in limitation to any other remedies allowed by law. All costs incurred by Owner in enforcing the terms of this Use Agreement shall be borne by User, including reasonable legal fees.

SECTION 20. AIRPORT MATTERS - This Use Agreement is subordinate to the provision of any existing agreement between the Owner and the United States of America, the State of Florida or their agencies, relative to the operation of maintenance of the St. Augustine Airport and specifically subject to all rules and regulations of the Federal Aviation Administration, the State of Florida, and the St. Johns County Airport Authority.

SECTION 21. STANDARD PROTECTION CLAUSES - (a) Owner reserves unto itself, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the real property hereinafter described together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used, for navigation of or flight in the said airspace, and for use of said airspace for landing on, taking off from, or operation on the St. Augustine - St. Johns County Airport. **(b)** The User expressly agrees for itself, its successors and assigns, to prevent any use of the Unit ~~hereinafter described real property~~ which would interfere with or adversely affect the operation or maintenance of the airport, or otherwise constitute an airport hazard.

SECTION 22. COVENANTS - (a) As a part of the consideration for this Use Agreement, User covenants and agrees to further pay or discharge all taxes, assessments, penalties, charges, rates or liens of any nature whatsoever which may for the period following the effective date of this Use Agreement be levied, assessed, charged, imposed or claimed on or against this Use Agreement, Unit, interest, lot or land or any improvements of fixtures thereon or appurtenances thereto, or any part thereof, or against the Owner or Owners of said land or the improvements, by reason of said ownership, by whatsoever authority levied, assessed, charged, imposed, claimed and whether the same be on or about the property herein used, its improvements, fixtures, or appurtenances, or any part thereof, on or against the income from said land or its improvements, it being the intention of the parties to this Use Agreement that the Use Payments herein reserved shall constitute a net income to the Owner from said land herein used, equal in amount to said Use Payments.

SECTION 23. RIGHT TO INSPECT – Owner retains an unqualified right to enter and inspect the Unit at any time and for any purpose, without notice to the User, and to access the Unit through any door including any Unit hangar door. Any doors within the Unit found to not be on the Owner's pass key will be rekeyed by Owner at User's expense. Owner may video-graphically record any entry into the Unit. Security camera systems may be installed on the outside of the Units.

SECTION 24. DELIVERY OF POSSESSION – If for any reason Owner does not deliver possession of the Unit to User on the Commencement Date, Owner shall not be subject to any liability for such failure, the Expiration Date shall not change and the validity of this Use Agreement shall not be impaired, but Use Payment shall be abated until delivery of possession unless such delayed possession extends for more than 20 days, whereupon User may terminate this Use Agreement and be entitled to the return of any and all deposits and Use Payments paid or pre-paid. "Delivery of possession" shall be deemed to occur on the date Owner tenders delivery of keys to User. If Owner permits User to begin use of the Unit before the Commencement Date, such possession shall be subject to the provisions of this Use Agreement, including, without limitation, the payment of Use Payment prorated on a per diem basis. User beginning use of the Unit shall be deemed conclusive evidence that as of the date of first use the Unit is in good order and satisfactory condition.

SECTION 25. ALTERATIONS – User shall not make any addition, alteration, or improvement to the Unit. Unauthorized alterations carry a fine of $500.00 and require repair or restoration of the Unit. Applications for authorized improvements are made through the Executive Director and require a $250.00 fee and signed Addendum to this Use Agreement.

SECTION 26. TERMINATION – For any reason, either party to this agreement may at any time terminate the agreement in advance of the expiration date by providing written notification at least thirty (30) days in advance of the proposed cancellation. If the Unit or the portion of the Building necessary for User's occupancy is damaged by fire, earthquake, act of God, the elements of other casualty, or the Unit reach age of life, Owner may terminate this Use Agreement without advanced notice. Upon the expiration or earlier termination of this Use Agreement, User shall cease use of the Unit in a clean condition and in the same condition as on the date User first began use, except for normal wear and tear, and in a broom clean condition. If User abandons or discontinues use the Unit, or is dispossessed by process of law or otherwise, any of User's property left on the Unit shall be deemed to be abandoned, and, at Owner's option, title shall pass to Owner under this Use Agreement as by a bill of sale. If Owner elects to remove all or any part of such User's property,

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the cost of removal, including repairing any damage to the Unit caused by such removal, shall be paid by User. Upon termination, User shall surrender all keys to the Unit.

SECTION 27. MISCELLANEOUS.

a. *Accord and Satisfaction. Allocation of Payments.* No payment by User or receipt by Owner of a lesser amount than the Use Payment provided for in this Use Agreement shall be deemed to be other than on account of the earliest due Use Payment, nor shall any endorsement or statement on any check or letter accompanying any check or payment as Use Payment be deemed an accord and satisfaction, and Owner may accept such check or payment without prejudice to Owner's right to recover the balance of the Use Payment or pursue any other remedy provided for in this Use Agreement. In connection with the foregoing, Owner shall have the absolute right in its sole discretion to apply any payment received from User to any account or other payment of User then not current and due or delinquent.

b. *Attorneys' Fees.* If any action or proceeding is brought by either party against the other pertaining to or arising out of this Use Agreement, the finally prevailing party shall be entitled to recover all costs and expenses, including reasonable attorneys' fees, incurred on account of such action or proceeding.

c. *Captions, Articles and Section Numbers.* The captions appearing within the body of this Use Agreement have been inserted as a matter of convenience and for reference only and in no way define, limit or enlarge the scope or meaning of this Use Agreement. All references to Article and Section numbers refer to Articles and Sections in this Use Agreement.

d. *Choice of Law.* This Use Agreement shall be construed and enforced in accordance with the laws of the State of Florida. ~~The parties waive trial by jury.~~ **THE PARTIES WAIVE TRIAL BY JURY.** Venue shall be exclusively the Courts in and for St. Johns County, Florida.

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e. *Corporate Authority.* If User is a legal entity, each individual signing this Use Agreement on behalf of User represents and warrants that he or she is duly authorized to execute and deliver this Use Agreement on behalf of the entity, and that this Use Agreement is binding on User in accordance with its terms. User shall, at Owner's request, deliver a certified copy of a resolution of its governing officers authorizing such execution.

f. *Counterparts.* This Use Agreement may be executed in multiple counterparts, all of which shall constitute one and the same Use Agreement.

g. *Prior Agreements; Amendments.* This Use Agreement contains all of the agreements of the parties with respect to any matter covered or mentioned in this Use Agreement, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provisions of this Use Agreement may be amended or added to except by an agreement in writing signed by the parties or their respective successors in interest.

h. *Recording.* User shall not record this Use Agreement without the prior written consent of Owner.

i. *Severability.* A final determination by a court of competent jurisdiction that any provision of this Use Agreement is invalid shall not affect the validity of any other provision, and any provision so determined to be invalid shall, to the extent possible, be construed to accomplish its intended effect.

j. *Successors and Assigns.* This Use Agreement shall apply to and bind the heirs, personal representatives, and permitted successors and assigns of the parties.

k. *Time of the Essence.* Time is of the essence of this Use Agreement.

l. *Waiver.* No delay or omission in the exercise of any right or remedy of Owner upon any default by User shall impair such right or remedy or be construed as a waiver of such default. The receipt and acceptance by Owner of delinquent Use Payment shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular Use Payment involved. The receipt and acceptance by Owner of any Use Payments made by a third party shall not be deemed as consent to the assignment of this Use Agreement, or as a novation for the benefit of such third party, or a waiver of the User's obligations under this Use Agreement. The receipt and acceptance by Owner of any Use Payments by a third party shall not create any justifiable reliance or equitable estoppel for the benefit of such third party. No endorsement on any instrument of payment for a Use Payment shall operate to create any rights to the third party under this Use Agreement. No act or conduct of Owner, including, without limitation, the acceptance of keys to the Unit, shall constitute an acceptance of the surrender of the Unit by User before the expiration of the Term. Only a written notice from Owner to User shall constitute acceptance of the surrender of the Unit and accomplish a termination of the Use Agreement. Owner's consent to or approval of any act by User requiring Owner's consent or approval shall not be deemed to waive or render unnecessary Owner's consent to or approval of any subsequent act by User. Any waiver by Owner of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the Use Agreement.

m. *Compliance.* The parties hereto agree to comply with all applicable federal, state and local laws, regulations, codes, ordinances and administrative orders having jurisdiction over the parties, property or the subject matter of this Agreement, including, but not limited *to,* the 1964 Civil Rights Act and all amendments thereto, the Foreign Investment In Real Property Tax Act, the Comprehensive Environmental Response Compensation and Liability Act, and The Americans With Disabilities Act.

IN WITNESS WHEREOF, the Owner and User have caused this Lease to be executed as of the date first above written.

USER: ______________________________ **OWNER:** St. Johns County Airport Authority

BY:______________________________ **BY:**______________________________

Printed Name Legibly Courtney K. Pittman, Interim Executive Director

DATE:______________________________ **DATE:**______________________________

T-HANGAR USE AGREEMENT

Hangar Unit No.: ___________

( ) T-Hangar ( ) Box-Hangar

Initial Monthly
Use Rate: ____________________

Date: ____________________

Owner Information

St. Johns County Airport Authority
4796 US Highway 1, North
St. Augustine, FL 32095
Phone: (904) 209-3900
E-mail: hangars@sgj-airport.com

User Information

Name: ____

Address: ____

____

City: ____________________________ State: _____ Zip: ________

Telephone: ______________________________

Email: ____

Alt. Email: _______________________________________

Stored Aircraft Information (if Box Hangar, and if applicable, complete second Aircraft Information below.

FAA Reg. No.: _____________ Manufacturer: _________________ Model: _______________ Ser. No. _________

Date of Last Annual: ______________________ Color (Base): ________________ Color (Trim): ________________

FAA Reg. Owner: ________________________________ If entity, State of Incorporation: ____________________

Terms

SECTION 1. USE OF T-HANGAR UNIT – Owner conditionally permits the use of the T-Hangar Unit (the Unit) indicated above, and the User hereby agrees to use the Unit subject to the terms and conditions set forth in this Agreement (hereinafter, the "Use Agreement").

SECTION 2. USE TERM – The use term shall commence on the date indicated above and shall end the last day of the following September (one year or less), except this Use Agreement shall automatically renew for one (1) consecutive year terms, unless otherwise earlier terminated. The Use Agreement shall not automatically renew for a successive year if the User has not timely paid Use Payment or is otherwise in default. The parties' early termination rights are described in Section 27.

SECTION 3. PERMITTED USES – The use of the Unit shall be limited to the following non-commercial aeronautical uses:

1. the hangaring of an airworthy aircraft owned by the User. Upon request of the Owner, the User may be asked to provide, and agrees to provide, verification or documentation of ownership in the stored aircraft and evidence of the airworthy status of the stored aircraft. Aeronautical accessories and non-aeronautical habitability items, described more specifically below, may be kept in the hangar;
2. the non-commercial construction of amateur-built or kit-built aircraft.

The following aeronautical accessories and non-aeronautical habitability items may be kept in the hangar under the circumstances described, if the items are normally located within 36 inches the Hangar walls:

1. Towbars and small aircraft handling machinery used with towbars to facilitate the movement of the Aircraft in and out of the hangar;
2. tools, toolboxes, workbenches, manuals, and documentation used for routine owner maintenance of the aircraft stored;
3. if the use is for the non-commercial construction of an amateur or kit-built aircraft, tools appropriate for such activity;
4. a reasonable amount of consumables used for the Aircraft or the Hangar such as motor oil and cleaning supplies;
5. a modest amount of habitability items for use while attending to the aircraft such as a desk, seating, a small refrigerator unit (see Section 12, below, relating to Utilities,) radio, etc. provided such items are located along the hangar walls and do not impair the movement of the aircraft in or out of the hangar;
6. While the stored aircraft is in use and temporarily absent from the hangar, the vehicle(s) used to commute to or from the hangar.

For additional interpretive guidance concerning permissible uses under this section, including permissible periods of time when the Aircraft may not be airworthy due to routine, scheduled, or unscheduled maintenance, the Owner publishes "Frequently Asked Questions Concerning T-Hangar Use" on the St. Johns County Airport Authority's website.

User Initials: ________________ No other use is permitted. Specifically, the Unit may not be used for the storage of any other content including, but not limited to, watercraft, trailers, household goods, vehicles, motor vehicles, motorcycles, recreational vehicles, non-aeronautical items, derelict aircraft or the prolonged storage of aircraft parts, or the storage of any other content without the Owner's express written consent. Use of the Unit is for the beneficial use of the User only. Use of the Unit itself may not be monetized by the User, including by assignment or sub-leasing.

SECTION 4. USE PAYMENT - User agrees to pay Owner the initial sum indicated above per month plus sales tax and, ad valorem tax, if applicable. Use Payment is due and payable on the first day of each month, in advance of use. A Late Fee of $50.00 per month shall apply to all Use Payments remaining unpaid after the tenth day of the month. Late fees shall be cumulative and shall not be Owner's exclusive remedy. The Use Payment rate may be adjusted with a minimum of thirty (30) days advanced notification of the increase having been made to User. The Use Payment rate shall also be subject to annual adjustments based on the Consumer Price Index, and from time to time the Use Payment rate shall be adjusted to reflect Fair Market Use Value. Each adjustment to Fair Market Use Value shall serve as the base for subsequent annual CPI adjustments. Any such Fair Market Use Value adjustment shall exclude sales tax in such computation.

SECTION 5. NOTICES – COMPUTATION OF TIME All formal notices, certificates or other formal communications hereunder shall be sufficiently given and shall be deemed given when mailed by registered or certified mail, postage prepaid, addressed as follows:

- if to the **User** at the above indicated address with a copy by electronic mail message, and:
- if to **Owner**, at 4796 U.S. Highway 1, North, St. Augustine, FL 32095 with a copy by electronic mail message to **hangars@sgj-airport.com**.

The Owner and the User may, by notice given hereunder, designate any additional or different address to which subsequent notices, certificates or other communications shall be sent.
For computation of any deadline that begins to run upon the provision of such Notice, the date on which the Notice is given is excluded from computation, and first day of the calculation of days begins with the day following the day on which Notice was given. Intermediate Saturdays, Sundays, and legal holidays are counted in the computation, provided however, that if the last day of the time period falls on a Saturday, Sunday, or legal holiday, then the time period is extended to the next day that is not a Saturday, Sunday, or legal holiday.

SECTION 6. BINDING EFFECT - This Use Agreement shall inure in the benefit of and shall be binding upon the OWNER and the USER.

SECTION 7. COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS - User will use the Unit and conduct or allow any activities upon the Unit only in compliance with all applicable laws, governmental regulations, and regulations established from time to time by Owner, including policy and interpretive guidance ("Hangar Use Frequently Asked Questions") as may be published on the Owner's public web site .

SECTION 8. NO ASSIGNMENT - User <u>may not assign</u> this Use Agreement. User may not store in the Unit an aircraft not owned by User, nor permit any other person to use the Unit for any purpose whatsoever. No aircraft, other than the Aircraft identified above, may be stored in the Hangar.

SECTION 9. INSURANCE - Insurance Types and Limits are not presently required. However, the requirement for insurance may from time to time be reviewed and determined by Owner.

SECTION 10. INDEMNIFICATION –

a. User agrees to indemnify and hold harmless the Owner and its agents, employees and members thereof, from any claim arising out of injury to any person or damage to any property resulting from User's activity upon the Unit. Owner assumes no liability for risks associated with the User's use.
b. User shall indemnify and hold Owner harmless against and from liability and claims of any kind for loss or damage to property of User or any other person, or for any injury to or death of any person, arising out of: (1) User's use of the Unit, or any work, activity or other things allowed or suffered by User to be done in, on or about the Unit; (2) any breach or default by User of any of User's obligations under this Use Agreement; or (3) any negligent or otherwise tortious act or omission of User, its agents, employees, invitees or contractors. User shall at User's expense, and by counsel satisfactory to Owner, defend Owner in any action or proceeding arising from any such claim and shall indemnify Owner against all costs, attorneys' fees, expert witness fees and any other expenses incurred in such action or proceeding. As a material part of the consideration for Owner's execution of this Use Agreement, User hereby assumes all risk of damage or injury to any person or property in, on or about the Unit from any cause.
c. Owner shall not be liable for injury or damage which may be sustained by the person or property of User, its employees, invitees or customers, or any other person in or about the Unit, caused by or resulting from fire, steam, electricity, gas, water or rain which may leak or flow from or into any part of the Unit, or from the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, or resulting from aircraft damage or property damage resulting from sharing the Unit, whether such damage or injury results from conditions arising upon the Unit or upon other portions of the Building or from other sources. Owner shall not be liable for any damages arising from any act or omission of any User of the Building.

SECTION 11. SECURITY - Owner makes no implication or guarantees as to the provision of security of the Unit. The User is solely responsible for the security of the Unit.

SECTION 12. UTILITIES - Owner shall pay all normal and applicable costs and charges for water and electricity, and any other Owner provided utilities used in connection with the Unit while this Use Agreement remains in force. Any excess use or abuse will be charged to and payable by User. The hangar is provided with electrical outlets for the use of the User. It is provided for intermittent use of small electrical devices and normal lighting. Approved devices include items such as: vacuum cleaners, fans, small handheld power tools, small intermittent use battery chargers, radios, air compressors requiring less than 15 amps of peak current draw, or similar devices. The installation or placement of items that consume electricity on a continual basis or automatically cycle on-off such as refrigerators or similar devices including household appliances or devices not considered with the approved use of the Unit, are not permitted except when complying with one (1) of the following conditions and as approved in writing by the Owner: **(a)** The User has caused the installation of a separate power meter along with whatever additional modifications are required to facilitate electrical service. All modifications consistent with this provision shall have the written approval of the Owner; shall be properly permitted with St. Johns County; and shall be installed by a licensed contractor(s) approved for such work. The ongoing cost for electrical service shall be that of the User. The improvements made shall at the expiration of the Use Agreement, be completely removed and the hangar restored to a condition like that prior to modification or at the option of the Owner, shall become a Unit improvement and become the property of the Owner. Modifications for power will not be approved by the Owner to facilitate more than the total units by any one User in any one building; **OR (b)** A monthly surcharge would be paid by the User. The amount of the surcharge will be per Addendum "A" of this agreement, and as modified by the Owner at the time of renewal or automatic extension. User shall not connect any apparatus with electric, water, gas or other utility except through existing electrical outlets, faucets, valves or as otherwise existing in the Unit without first procuring the written consent of Owner, which Owner may refuse.

SECTION 13. SIGNS - User shall not affix, paint, erect or inscribe any sign, projection, awning, signal or advertisement of any kind to any part of the Unit, including without limitation, the inside or outside of windows or doors, without the written consent of Owner, which may be withheld for any or no reason. Owner shall have the right to remove any signs or other matter, installed without Owner's permission, without being liable to User by reason of such removal. Owner reserves the right to name the Building and to change the name or street address of the Building and to install and maintain all signs on the exterior and interior of the Building, including ADA signage.

SECTION 14. ACCESS AND PARKING - User automobile parking for personal vehicles shall be permitted within the Unit only when the aircraft is in use, or on the access driveway to the individual hangar unit. At all times, automobile parking shall be accomplished in a manner to provide unrestricted movement of aircraft and other automobiles on common taxiways. Other parking areas may be provided by Owner. No on-street parking is permitted.

Vehicle Access to the hangar area is to be accomplished through gates designated by Owner. No hangar access is to be accomplished utilizing the FBO Area. No automobile, wheeled vehicle or pedestrian use of airfield movement areas is permitted. At all times, vehicle surface traffic shall yield to aircraft. User acknowledges that the airport is a secured facility. User shall abide by any and all parking regulations and rules established from time to time by Owner, Owner's parking operator or other security personnel.

SECTION 15. MAINTENANCE - Owner assumes and retains reasonable maintenance responsibilities for the Unit, building and surrounding grounds. User shall maintain the interior of the hangar, including any HVAC. User agrees that in the event of abuse or damage to Owner's property the cost of repairs may be charged to the User. Owner reserves the right to facilitate all maintenance and repairs of the Unit. Owner shall have no liability to User nor shall User's obligations under this Use Agreement be reduced or abated in any manner whatsoever by reason of any inconvenience, annoyance, interruption or damage arising from Owner's making any repairs, upgrades, renovations or changes which Owner is required or permitted by this Use Agreement or required by law to make in or to any portion of the Building or the Unit. Owner shall nevertheless use reasonable efforts to minimize any interference with User's use of the Unit.

SECTION 16. SOLID WASTE AND REFUSE DISPOSAL - The disposal of solid waste and refuse must be in conformance with the system of disposal used on the Airport and must comply with local and State governmental requirements, including compliance with airport recycling programs.

SECTION 17. HAZARDOUS STORAGE - No material of a hazardous or toxic characteristic shall be permitted to be stored in the Unit. This provision shall not apply to aircraft fuel and lubricants stored within an aircraft, or a modest amount of lubricants consumed in the routine use of the aircraft that are stored in the original containers in which they are sold. The storage of fuel in portable containers, regardless of type, shall not be permitted in the Unit.

SECTION 18. SUITABILITY OF UNIT - User has examined the Unit before entering into this Use Agreement and does not rely upon any representations by Owner as to the condition of the Unit or its suitability for User's purposes.

SECTION 19. REMEDIES FOR DEFAULT – OPPORTUNITY TO CURE – If done for the purpose of protecting public safety or to address an immediate threat of danger to persons or property, the Owner may interrupt the User's use of the Unit immediately and without notice. If user is engaged in commercial activities utilizing the Unit or is otherwise monetizing access or use of the Unit, Owner may interrupt the User's use of the Unit immediately and without notice.
If User is otherwise engaged in a non-compliant use of the Unit, Owner will provide written Notice to User and will provide thirty days (30 days) for the User to cure the non-compliant use. If the non-compliant use is not cured within the thirty day (30 day) period, the Owner may terminate User's use of the Unit.
If User fails to pay Owner the Use Payment required hereunder when due and said failure continues for thirty (30) days or if the User otherwise fails to perform any of the User's obligations hereunder and said failure continues for thirty (30) days, Owner may declare a default and retake possession of the Unit, including retaking by but not limited to, forcible eviction. Owner shall also be entitled to recover from User any special damages to Owner by reason of User's default. The remedies specified above are not in limitation to any other remedies allowed by law. All costs incurred by Owner in enforcing the terms of this Use Agreement shall be borne by User, including reasonable legal fees.

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j. *Successors and Assigns.* This Use Agreement shall apply to and bind the heirs, personal representatives, and permitted successors and assigns of the parties.

k. *Time of the Essence.* Time is of the essence of this Use Agreement.

l. *Waiver.* No delay or omission in the exercise of any right or remedy of Owner upon any default by User shall impair such right or remedy or be construed as a waiver of such default. The receipt and acceptance by Owner of delinquent Use Payment shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular Use Payment involved. The receipt and acceptance by Owner of any Use Payments made by a third party shall not be deemed as consent to the assignment of this Use Agreement, or as a novation for the benefit of such third party, or a waiver of the User's obligations under this Use Agreement. The receipt and acceptance by Owner of any Use Payments by a third party shall not create any justifiable reliance or equitable estoppel for the benefit of such third party. No endorsement on any instrument of payment for a Use Payment shall operate to create any rights to the third party under this Use Agreement. No act or conduct of Owner, including, without limitation, the acceptance of keys to the Unit, shall constitute an acceptance of the surrender of the Unit by User before the expiration of the Term. Only a written notice from Owner to User shall constitute acceptance of the surrender of the Unit and accomplish a termination of the Use Agreement. Owner's consent to or approval of any act by User requiring Owner's consent or approval shall not be deemed to waive or render unnecessary Owner's consent to or approval of any subsequent act by User. Any waiver by Owner of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the Use Agreement.

m. *Compliance.* The parties hereto agree to comply with all applicable federal, state and local laws, regulations, codes, ordinances and administrative orders having jurisdiction over the parties, property or the subject matter of this Agreement, including, but not limited *to,* the 1964 Civil Rights Act and all amendments thereto, the Foreign Investment In Real Property Tax Act, the Comprehensive Environmental Response Compensation and Liability Act, and The Americans With Disabilities Act.

IN WITNESS WHEREOF, the Owner and User have caused this Lease to be executed as of the date first above written.

USER: ______________________________	**OWNER:** St. Johns County Airport Authority
BY:______________________________ **Printed Name Legibly**	**BY:**______________________________ Courtney K. Pittman, Interim Executive Director
DATE:______________________________	**DATE:**______________________________

St. Augustine Airport

T-Hangar Compliance FAQ's

List of FAQ's:

1. *What are the public policies that mandate the Airport Authority's T-Hangar Compliance Program?*

2. *Where can I find an explanation of what constitutes a compliant use of my assigned T-Hangar?*

3. *Why is there a strict prohibition against commercial use of a T-Hangar?*

4. *What kinds of things can I have in my T-Hangar?*

5. *What kind of things cannot be stored in my T-Hangar?*

6. *If I have extra floor space left over after storing my aircraft, what's the harm in keeping some of these items in my T-Hangar?*

7. *My aircraft is having its propeller overhauled. Does this cause it to be considered a "Non-operational Aircraft"?*

8. *How does the Airport Authority monitor the T-Hangars for complaint use?*

Frequently Asked Questions:

1. *What are the public policies that mandate the Airport Authority's T-Hangar Compliance Program?*

Answer: Because T-Hangars are built and maintained with public monies, they must be used for their intended purpose: ***the storage of general aviation aircraft for non-commercial purposes.***

The Airport Authority has a responsibility to monitor the use of its own T-Hangar facilities, including the purposes for which they are being used and their material condition. This responsibility is driven by both public safety as well as FAA grant assurance obligations that come with being a Public Use Airport.

Persons on the T-Hangar waiting list are also tax payors and have no less of a priority for T-Hangar access than do existing T-Hangar tenants. This is why, if an existing T-Hangar tenant is determined to be engaging in a persistent non-compliant use, the Airport Authority's expectations are that the tenant will step aside and allow the next eligible person on the T-Hangar waiting list to have an opportunity to benefit from this public resource.

Relevant FAA regulations applicable to the Airport Authority provide:

> "VI. Sponsor Compliance Actions
> a. It is expected that aeronautical facilities on an airport will be available and used for aeronautical purposes in the normal course of airport business, and that non-aeronautical uses will be the exception.
> b. Sponsors should have a program to routinely monitor use of hangars and take measures to eliminate and prevent unapproved non-aeronautical use of hangars.
> c. Sponsors should ensure that length of time on a waiting list of those in need of a hangar for aircraft storage is minimized.
> d. Sponsors should also consider including a provision in airport leases, including aeronautical leases, to adjust rental rates to FMV for any non-incidental non-aeronautical use of the leased facilities. In other words, if a tenant uses a hangar for a non-aeronautical purpose in violation of this policy, the rental payments due to the sponsor would automatically increase to a FMV level.
> e. FAA personnel conducting a land use or compliance inspection of an airport may request a copy of the sponsor's hangar use program and evidence that the sponsor has limited hangars to aeronautical use.
> The FAA may disapprove an AIP grant for hangar construction if there are existing hangars at the airport being used for non-aeronautical purposes."

Federal Register Vol. 81, No. 115 Wednesday, June 15, 2016

2. *Where can I find an explanation of what constitutes a compliant use of my assigned T-Hangar?*

Answer: There are three primary sources of information to understand a T-Hangar tenant's obligations for complaint use:

(a) The contractual terms of the written agreement with the Airport Authority for T-Hangar Use;

(b) The Airport Authority's Lease Policy Manual (2022) published on the Airport Authority website; and

(c) Interpretive Guidance (including these Questions and Answers) published from time-to-time by Interim Executive Director.

3. *Why is there a strict prohibition against commercial use of a T-Hangar?*

Answer: All Airport facilities are in constant demand by both private users as well as commercial aeronautical service providers. An important mission of the Airport Authority is to support general aviation use, promote the affordability of general aviation, and to allow general aviation tax payors access to a Public Use Airport's facilities. Reserving T-Hangars for strictly non-commercial purposes is how the Airport Authority maintains a dedicated pathway for general aviation users into the Airport's hangar facilities. Commercial service providers are provided other pathways to access facilities for commercial use, and are not permitted to encroach into the T-Hangars reserved for non-commercial use. Any such encroachment by commercial use also creates stagnation in the normal pattern of turn-over on the T-Hangar waiting list.

For this reason, when the opportunity to use a general aviation T-Hangar is instead monetized for commercial use, the Airport Authority considers such a use to be a lease terminating event.

4. *What kinds of things can I have in my T-Hangar?*

Answer: As general guidance, the following items are permissible use items that may be kept in a T-Hangar:

(a) An operational aircraft owned by you and identified on your hangar use agreement;

(b) Aircraft handling equipment including manual tow-bars, powered tow-bar devices, and chocks;

(c) A reasonable amount of consumables related to your operational aircraft such as engine oil, oil filters, fuel filters, hydraulic fluids, cleaning supplies, micro-fibre cloths, etc. kept in open shelves;

(d) A small container with a cap that may be used to temporarily hold small quantities of fuels collected during pre-flight fuel sampling or fuel tank sumping until it can be properly disposed of;

(e) Tools, (including jack stands and rolling mechanic's creeper) consistent with a Part 61 certificated pilot performing owner/operator ***preventative maintenance***. Preventative maintenance items are enumerated under the FAR's. *See* FAA Advisory Circular 43-12A; *see also* 14 CFR Part 43, Appendix A of the FAR's. A tool chest (rolling or stationary) used to store such tools. A workbench used in support of the performance of preventative maintenance items;

(f) Providing that a T-Hangar use agreement specifically acknowledges an amateur or kit-built aircraft project is in progress, additional tools, parts, and materials as may be appropriate for the project;

(g) Portable aviation battery chargers and portable dehumidifiers provided the operation and electrical supply is in safe and serviceable condition;

(h) A modest-sized desk to support the administrative tasks of log book entries, maintenance manuals, record keeping, flight planning, a desk-top computer, etc.;

(i) A reasonable amount of hangar use habitability items, such as a portable fan, chairs, a small refrigerator used for refreshments, stereo and speakers or flat-screen television, etc.

(j) One temporarily parked Automobile while the tenant is using the assigned aircraft.

Non-aircraft items should normally be capable of being stored within 3 feet of the edge of the hangar walls, and no item should be stored in such a manner as to impede the ingress or egress of the stored aircraft.

5. *What kind of things cannot be stored in my T-Hangar?*

Answer: As general guidance, a T-Hangar cannot be used for storage of the following non-exclusive list of items:

(a) An Aircraft not listed on your T-Hangar use agreement;

(b) Non-operational Aircraft and non-assembled Airframe components or aircraft parts,

(c) Automobiles, Motorcycles, and Recreational Vehicles.

(d) Boats, Jet-Skis, kayaks, surf-boards, or other water-craft.

(e) Utility trailers or boat trailers.

(f) Household Goods, Household Appliances, Recreational Goods.

(g) Firearms or Weapons.

(h) Propane tanks, flammable fluids, or flammable fuels, including aviation fuels not stored in the Aircraft's fuel tanks.

(i) Flame producing items, including flame producing space heaters, flame producing tools used for hot work, welding equipment or torches.

6. *If I have extra floor space left over after storing my aircraft, what's the harm in keeping some of these items in my T-Hangar?*

Answer: First, the comparatively low cost the Airport Authority charges for T-Hangar use is premised upon the fair-market value of a T-Hangar use agreement that *restricts the T-Hangar to aeronautical use only*. To illustrate, consider a comparable T-Hangar structure located off of the Airport at a non-aeronautical commercial storage facility where there was no use restriction on the floor to ceiling storage of all manner of household goods or vehicles. The fair market value of such use would be substantially greater than the cost the Airport Authority is permitted to charge for a T-Hangar that is *restricted to aeronautical use*. Federal tax payors who are not aircraft owners justifiably object to public monies being used to provide an un-paid benefit to aircraft owners that is not available to other tax payors. This tends to undermine public support for the expenditures of public monies for non-commercial general aviation resources in the National Airspace System.

Just as importantly for this Airport Authority, there is a high correlation between the presence of non-aeronautical items being stored in a T-Hangar with the presence of a non-operational or non-used aircraft, providing evidence that T-Hangar tenancy tends persist primarily for the opportunity to store non-aeronautical items at below fair-market prices. This "tail wagging the dog" situation is a major factor in the stagnation of T-Hangar waiting list turnover, frustrating the opportunity of other tax-payor owners of operational aircraft to access T-Hangar use.

A bright line rule demarking the aeronautical-only use of the Airport Authority's T-Hangars is necessary for keeping T-Hangar use prices as low as practicable, promoting fairness to other T-Hangar tenants, promoting fairness to persons on the T-Hangar waiting list, and furthering the Airport Authority's goal of keeping general aviation affordable and attainable for private aircraft owners.

7. *My aircraft is having its propeller overhauled. Does this cause it to be considered a "Non-operational Aircraft"?*

A. No. The Airport Authority conducts period inspections of the T-Hangars and is aware of Aircraft undergoing a periodic cycle of regular maintenance such as propeller overhauls, engine overhauls, avionics upgrades, etc. By contrast, when an aircraft is observed to be in the same non-flyable status for a protracted period of time, the Airport Authority will make inquiries to the tenant for a statement of intent. Aircraft that will be non-operational for a protracted period of time do not need to be stored at an airport location with taxiway access to an active runway. Similarly, amateur or kit built aircraft projects that are not making demonstrable progress towards completion are best kept at an off-airport location so that operational aircraft owners are not deprived of a T-Hangar with access to an active runway.

8. *How does the Airport Authority monitor the T-Hangars for complaint use?*

A. Airport Authority staff routinely observe T-Hangars for complaint use and may access a T-Hangar for a variety of purposes. Periodically, the Airport Authority conducts a dedicated compliance inspection of all T-Hangars and those inspections create a snap-shot status of T-Hangar use at the Airport. For the protection of Airport Authority staff as well as T-Hangar tenants, these inspections are conducted by staff member teams and video-graphically recorded. Any T-Hangar door found unsecured or unlocked at the beginning of the inspection is secured and locked at the conclusion of the inspection.

A dedicated compliance inspection of all T-Hangars was conducted in October of 2024 and a summary of the results was presented to the Airport Authority Board of Directors in December of 2024. The summary report can be found here. Hangar Use Assessment Reports were provided to all tenants in January of 2025 documenting the conditions observed their T-Hangars and any non-compliant conditions that needed to be addressed.

The most recent dedicated compliance inspection was completed in September of 2025 and Hangar Use Assessment Reports are being prepared based on that inspection. A comparison of the compliance status noted in the October 2024 inspection will be made to assess any persistent non-compliant conditions that have not been addressed and remediated.

ST JOHNS COUNTY AIRPORT AUTHORITY

February 3, 2025

From: Aviation Counsel,
St. Johns County Airport Authority

To:
- St. Johns County Airport Authority Board
- Courtney K. Pittman, Interim Executive Director
- General Counsel

Subj: FAA Policy Concerning Hangar Use;
Non-Aeronautical Use of T-Hangars and Box Hangars;
Airport Authority Compliance and Monitoring Requirements;
Memorandum and Reference Documents

Attachments:

A. FAA Frequently Asked Questions & Answers On FAA Policy on Use of Hangars at Obligated Airports;

B. FAA Final Rule: Policy on the Non-Aeronautical Use of Airport Hangars, June 15, 2016;

C. FAA Notice of Proposed Rule Making: Policy on the Non-Aeronautical Use of Airport Hangars, July 22, 2014

I. Summary

This Memorandum summarizes the Airport Authority's regulatory compliance obligations concerning the management of its T-Hangar and Box Hangar inventory as a Public Use Airport. The FAA concerns itself with the known tendency for non-aeronautical uses to spread into an airport's hangar inventory and publishes policy guidance on an airport's obligation to monitor and address this tendency.

The FAA published its Notice of Proposed Rule Making concerning the Policy of Non-Aeronautical Use of Airport Hangars on July 22, 2014. In it, the FAA described the need for a Final Rule:

> In response to this second report, the FAA began conducting land use inspections at 18 selected airports each year, at least two in each of the nine FAA regions. A frequent finding from these inspections has been the prevalence of non-aeronautical items stored in aircraft hangars designated for aeronautical use. In some cases, the aircraft hangars contained only non-aeronautical items, such as automobiles (including sponsor-owned police cruisers), boats, large recreational vehicles, etc. In other cases, non-aeronautical items shared space

> with legitimate aeronautical use of hangars. Inspections have frequently uncovered motorcycles, furniture, tools, and other non-aeronautical items stored in hangars along with aircraft. Some hangar tenants were found to be operating non-aviation commercial businesses out of an airfield hangar.

FAA Notice of Proposed Rule Making: Policy on the Non-Aeronautical Use of Airport Hangars, July 22, 2014 (attached).

Following a period of public comment, the FAA published the Final Rule on the Non-Aeronautical Use of Airport Hangars on June 15, 2016, which is attached. To help explain the meaning and practical application of the Final Rule, the FAA publishes interpretive guidance on this policy on its "Frequently Asked Questions" website page, which is also attached.

II. Discussion

A. The Public Policy behind the Prohibition of Non-Aeronautical Use

Why does the FAA care about the storage of non-aeronautical items in the hangars of a Public Use Airport? Tenants may ask: "If there is extra space left over in my hangar after my aircraft is in it, what is the harm if I use the hangar to also store additional household goods and other non-aeronautical personal property in my hangar?"

The public policy concern is that this type of non-aeronautical use results in a federally subsidized benefit to private parties. The FAA supports a Public Use Airport's hangars for a single purpose: the storage of an operational aircraft. Taxpayers who are not airport tenants object to the public expenditure of federal dollars to Public Use Airports when those dollars become non-aeronautical commercial benefits to private parties.

Under Federal Law, and as a condition to the substantial investment of public taxpayer dollars, Public Use Airports may only use their property for aviation related purposes unless otherwise approved by the FAA. As part of the broader national aviation policy, Public Use Airports receive federal taxpayer monies conditioned upon the restriction that those monies may only be used for aeronautical purposes. An airport is also required by law to set and receive Fair Market Value prices for aeronautical land use, including the use of hangars, and to not engage in practices that may, directly or indirectly, divert public benefits to private persons or entities.

Airports establish prices for aircraft hangar rental ***based upon the market rates for the hangar's aeronautical use***: ***the storage of an operational aircraft.*** Hangar rental rates are not established based on the cost of general commercial storage facilities that permit the unrestricted wall-to-wall, floor-to-ceiling storage of things other than an operational aircraft.

When hangar tenants co-opt their opportunity to store an aircraft at a federally supported Airport with the concurrent and additional storage of non-aviation items, they receive an unpaid-for benefit that other taxpayers do not receive. Additionally, the Airport does not receive the Fair Market Value for the non-aeronautical use of the hangar. From the FAA's Final Rule (where a "sponsor" is the operator of the airport):

> If an airport tenant pays an aeronautical rate for a hangar and then uses the hangar for a non-aeronautical purpose, the tenant may be paying a below-market rate in violation of the sponsor's obligation for a self-sustaining rate structure ***and FAA's Revenue Use Policy***.
>
> . . .
>
> However, some airport sponsors have adopted hangar use practices that led to airport users to complain to the FAA.
>
> . . .
>
> More commonly, aircraft owners have complained that hangar facilities are not available for aircraft storage because airport sponsors have allowed the use of hangars for purposes that are unrelated to aviation, such as operating a non-aviation business or storing multiple vehicles. By issuing the July 2014 notice, the FAA intended to resolve both kinds of complaints by providing guidance on appropriate management of hangar use.

FAA Final Rule: Policy on the Non-Aeronautical Use of Airport Hangars, June 15, 2016.

When hangar rental rates for the storage of an operational aircraft at an airport are below the market rates for general storage facilities in the commercial marketplace outside of the airport, there is a clear tendency for non-aeronautical use to spread into the hangar inventory of a Public Use Airport. In some cases, "incidental" storage grows to become the predominant use and distorts the rational use of the hangar by a tenant.

On the following pages are some examples of non-aeronautical use of T-hangars at the St. Augustine Airport observed in October of 2024. Observed uses include the storage of boats, automobiles, utility trailers, jet skis, recreational vehicles, household goods, motorcycles, spare parts, and the *long-term storage* of non-operational aircraft. Following these examples is a discussion of the application of current FAA rules.

Examples of non-aeronautical storage uses observed in October of 2024, not exhaustive.

Fig. 1 – Automobiles (5) and Household Goods

Fig. 2 – Boats on trailers (2) and no aircraft

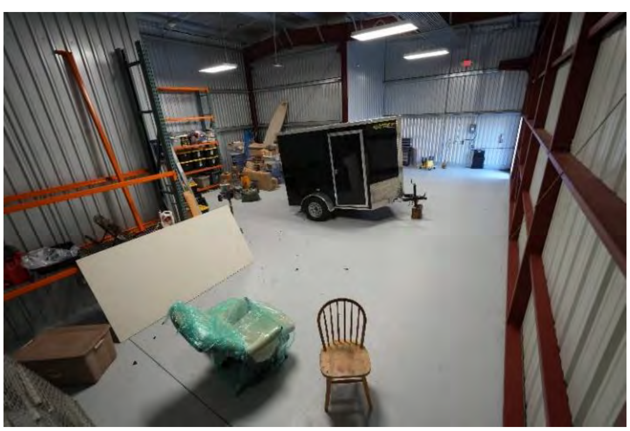

Fig. 3 – Utility Trailer and no aircraft

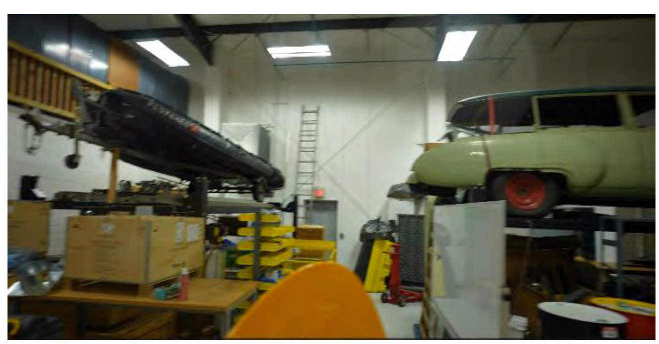

Fig. 4 – Automobile, Boat and Trailer, Spare Parts, Household Goods, non-operational aircraft

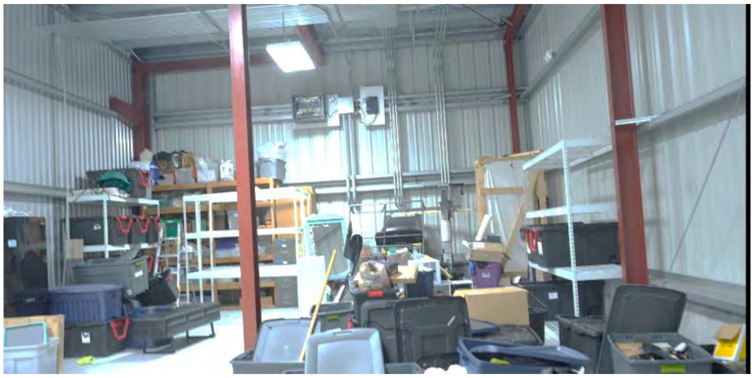

Fig. 5 –Household Goods

Fig. 6 –Boat on Trailer, derelict aircraft fuselage, household goods, no operational aircraft present.

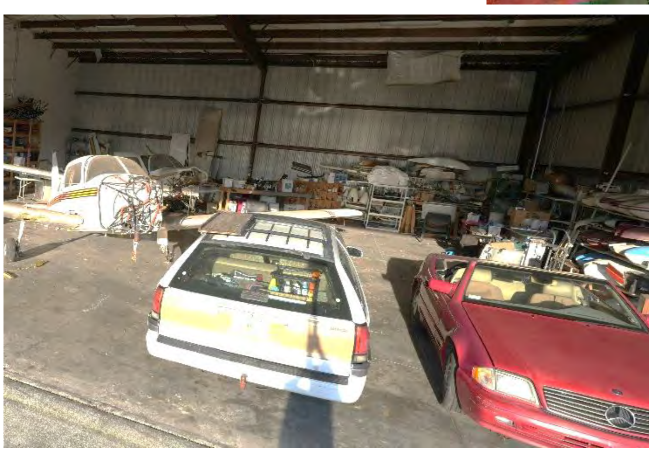

Fig. 7 – Automobiles, derelict aircraft.

Fig. 8 – Utility trailer, household goods, no aircraft

B. The Airport Authority's documented and verifiable Airport Compliance Program for T-Hangar and Box Hangar use is mandatory.

As to the requirement that the Airport have a documented and verifiable compliance program for T-Hangar and Box Hangar use, the FAA's Final Rule is clear and unambiguous. The failure to have such a program will constitute grounds for the denial of federal grants for hangar construction. From the Final Rule:

> VI. Sponsor Compliance Actions
>
> a. It is expected that aeronautical facilities on an airport will be available and used for aeronautical purposes in the normal course of airport business, and that ***non-aeronautical uses will be the exception***.
> b. ***Sponsors should have a program to routinely monitor use of hangars and take measures to eliminate and prevent unapproved non-aeronautical use of hangars.***
> c. Sponsors should ***ensure that length of time on a waiting list of those in need of a hangar for aircraft storage is minimized***.
> d. Sponsors should also consider including a provision in airport leases, including aeronautical leases, to adjust rental rates to FMV for any nonincidental non-aeronautical use of the leased facilities. In other words, ***if a tenant uses a hangar for a nonaeronautical purpose in violation of this policy, the rental payments due to the sponsor would automatically increase to a FMV level.***
> e. FAA personnel conducting a land use or compliance inspection of an airport ***may request a copy of the sponsor's hangar use program*** and evidence that the sponsor has limited hangars to aeronautical use.
> The FAA may ***disapprove an AIP grant for hangar construction if there are existing hangars at the airport being used for non-aeronautical purposes***.

FAA Final Rule: Policy on the Non-Aeronautical Use of Airport Hangars, June 15, 2016.

C. What kinds of non-aeronautical things may be kept in a Hangar?

1. The hierarchy and use of the FAA Final Rule

The FAA's Final Rule, published on June 15, 2016, is primarily for the guidance of Airport operators ("Sponsors"). It establishes some clarity as to the kinds of things that would not be a violation of an Airport Authority's federal grant assurances. The Final Rule is given context and interpretation by the FAA's "Frequently Asked Questions & Answers" webpage. By its express terms, the minimum standards established by the Final Rule do not preempt an Airport Authority's own rules, policies, and lease terms concerning the incidental storage of non-aeronautical items. The Final Rule is not a substitute for an Airport Authority's own rules, policies, and lease terms concerning the incidental storage of non-aeronautical items. From the Final Rule:

> V. No Right to Non-Aeronautical Use
>
> ***In the context of enforcement of the Grant Assurances, this policy allows some incidental storage of nonaeronautical items in hangars that do not interfere with aeronautical use. However, the policy neither creates nor constitutes a right to store nonaeronautical items in hangars.*** Airport sponsors may restrict or prohibit storage of non-aeronautical items. Sponsors should consider factors such as emergency access, fire codes, security, insurance, and the impact of vehicular traffic on their surface areas when enacting rules regarding hangar storage.
> In some cases, permitting certain incidental non-aeronautical items in hangars could inhibit the sponsor's ability to meet obligations associated with Grant Assurance 19, Operations and Maintenance. To avoid claims of discrimination, sponsors should impose consistent rules for incidental storage in all similar facilities at the airport.

FAA Final Rule: Policy on the Non-Aeronautical Use of Airport Hangars, June 15, 2016. The Airport Authority T-Hangar lease form does list non-aeronautical storage as a permissible use:

> **SECTION 3. PERMITTED USES** –Hangar use shall be limited to the following aeronautical uses: 1. Storage of active aircraft; 2. Final assembly of aircraft under construction; 3. Non-commercial construction of amateur-built or kit-built aircraft; 4. Maintenance, repair, or refurbishment of aircraft, but not the indefinite storage of nonoperational aircraft; 5. Storage of aircraft handling equipment, e.g., towbars, glider tow equipment, workbenches, and tools and materials used in the servicing, maintenance, repair or outfitting of aircraft. No other use is permitted.

Airport Authority T-Hangar Lease, Section 3.

2. <u>The Final Rule has language that "the FAA will generally not consider items to interfere with the aeronautical use of the hangar unless the items impede the movement of the aircraft in and out of the hangar . . . ." Does this language "green light" the storage of non-aeronautical items as long as an aircraft can come and go?</u>

It does not. This language means that if an Airport Authority does permit the presence of non-aeronautical items in a hangar, the items may not impede the movement of an aircraft. For example, the FAA specifically considered public comments concerning *the presence of accommodation items* such as lounge furniture and kitchen facilities in a hangar. In this instance, the presence of the items was for accommodation and not storage. The FAA explained that it choose not to prohibit accommodation items in a hangar as long as they did not impede the movement of the aircraft in and out of the hangar. From the Final Rule:

> *11. Comment: Commenters believe that the policy should allow some leisure spaces in a hangar, such as a lounge or seating area and kitchen, in recognition of the time many aircraft owners spend at the airport, and the benefits of an airport community.*
>
> *Response:* The final policy does not_include any special provision for lounge areas or kitchens, either specifically permitting or prohibiting these areas. ***The policy requires only that any nonaviation related items in a hangar not interfere in any way with the primary use of the hangar for aircraft storage and movement.*** The airport sponsor is expected to have lease provisions and regulations in place to assure that items located in hangars do not interfere with this primary purpose.

FAA Final Rule: Policy on the Non-Aeronautical Use of Airport Hangars, June 15, 2016.

To resolve any uncertainty about this issue, the FAA's *Frequently Asked Questions* website (updated August 1, 2022) makes clear that certain items remain inconsistent with use of a Public Use Airport's hangar. From the FAQ website:

> **<u>What uses are not permissible under the policy?</u>**
>
> **FAA Response.**
>
> - Use as a residence.
> - Operation of a non-aeronautical business, e.g., limo service, ***car and motorcycle storage, storage of inventory***, non-aeronautical business office.

- Activities which impede the movement of the aircraft in and out of the hangar or other aeronautical contents of the hangar.
- Activities which displace the aeronautical contents of the hangar or impede access to aircraft or other aeronautical contents of the hangar.
- ***Storage of household items that could be stored in commercial storage facilities.***
- ***Long-term storage of derelict aircraft and parts.***
- Storage of items or activities prohibited by local or state law.
- Fuel, and other dangerous and Hazmat materials.
- Storage of inventory or equipment supporting a municipal agency function unrelated to the aeronautical use.

FAA Frequently Asked Questions & Answers on FAA Policy on Use of Hangars at Obligated Airports. August 1, 2022.

As is apparent, "Activities which impede the movement of the aircraft in and out of the hangar . . ." is simply one of the nine categories of uses listed as prohibited by the Rule, which also ***specifically includes car and motorcycle storage, household items that could be stored in commercial storage facilities, derelict aircraft, and aircraft parts***.

III. Conclusion

To remain eligible for federal grants, the FAA requires the Airport Authority to have in place a meaningful and verifiable hangar use compliance program. The Airport Authority's hangar use compliance program is grounded by an understanding of the applicable FAA rules.

Attachment "A"

Frequently Asked Questions & Answers On FAA Policy on Use of Hangars at Obligated Airports

FAA Website: [Frequently Asked Questions & Answers On FAA Policy on Use of Hangars at Obligated Airports | Federal Aviation Administration]

Frequently Asked Questions & Answers On FAA Policy on Use of Hangars at Obligated Airports

An Airport sponsor who accepts Federal airport grants is bound by the conditions and assurances in the associated grant agreements. These obligations include grant assurances related to use of hangars and other designated aeronautical facilities on the airport for exclusively aeronautical purposes. On June 9, 2016, FAA issued a notice of final policy regarding the storage of non-aeronautical items in airport facilities designated for aeronautical use. In conjunction with that notice of policy, FAA is posting a series of frequently asked Questions and Answers (Q&As) to the FAA Airport Compliance website. These Q&As, which are intended to assist airport sponsors and users, will be periodically updated and may be included in the next update to FAA Order 5190.6B, Airport Compliance Handbook.

- Notice of final policy about the storage of non-aeronautical items in airport facilities designated for aeronautical (PDF)
- FAA Order 5190.6B, Airport Compliance Handbook

Frequently Asked Questions

Expand All Collapse All

Why are hangars limited to certain kinds of use?

FAA Response. Airport sponsors that have accepted FAA grants or deeds of Federal surplus property are obligated to use dedicated aviation facilities for aeronautical use. If hangars are not reserved for aeronautical use, Federal airport grant funds could inadvertently subsidize non-aeronautical users, and aeronautical users could be denied access to needed airport facilities. Conditions in AIP grant assurances, relevant to hangar use, include:

- Preserving rights and powers (Grant Assurance 5);
- Making the airport available for aviation use on certain terms (Grant Assurance 22);
- Not granting exclusive rights (Grant Assurance 23);
- Ensuring safe operations (Grant Assurance 19); and
- Complying with the ALP (Airport Layout Plan) process and requirements (Grant Assurance 29).

What is an airport sponsor's responsibility for hangar use?

FAA Response. To ensure appropriate use of hangars, an airport sponsor should:

- manage the use of hangars through an airport leasing program that requires a written lease agreement or permit;
- ***monitor the use of hangars on the airport and take steps to prevent unapproved non-aeronautical use;***
- ***minimize the length of time to provide hangar space for those on a "waiting list"; and require non-aviation users pay a fair market rental for the use of the hangar*** and if needed, the hangar is returned to aviation use, under circumstances where temporary non-aeronautical use of a vacant hangar is permitted.

What is the primary purpose of an aircraft hangar?

FAA Response. The primary purpose of an aircraft hangar is aircraft storage. If a hangar is serving its primary purpose - the storage of aircraft - then storage of non-aeronautical items in the hangar does not violate the airport sponsor's federal obligations.

Why is FAA issuing a separate policy statement on hangar use?

FAA Response. The FAA received a number of questions from airport sponsors and airport tenants about the possible uses of hangars and how rigidly the aeronautical use requirement should be applied. In developing the policy statement, FAA focused on giving discretion to the local airport sponsor and allowing reasonable accommodation of activities that do not impact other aeronautical uses and do not create unjustly discriminatory conditions at the airport.

To what airport facilities does the policy apply?

FAA Response. Policy applies to all aircraft storage areas or facilities on a federally obligated airport that are designated for aeronautical use on an FAA-approved Airport Layout Plan. The policy does not apply to property designated for non-aeronautical use on an approved Airport Layout Plan or otherwise approved for non-aeronautical use by FAA.

Does the policy apply to airports that have never received federal assistance in the form of AIP grants or Federal Surplus or Non-Surplus Property conveyances?

FAA Response. No, it does not. An airport operator-owner of a non-federally obligated airport may impose any restrictions the owner-operator deems necessary. However, certain federal requirements, such as exclusive rights and civil rights may be applicable.

Does the policy apply to privately owned hangars on private property?

FAA Response. The policy does not apply to privately owned facilities located off the airport.

What aeronautical uses of a hangar are permissible?

FAA Response.

- ***Storage of active aircraft.***
- Shelter for maintenance, repair, or refurbishment of aircraft, but not the indefinite storage of non-operational aircraft.
- Construction of amateur-built or kit-built aircraft provided that activities are conducted safely;
- Storage of aircraft handling equipment, e.g., tow bar, glider tow equipment, workbenches, and tools and materials used to service, maintain, repair or outfit aircraft; items related to ancillary or incidental uses that do not affect the hangars' primary use.
- Storage of materials related to an aeronautical activity, e.g., balloon and skydiving equipment, office equipment, teaching tools, and materials related to ancillary or incidental uses that do not affect the hangars' primary use; V' Storage of non-aeronautical items that do not interfere with the primary aeronautical purpose of the hangar (for example, televisions, furniture).
- ***A vehicle parked at the hangar while the aircraft usually stored in that hangar is flying***, subject to local airport rules and regulations.

What uses are not permissible under the policy?

FAA Response.

- Use as a residence.
- Operation of a non-aeronautical business, e.g., limo service, ***car and motorcycle storage, storage of inventory***, non-aeronautical business office.
- Activities which impede the movement of the aircraft in and out of the hangar or other aeronautical contents of the hangar.
- Activities which displace the aeronautical contents of the hangar or impede access to aircraft or other aeronautical contents of the hangar.
- ***Storage of household items that could be stored in commercial storage facilities.***
- ***Long-term storage of derelict aircraft and parts.***
- Storage of items or activities prohibited by local or state law.
- Fuel, and other dangerous and Hazmat materials.
- Storage of inventory or equipment supporting a municipal agency function unrelated to the aeronautical use.

For the purpose of airport access and hangar use, how are UAS categorized?

FAA Response. UAS activities regulated or authorized by FAA are categorized as "aircraft operations" under 49 U.S.C. §47102(a)(6). Further, the interpretation of 49 U.S.C. §47107(a)(1) and Grant Assurance 22 includes certain UAS activities as aeronautical. Therefore, airport access for UAS, either as an aircraft or as an aeronautical activity is linked to FAA's UAS regulatory actions which may include, but are not limited to; airworthiness, operational rules, flight training, airspace integration, etc. An UAS operation is an aeronautical activity/use for the purpose of airport access and use, if the UAS (as a complete UAS system) is regulated by FAA as one of the following:

- Operations under 14 CFR Part 107 or any future 14 CFR UAS operating regulation; or
- Certificate of Waiver or Authorization (COA) Section 333; or
- UAS operations with an Airworthiness Certificate issued under 14 CFR Part 21; and
- Under 49 U.S.C. 47107 (a), an activity necessitating the use of an airport's infrastructure , facilities, and services, protected airspace, or ATC services to conduct operations;
- UAS Department of Defense and Public Aircraft operations pursuant to 49 U.S.C.) 40102(a)(41) and 40125;

In cases where an UAS operator seeks hangar access/use, how should the airport sponsor manage UAS vis-à-vis other conventional aircraft or aeronautical activities?

FAA Response. With the FAA Response to Question 10 as baseline, in all cases, the airport sponsor must reasonably accommodate the UAS activity without unjust discrimination and do so safely. Accommodating an UAS or UAS activity may necessitate:

- developing safety requirements;
- providing access to the airport runway and other movement areas (take-off and landing, taxing);
- providing access to other airport infrastructure, airport protected airspace/surfaces, and airport services (including storage); and
- access to undeveloped airport property.

Making hangar space available to an UAS operator is consistent with the federal obligations and established policy. UAS operator may "compete" with other aeronautical users for hangar space. This competition is also common for traditional users, namely airplane and jet operators, in places where demand is higher than the space available. Ultimately, it is the sponsor's decision on how it allocates hangar space. For example, a sponsor needs to consider many factors to decide whether to build a larger hangar for a jet corporate operator or smaller T-Hangars for single-engine aircraft.

In all cases, FAA expects airport sponsors to exercise adequate discretion and reasonably apply lease terms, rules and regulations, rates, and take into account relevant variables. Such considerations may include: available space in vacant hangars; hangar sharing and subleasing; available ramp space; and land accessibility for UAS set-up, preflight, or storage. Related specifically to UAS operations and hangars, reasonable and non-unjustly discriminatory airport and hangar use will depend upon the type and characteristics of the UAS system in question. For example, a reasonable accommodation for a small Part 107 UAS may include permitting smaller storage structures (possibly mobile) creating training areas (i.e., secluded ramp area, "drone cage"), ingress and egress routes, etc. On the other hand, reasonably accommodating a larger Section 333 UAS with a 20-foot wingspan may include access to both standard hangar usually used by GA aircraft and the airport's taxiways. Finally, it is important to take into account that certain UAS operations may require addressing specific safety issues not previously considered for more traditional aeronautical activities. Any safety-based measures should be risk-based and coordinated with FAA.

What discretion does the policy allow the airport sponsor?

FAA Response. The policy:

- Preserves the airport sponsor's discretion to manage or address issues, including:
    1. adopting rules covering the different uses of hangars;
    2. mitigating related safety concerns (e.g., emergency access, fire codes, insurance, and the impact of vehicular traffic);
    3. airport planning;
    4. preserving airport efficiency; and
    5. managing funding aspects of airport management.
- Provides protection against claims of discrimination by imposing consistent rules for incidental storage in all similar facilities at the airport.
- Provides airport sponsors with the ability to permit certain non-aeronautical items to be stored in hangars provided the items do not interfere with the aeronautical use of the hangar.
- Allows an airport sponsor to request FAA approval of an interim use of a hangar for non-aeronautical purposes for a period of 3 to 5 years.
- Allows an airport sponsor to request FAA approval of a leasing plan for the lease of vacant hangars for non-aeronautical use on a month-to-month basis.

What are the policy changes for homebuilders?

FAA Response. The FAA understands the substantial convenience to aircraft builders of locating the entire aircraft construction process at the same location, specifically in an airport hangar. The new policy offers protections that never existed in FAA's prior policy. First, FAA recognizes amateur-built aircraft construction as an aeronautical activity to be accommodated at airports on reasonable terms, without unjust discrimination and without granting an exclusive right. Second, the new policy provides for the safe construction of amateur-built aircraft in hangars (see Question 8). As an airport asset management tool, an airport sponsor leasing a vacant hangar for amateur-built aircraft construction may incorporate progress benchmarks in the lease to ensure the construction project proceeds to completion in a reasonable time.

Is it possible that some aspects of aircraft construction may not be permissible in all hangars?

FAA Response. Some hangars may not be designed to accommodate aircraft construction or all phases of aircraft construction. Airport sponsors have an obligation to mitigate inherent hazards in the operation, and to prevent unsafe conditions or practices. For example, a sponsor could prohibit painting or other use of volatile or highly flammable materials in a hangar.

Does the policy apply to privately constructed hangars on federally obligated airports?

FAA Response. An airport sponsor's permission to lease aeronautical land on the airport for construction of a hangar accepts the sponsor's conditions that come with that land, in return for the special benefits of the location. The fact that the tenant uses the land through a ground lease with the airport sponsor and constructs the hangar using tenant funds does not affect the airport sponsor's agreement with FAA. That agreement requires the airport land and facilities, including aircraft hangars, to be used for aeronautical purposes.

May hangars be used for aviation museums or non-profit organization activities encouraging aviation?

FAA Response. An airport sponsor, at its discretion, may provide access to airport property at less than fair market rent to aviation museums and other non-profit, aviation-related organizations (including aviation-focused community-based organizations). However, there is no reason for such activities to displace aircraft owners seeking hangar space for storage of operating aircraft, unless the non-profit or community activity itself involves use and storage of operating aircraft. Accordingly, aviation museums and non-profit organizations have the same access to vacant hangar space as other activities that do not actually require a hangar for aviation use.

How does the use of a hangar affect the rent charged?

FAA Response. If a hangar is being used for an aeronautical use, the airport sponsor will generally charge the tenant the airport's standard rate for aeronautical leases, which should recover the airport's costs but which may be less than fair market rent. If the hangar is used for an interim non-aeronautical purpose, the sponsor must charge a fair market rent for the hangar. Please consult the Airport Compliance Handbook for the application of below-market rent for aviation museums and other aviation related non-profit organizations.

If there is no unsatisfied aviation demand for hangars, can they be leased to generate revenue from non-aeronautical uses?

FAA Response. If a sponsor has empty aeronautical use hangars for which it has no current aeronautical demand, it may seek FAA approval to lease those hangars to non-aeronautical tenants in one of two ways.

Option 1 - When a sponsor wants to lease aeronautical hangars to a tenant for an extended time period (usually 3 to 5 years), it can request FAA approval for interim non-aeronautical use of a hangar until there is demand for an aeronautical purpose. The sponsor must charge a fair market commercial rental rate for any hangar rental or use for non-aeronautical purposes.

Option 2 - A sponsor may also request FAA approval of a leasing plan for the lease of vacant hangars for non-aeronautical use on a month-to-month basis. Once the sponsor receives initial FAA approval, it may lease the open space for consecutive 30-day periods without further approval. The sponsor must charge a fair market commercial rental rate for any hangar rental or use for non-aeronautical purposes. However, aeronautical use must receive priority consideration and accommodation over non-aeronautical use, even if the rental rate would be higher for the non-aeronautical use.

Last updated: Monday, August 1, 2022

Attachment “B”

FAA Final Rule: Policy on the Non-Aeronautical Use of Airport Hangars, June 15, 2016 in this AD to obtain corrective actions from a manufacturer, the action must be accomplished using a method approved by the Manager, International Branch, ANM–116, Transport Airplane Directorate, FAA; or the European Aviation Safety Agency (EASA); or Saab AB, Saab Aeronautics' EASA Design Organization Approval (DOA). If approved by the DOA, the approval must include the DOA-authorized signature.

(m) Related Information

Refer to Mandatory Continuing Airworthiness Information (MCAI) European Aviation Safety Agency Airworthiness Directive 2014–0255, dated November 25, 2014, for related information. This MCAI may be found in the AD docket on the Internet at *http://www.regulations.gov* by searching for and locating Docket No. FAA–2015–7524.

(n) Material Incorporated by Reference

(1) The Director of the Federal Register approved the incorporation by reference (IBR) of the service information listed in this paragraph under 5 U.S.C. 552(a) and 1 CFR part 51.

(2) You must use this service information as applicable to do the actions required by this AD, unless this AD specifies otherwise.

(3) The following service information was approved for IBR on July 20, 2016.

(i) Saab Service Bulletin 2000–38–011, dated October 22, 2014.

(ii) Reserved.

(4) The following service information was approved for IBR on September 9, 2014 (79 FR 45337, August 5, 2014).

(i) Saab Service Bulletin 2000–38–010, dated July 12, 2013.

(ii) Saab Service Newsletter SN 2000–1304, Revision 01, dated September 10, 2013, including Attachment 1 Engineering Statement to Operator 2000PBS034334, Issue A, dated September 9, 2013.

(5) For service information identified in this AD, contact Saab AB, Saab Aeronautics, SE–581 88, Linköping, Sweden; telephone +46 13 18 5591; fax +46 13 18 4874; email *saab340techsupport@saabgroup.com;* Internet *http://www.saabgroup.com.*

(6) You may view this service information at the FAA, Transport Airplane Directorate, 1601 Lind Avenue SW., Renton, WA. For information on the availability of this material at the FAA, call 425–227–1221.

(7) You may view this service information that is incorporated by reference at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202–741–6030, or go to: *http://www.archives.gov/federal-register/cfr/ibr-locations.html.*

Issued in Renton, Washington, on May 31, 2016.

Michael Kaszycki,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 2016–13740 Filed 6–14–16; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Chapter I

[Docket No. FAA 2014–0463]

Policy on the Non-Aeronautical Use of Airport Hangars

AGENCY: Federal Aviation Administration (FAA), Department of Transportation (DOT).

ACTION: Notice of final policy.

SUMMARY: This action clarifies the FAA's policy regarding storage of non-aeronautical items in airport facilities designated for aeronautical use. Under Federal law, airport operators that have accepted federal grants and/or those that have obligations contained in property deeds for property transferred under various Federal laws such as the Surplus Property Act generally may use airport property only for aviation-related purposes unless otherwise approved by the FAA. In some cases, airports have allowed non-aeronautical storage or uses in some hangars intended for aeronautical use, which the FAA has found to interfere with or entirely displace aeronautical use of the hangar. At the same time, the FAA recognizes that storage of some items in a hangar that is otherwise used for aircraft storage will have no effect on the aeronautical utility of the hangar. This action also amends the definition of aeronautical use to include construction of amateur-built aircraft and provides additional guidance on permissible non-aeronautical use of a hangar."

DATES: The policy described herein is effective July 1, 2017.

FOR FURTHER INFORMATION CONTACT: Kevin C. Willis, Manager, Airport Compliance Division, ACO–100, Federal Aviation Administration, 800 Independence Avenue SW., Washington, DC 20591, telephone (202) 267–3085; facsimile: (202) 267–4629.

ADDRESSES: You can get an electronic copy of this Policy and all other documents in this docket using the Internet by:

(1) Searching the Federal eRulemaking portal (*http://www.faa.gov/regulations/search);*

(2) Visiting FAA's Regulations and Policies Web page at (*http://www.faa.gov/regulations_policies);* or

(3) Accessing the Government Printing Office's Web page at (*http://www.gpoaccess.gov/index.html).*

You can also get a copy by sending a request to the Federal Aviation Administration, Office of Airport Compliance and Management Analysis, 800 Independence Avenue SW., Washington, DC 20591, or by calling (202) 267–3085. Make sure to identify the docket number, notice number, or amendment number of this proceeding.

SUPPLEMENTARY INFORMATION:

Authority for the Policy: This document is published under the authority described in Title 49 of the United States Code, Subtitle VII, part B, chapter 471, section 47122(a).

Background

Airport Sponsor Obligations

In July 2014, the FAA issued a proposed statement of policy on use of airport hangars to clarify compliance requirements for airport sponsors, airport managers, airport tenants, state aviation officials, and FAA compliance staff. (79 **Federal Register** (FR) 42483, July 22, 2014).

Airport sponsors that have accepted grants under the Airport Improvement Program (AIP) have agreed to comply with certain Federal policies included in each AIP grant agreement as sponsor assurances. The Airport and Airway Improvement Act of 1982 (AAIA) (Pub. L. 97–248), as amended and recodified at 49 United States Codes (U.S.C.) 47107(a)(1), and the contractual sponsor assurances require that the airport sponsor make the airport available for aviation use. Grant Assurance 22, *Economic Nondiscrimination,* requires the sponsor to make the airport available on reasonable terms without unjust discrimination for aeronautical activities, including aviation services. Grant Assurance 19, *Operation and Maintenance,* prohibits an airport sponsor from causing or permitting any activity that would interfere with use of airport property for airport purposes. In some cases, sponsors who have received property transfers through surplus property and nonsurplus property agreements have similar federal obligations.

The sponsor may designate some areas of the airport for non-aviation use,[1] with FAA approval, but aeronautical facilities of the airport must be dedicated to use for aviation purposes. Limiting use of aeronautical facilities to aeronautical purposes ensures that airport facilities are available to meet aviation demand at the airport. Aviation tenants and aircraft owners should not be displaced by non-

[1] The terms "non-aviation" and "non-aeronautical" are used interchangeably in this Notice.

aviation commercial uses that could be conducted off airport property.

It is the longstanding policy of the FAA that airport property be available for aeronautical use and not be available for non-aeronautical purposes unless that non-aeronautical use is approved by the FAA. Use of a designated aeronautical facility for a non-aeronautical purpose, even on a temporary basis, requires FAA approval. *See* FAA Order 5190.6B, *Airport Compliance Manual*, paragraph 22.6, September 30, 2009. The identification of non-aeronautical use of aeronautical areas receives special attention in FAA airport land use compliance inspections. *See* Order 5190.6B, paragraphs 21.6(f)(5).

Areas of the airport designated for non-aeronautical use must be shown on an airport's Airport Layout Plan (ALP). The AAIA, at 49 U.S.C. 47107(a)(16), requires that AIP grant agreements include an assurance by the sponsor to maintain an ALP in a manner prescribed by the FAA. Sponsor assurance 29, *Airport Layout Plan*, implements § 47107(a)(16) and provides that an ALP must designate non-aviation areas of the airport. The sponsor may not allow an alteration of the airport in a manner inconsistent with the ALP unless approved by the FAA. See Order 5190.6B, paragraph 7.18, and Advisory Circular 150/5070–6B, *Airport Master Plans*, Chapter 10.

Clearly identifying non-aeronautical facilities not only keeps aeronautical facilities available for aviation use, but also assures that the airport sponsor receives at least Fair Market Value (FMV) revenue from non-aviation uses of the airport. The AAIA requires that airport revenues be used for airport purposes, and that the airport maintain a fee structure that makes the airport as self-sustaining as possible. 49 U.S.C. 47107(a)(13)(A) and (b)(1). The FAA and the Department of Transportation Office of the Inspector General have interpreted these statutory provisions to require that non-aviation activities on an airport be charged a fair market rate for use of airport facilities rather than the aeronautical rate. See *FAA Policies and Procedures Concerning the Use of Airport Revenue*, (64 FR 7696, 7721, February 16, 1999) (FAA Revenue Use Policy).

If an airport tenant pays an aeronautical rate for a hangar and then uses the hangar for a non-aeronautical purpose, the tenant may be paying a below-market rate in violation of the sponsor's obligation for a self-sustaining rate structure and FAA's Revenue Use Policy. Confining non-aeronautical activity to designated non-aviation areas of the airport helps to ensure that the non-aeronautical use of airport property is monitored and allows the airport sponsor to clearly identify non-aeronautical fair market value lease rates, in order to meet their federal obligations. Identifying non-aeronautical uses and charging appropriate rates for these uses prevents the sponsor from subsidizing non-aviation activities with aviation revenues.

FAA Oversight

A sponsor's Grant Assurance obligations require that its aeronautical facilities be used or be available for use for aeronautical activities. If the presence of non-aeronautical items in a hangar does not interfere with these obligations, then the FAA will generally not consider the presence of those items to constitute a violation of the sponsor's obligations. When an airport has unused hangars and low aviation demand, a sponsor can request the FAA approval for interim non-aeronautical use of a hangars, until demand exists for those hangars for an aeronautical purpose. Aeronautical use must take priority and be accommodated over non-aeronautical use, even if the rental rate would be higher for the non-aeronautical use. The sponsor is required to charge a fair market commercial rental rate for any hangar rental or use for non-aeronautical purposes. (64 FR 7721).

The FAA conducts land use inspections at 18 selected airports each year, at least two in each of the nine FAA regions. *See* Order 5190.6B, paragraph 21.1. The inspection includes consideration of whether the airport sponsor is using designated aeronautical areas of the airport exclusively for aeronautical purposes, unless otherwise approved by the FAA. *See* Order 5190.6B, paragraph 21.6.

The Notice of Proposed Policy

In July 2014, the FAA issued a notice of proposed policy on use of hangars and related facilities at federally obligated airports, to provide a clear and standardized guide for airport sponsors and FAA compliance staff. (79 FR 42483, July 22, 2014). The FAA received more than 2,400 comments on the proposed policy statement, the majority from persons who have built or are in the process of building an amateur-built aircraft. The FAA also received comments from aircraft owners, tenants and owners of hangars, and airport operators. The Aircraft Owners and Pilots Association (AOPA) and the Experimental Aircraft Association (EAA) also provided comments on behalf of their membership. Most of the comments objected to some aspect the proposed policy statement. Comments objecting to the proposal tended to fall into two general categories:

• The FAA should not regulate the use of hangars at all, especially if the hangar is privately owned.

• While the FAA should have a policy limiting use of hangars on federally obligated airports to aviation uses, the proposed policy is too restrictive in defining what activities should be allowed.

Discussion of Comments and Final Policy

The following summary of comments reflects the major issues raised and does not restate each comment received. The FAA considered all comments received even if not specifically identified and responded to in this notice. The FAA discusses revisions to the policy based on comments received. In addition, the FAA will post frequently asked Questions and Answers regarding the Hangar Use Policy on *www.faa.gov/airport compliance*. These Questions and Answers will be periodically updated until FAA Order 5190.6B is revised to reflect the changes in this notice.

1. *Comment: Commenters stated that the FAA should defer to local government and leave all regulation of hangar use to the airport operator.*

Response: The FAA has a contract with the sponsor of an obligated airport, either through AIP grant agreements or a surplus property deed, to limit the use of airport property to certain aviation purposes. Each sponsor of an obligated airport has agreed to these terms. The FAA relies on each airport sponsor to comply with its obligations under this contract. To maintain a standardized national airport system and standardized practices in each of the FAA's nine regional offices, the agency issues guidance on its interpretation of the requirements of the AIP and surplus property agreements. It falls to the local airport sponsor to implement these requirements. The FAA allows airport sponsors some flexibility to adapt compliance to local conditions at each airport.

However, some airport sponsors have adopted hangar use practices that led to airport users to complain to the FAA. Some airport users have complained that sponsors are too restrictive, and fail to allow reasonable aviation-related uses of airport hangars. More commonly, aircraft owners have complained that hangar facilities are not available for aircraft storage because airport sponsors have allowed the use of hangars for purposes that are unrelated to aviation, such as operating a non-aviation business or storing multiple vehicles. By issuing the July 2014 notice, the FAA intended to resolve both kinds of complaints by providing guidance on appropriate management of hangar use. The agency continues to believe that FAA policy guidance is appropriate and necessary to preserve reasonable access to aeronautical facilities on federally obligated airports. However, the final policy has been revised in response to comments received on the proposal.

2. *Comment: Commenters, including AOPA, stated that the FAA lacks the authority to regulate the use of privately owned hangars.*

Response: The FAA has a statutory obligation to assure that facilities on aeronautically designated land at federally obligated airports are reasonably available for aviation use. Designated aeronautical land on a federally obligated airport is a necessary part of a national system of aviation facilities. Land designated for aeronautical use offers access to the local airfield taxiway and runway system. Land designated for aeronautical use is also subject to certain conditions, including FAA policies concerning rates and charges (including rental rates) which were designed to preserve access for aeronautical users and to support aeronautical uses. A person who leases aeronautical land on the airport to build a hangar accepts conditions that come with that land in return for the special benefits of the location. The fact that the tenant pays the sponsor for use of the hangar or the land does not affect the agreement between the FAA and the sponsor that the land be used for aeronautical purposes. (In fact, most hangar owners do not have fee ownership of the property; typically airport structures revert to ownership of the airport sponsor upon expiration of the lease term). An airport sponsor may choose to apply different rules to hangars owned by the sponsor than it does to privately constructed hangars, but the obligations of the sponsor Grant Assurances and therefore the basic policies on aeronautical use stated in this notice, will apply to both.

3. *Comment: Commenters believe that a policy applying the same rules to all kinds of aeronautical structures, and to privately owned hangars as well as sponsor-owned hangars, is too general. The policy should acknowledge the differences between categories of airport facilities.*

Response: A number of commenters thought that rules for use of privately constructed and owned hangars should be less restrictive than rules for hangars leased from the airport sponsor. The Leesburg Airport Commission commented that there are different kinds of structures on the airport, with variations in rental and ownership interests, and that the FAA's policy should reflect those differences. The FAA acknowledges that ownership or lease rights and the uses made of various aeronautical facilities at airports will vary. The agency expects that airport sponsors' agreements with tenants would reflect those differences. The form of property interest, be it a leasehold or ownership of a hangar, does not affect the obligations of the airport sponsor under the Grant Assurances. All facilities on designated aeronautical land on an obligated airport are subject to the requirement that the facilities be available for aeronautical use.

4. *Comment: Commenters agree that hangars should be used to store aircraft and not for non-aviation uses, but, they argue the proposed policy is too restrictive on the storage of non-aviation related items in a hangar along with an aircraft. A hangar with an aircraft in it still has a large amount of room for storage and other incidental uses, and that space can be used with no adverse effect on the use and storage of the aircraft.*

Response: In response to the comments, the final policy deletes the criteria of "incidental" or "de minimis" use and simply requires that non-aviation storage in a hangar not interfere with movement of aircraft in or out of the hangar, or impede access to other aeronautical contents of the hangar. The policy lists specific conditions that would be considered to interfere with aeronautical use. Stored non-aeronautical items would be considered to interfere with aviation use if they:

- Impede the movement of the aircraft in and out of the hangar;
- Displace the aeronautical contents of the hangar. (A vehicle parked at the hangar while the vehicle owner is using the aircraft will not be considered to displace the aircraft);
- Impede access to aircraft or other aeronautical contents of the hangar;
- Are used for the conduct of a non-aeronautical business or municipal agency function from the hangar (including storage of inventory); or
- Are stored in violation of airport rules and regulations, lease provisions, building codes or local ordinances.

Note: Storage of equipment associated with an aeronautical activity (*e.g.*, skydiving, ballooning, gliding) would be considered an aeronautical use of a hangar.

5. *Comment: Commenters stated the policy should apply different rules to situations where there is no aviation demand for hangars, especially when hangars are vacant and producing no income for the sponsor.*

Response: At some airports, at some times, there will be more hangar capacity than needed to meet aeronautical demand, and as a result there will be vacant hangars. The FAA agrees that in such cases it is preferable to make use of the hangars to generate revenue for the airport, as long as the hangar capacity can be recovered on relatively short notice for aeronautical use when needed. *See* Order 5190.6B, paragraph 22.6. The final policy adopts a provision modeled on a leasing policy of the Los Angeles County Airport Commission, which allows month-to-month leases of vacant hangars for any purpose until a request for aeronautical use is received. The final policy requires that a sponsor request FAA approval before implementing a similar leasing plan:

- The airport sponsor may request FAA approval of a leasing plan for the lease of vacant hangars for non-aeronautical use on a month-to-month basis.
- The plan may be implemented only when there is no current aviation demand for the vacant hangars.
- Leases must require the non-aeronautical tenant to vacate the hangar on 30 days' notice, to allow aeronautical use when a request is received.
- Once the plan is approved, the sponsor may lease vacant hangars on a 30 days' notice without further FAA approval.

The agency believes this will allow airports to obtain some financial benefit from vacant hangars no, while allowing the hangars to be quickly returned to aeronautical use when needed. FAA pre-approval of a month-to-month leasing plan will minimize the burden on airport sponsors and FAA staff since it is consistent with existing interim use guidance.

6. *Comment: Commenter indicates that the terms "incidental use" and "insignificant amount of space" are too vague and restrictive.*

Response: The FAA has not used these terms in the final policy. Instead, the policy lists specific prohibited conditions that would be considered to interfere with aeronautical use of a hangar.

7. *Comment: Commenter states Glider operations require storage of items at the airport other than aircraft, such as tow vehicles and towing equipment. This should be an approved use of hangars.*

Response: Tow bars and glider tow equipment have been added to the list of examples of aeronautical equipment. Whether a vehicle is dedicated to use for glider towing is a particular fact that can be determined by the airport sponsor in each case. Otherwise the general rules for parking a vehicle in a hangar would apply.

8. *Comment: Commenter states it should be clear that it is acceptable to park a vehicle in the hangar while the aircraft is out of the hangar being used.*

Response: The final policy states that a vehicle parked in the hangar, while the vehicle owner is using the aircraft will not be considered to displace the aircraft, and therefore is not prohibited.

9. *Comment: Commenters, including Experimental Aircraft Association (EAA), stated that aviation museums and non-profit organizations that promote aviation should not be excluded from hangars.*

Response: Aviation museums and other non-profit aviation-related organizations may have access to airport property at less than fair market rent, under section VII.E of the FAA Policy and Procedures Concerning the Use of Airport Revenue. (64 FR 7710, February 16, 1999). However, there is no special reason for such activities to displace aircraft owners seeking hangar space for storage of operating aircraft, unless the activity itself involves use and storage of aircraft. Accordingly, aviation museums and non-profit organizations will continue to have the same access to vacant hangar space as other activities that do not actually require a hangar for aviation use, that is, when there is no aviation demand (aircraft storage) for those hangars and subject to the discretion of the airport operator.

10. *Comment: Commenters suggest that the policy should allow a 'grace period' for maintaining possession of an empty hangar for a reasonable time from the sale of an aircraft to the purchase or lease of a new aircraft to be stored in the hangar.*

Response: The FAA assumes that airport lease terms would include reasonable accommodation for this purpose and other reasons a hangar might be empty for some period of time, including the aircraft being in use or at another location for maintenance. The reasons for temporary hangar vacancy and appropriate "grace periods" for various events depend on local needs and lease policies, and the FAA has not included any special provision for grace periods in the final policy.

11. *Comment: Commenters believe that the policy should allow some leisure spaces in a hangar, such as a lounge or seating area and kitchen, in recognition of the time many aircraft owners spend at the airport, and the benefits of an airport community.*

Response: The final policy does not include any special provision for lounge areas or kitchens, either specifically permitting or prohibiting these areas. The policy requires only that any non-aviation related items in a hangar not interfere in any way with the primary use of the hangar for aircraft storage and movement. The airport sponsor is expected to have lease provisions and regulations in place to assure that items located in hangars do not interfere with this primary purpose.

12. *Comment: Commenters, including EAA, stated that all construction of an aircraft should be considered aeronautical for the purpose of hangar use, because building an aircraft is an inherently aeronautical activity. The policy should at least allow for use of a hangar at a much earlier stage of construction than final assembly.*

Response: The FAA has consistently held that the need for an airport hangar in manufacturing or building aircraft arises at the time the components of the aircraft are assembled into a completed aircraft. Prior to that stage, components can be assembled off-airport in smaller spaces. This determination has been applied to both commercial aircraft manufacturing as well as homebuilding of experimental aircraft.

A large majority of the more than 2,400 public comments received on the notice argued that aircraft construction at any stage is an aeronautical activity. The FAA recognizes that the construction of amateur-built aircraft differs from large-scale, commercial aircraft manufacturing. It may be more difficult for those constructing amateur-built or kit-built aircraft to find alternative space for construction or a means to ultimately transport completed large aircraft components to the airport for final assembly, and ultimately for access to taxiways for operation.

Commenters stated that in many cases an airport hangar may be the only viable location for amateur-built or kit-built aircraft construction. Also, as noted in the July 2014 notice, many airports have vacant hangars where a lease for construction of an aircraft, even for several years, would not prevent owners of operating aircraft from having access to hangar storage.

Accordingly, the FAA will consider the construction of amateur-built or kit-built aircraft as an aeronautical activity. Airport sponsors must provide reasonable access to this class of users, subject to local ordinances and building codes. Reasonable access applies to currently available facilities; there is no requirement for sponsors to construct special facilities or to upgrade existing facilities for aircraft construction use.

Airport sponsors are urged to consider the appropriate safety measures to accommodate aircraft construction. Airport sponsors leasing a vacant hangar for aircraft construction also are urged to incorporate progress benchmarks in the lease to ensure the construction project proceeds to completion in a reasonable time. The FAA's policy with respect to commercial aircraft manufacturing remains unchanged.

13. *Comment: Commenter suggests that the time that an inoperable aircraft can be stored in a hangar should be clarified, because repairs can sometimes involve periods of inactivity.*

Response: The term "operational aircraft" in the final policy does not necessarily mean an aircraft fueled and ready to fly. All operating aircraft experience downtime for maintenance and repair, and for other routine and exceptional reasons. The final policy does not include an arbitrary time period beyond which an aircraft is no longer considered operational. An airport operator should be able to determine whether a particular aircraft is likely to become operational in a reasonable time or not, and incorporate provisions in the hangar lease to provide for either possibility.

14. *Comment: Commenter suggests that the FAA should limit use of hangars on an obligated airport as proposed in the July 2014 notice. Airport sponsors frequently allow non-aeronautical use of hangars now, denying the availability of hangar space to aircraft owners.*

Response: Some commenters supported the relatively strict policies in the July 2014 notice, citing their experience with being denied access to hangars that were being used for non-aviation purposes. The FAA believes that the final policy adopted will allow hangar tenants greater flexibility than the proposed policy in the use of their hangars, but only to the extent that there is no impact on the primary purpose of the hangar. The intent of the final policy is to minimize the regulatory burden on hangar tenants and to simplify enforcement responsibilities for airport sponsors and the FAA, but only as is consistent with the statutory requirements for use of federally obligated airport property.

Final Policy

In accordance with the above, the FAA is adopting the following policy statement on use of hangars at federally obligated airports:

Use of Aeronautical Land and Facilities

Applicability

This policy applies to all aircraft storage areas or facilities on a federally obligated airport unless designated for non-aeronautical use on an approved Airport Layout Plan or otherwise approved for non-aviation use by the FAA. This policy generally refers to the use of hangars since they are the type of aeronautical facility most often involved in issues of non-aviation use, but the policy also applies to other structures on areas of an airport designated for aeronautical use. This policy applies to all users of aircraft hangars, including airport sponsors, municipalities, and other public entities, regardless of whether a user is an owner or lessee of the hangar.

I. General

The intent of this policy is to ensure that the federal investment in federally obligated airports is protected by making aeronautical facilities available to aeronautical users, and by ensuring that airport sponsors receive fair market value for use of airport property for non-aeronautical purposes. The policy implements several Grant Assurances, including Grant Assurance 5, *Preserving Rights and Powers;* Grant Assurance 22, *Economic Nondiscrimination;* Grant Assurance 24, *Fee and Rental Structure;* and Grant Assurance 25, *Airport Revenues.*

II. Standards for Aeronautical Use of Hangars

a. Hangars located on airport property must be used for an aeronautical purpose, or be available for use for an aeronautical purpose, unless otherwise approved by the FAA Office of Airports as described in Section III.

b. Aeronautical uses for hangars include:

1. Storage of active aircraft.
2. Final assembly of aircraft under construction.
3. Non-commercial construction of amateur-built or kit-built aircraft.
4. Maintenance, repair, or refurbishment of aircraft, but not the indefinite storage of nonoperational aircraft.
5. Storage of aircraft handling equipment, *e.g.*, towbars, glider tow equipment, workbenches, and tools and materials used in the servicing, maintenance, repair or outfitting of aircraft.

c. Provided the hangar is used primarily for aeronautical purposes, an airport sponsor may permit non-aeronautical items to be stored in hangars provided the items do not interfere with the aeronautical use of the hangar.

d. While sponsors may adopt more restrictive rules for use of hangars, the FAA will generally not consider items to interfere with the aeronautical use of the hangar unless the items:

1. Impede the movement of the aircraft in and out of the hangar or impede access to aircraft or other aeronautical contents of the hangar.
2. Displace the aeronautical contents of the hangar. A vehicle parked at the hangar while the vehicle owner is using the aircraft will not be considered to displace the aircraft.
3. Impede access to aircraft or other aeronautical contents of the hangar.
4. Are used for the conduct of a non-aeronautical business or municipal agency function from the hangar (including storage of inventory).
5. Are stored in violation of airport rules and regulations, lease provisions, building codes or local ordinances.

e. Hangars may not be used as a residence, with a limited exception for sponsors providing an on-airport residence for a full-time airport manager, watchman, or airport operations staff for remotely located airports. The FAA differentiates between a typical pilot resting facility or aircrew quarters versus a hangar residence or hangar home. The former are designed to be used for overnight and/or resting periods for aircrew, and not as a permanent or even temporary residence. *See* FAA Order 5190.6B paragraph 20.5(b)

f. This policy applies regardless of whether the hangar occupant leases the hangar from the airport sponsor or developer, or the hangar occupant constructed the hangar at the occupant's own expense while holding a ground lease. When land designated for aeronautical use is made available for construction of hangars, the hangars built on the land are subject to the sponsor's obligations to use aeronautical facilities for aeronautical use.

III. Approval for Non-Aeronautical Use of Hangars

A sponsor will be considered to have FAA approval for non-aeronautical use of a hangar in each of the following cases:

a. FAA advance approval of an *interim use:* Where hangars are unoccupied and there is no current aviation demand for hangar space, the airport sponsor may request that FAA Office of Airports approve an interim use of a hangar for non-aeronautical purposes for a period of 3 to 5 years. The FAA will review the request in accordance with Order 5190.6B paragraph 22.6. Interim leases of unused hangars can generate revenue for the airport and prevent deterioration of facilities. Approved interim or concurrent revenue-production uses must not interfere with safe and efficient airport operations and sponsors should only agree to lease terms that allow the hangars to be recovered on a 30 days' notice for aeronautical purposes. In each of the above cases, the airport sponsor is required to charge non-aeronautical fair market rental fees for the non-aeronautical use of airport property, even on an interim basis. (64 FR 7721).

b. FAA approval of a *month-to-month leasing plan:* An airport sponsor may obtain advance written approval month-to-month leasing plan for non-aeronautical use of vacant facilities from the local FAA Office of Airports. When there is no current aviation demand for vacant hangars, the airport sponsor may request FAA approval of a leasing plan for the lease of vacant hangars for non-aeronautical use on a month-to-month basis. The plan must provide for leases that include an enforceable provision that the tenant will vacate the hangar on a 30-day notice. Once the plan is approved, the sponsor may lease vacant hangars on a 30-day notice basis without further FAA approval. If the airport sponsor receives a request for aeronautical use of the hangar and no other suitable hangar space is available, the sponsor will notify the month-to-month tenant that it must vacate.

A sponsor's request for approval of an interim use or a month-to-month leasing plan should include or provide for (1) an inventory of aeronautical and non-aeronautical land/uses, (2) information on vacancy rates; (3) the sponsor's procedures for accepting new requests for aeronautical use; and (4) assurance that facilities can be returned to aeronautical use when there is renewed aeronautical demand for hangar space. In each of the above cases, the airport sponsor is required to charge non-aeronautical fair market rental fees for the non-aeronautical use of airport property, even on an interim basis. (64 FR 7721).

c. *Other cases:* Advance written release by the FAA for all other non-aeronautical uses of designated aeronautical facilities. Any other non-aeronautical use of a designated aeronautical facility or parcel of airport land requires advance written approval from the FAA Office of Airports in accordance with Order 5190.6B chapter 22.

IV. Use of Hangars for Construction of an Aircraft

Non-commercial construction of amateur-built or kit-built aircraft is considered an aeronautical activity. As with any aeronautical activity, an airport sponsor may lease or approve the lease of hangar space for this activity without FAA approval. Airport sponsors are not required to construct special facilities or upgrade existing facilities for construction activities. Airport sponsors are urged to consider the appropriate safety measures to accommodate these users.

Airport sponsors also should consider incorporating construction progress targets in the lease to ensure that the hangar will be used for final assembly and storage of an operational aircraft within a reasonable term after project start.

V. No Right to Non-Aeronautical Use

In the context of enforcement of the Grant Assurances, this policy allows some incidental storage of non-aeronautical items in hangars that do not interfere with aeronautical use. However, the policy neither creates nor constitutes a right to store non-aeronautical items in hangars. Airport sponsors may restrict or prohibit storage of non-aeronautical items. Sponsors should consider factors such as emergency access, fire codes, security, insurance, and the impact of vehicular traffic on their surface areas when enacting rules regarding hangar storage. In some cases, permitting certain incidental non-aeronautical items in hangars could inhibit the sponsor's ability to meet obligations associated with Grant Assurance 19, *Operations and Maintenance*. To avoid claims of discrimination, sponsors should impose consistent rules for incidental storage in all similar facilities at the airport. Sponsors should ensure that taxiways and runways are not used for the vehicular transport of such items to or from the hangars.

VI. Sponsor Compliance Actions

a. It is expected that aeronautical facilities on an airport will be available and used for aeronautical purposes in the normal course of airport business, and that non-aeronautical uses will be the exception.

b. Sponsors should have a program to routinely monitor use of hangars and take measures to eliminate and prevent unapproved non-aeronautical use of hangars.

c. Sponsors should ensure that length of time on a waiting list of those in need of a hangar for aircraft storage is minimized.

d. Sponsors should also consider including a provision in airport leases, including aeronautical leases, to adjust rental rates to FMV for any non-incidental non-aeronautical use of the leased facilities. In other words, if a tenant uses a hangar for a non-aeronautical purpose in violation of this policy, the rental payments due to the sponsor would automatically increase to a FMV level.

e. FAA personnel conducting a land use or compliance inspection of an airport may request a copy of the sponsor's hangar use program and evidence that the sponsor has limited hangars to aeronautical use.

The FAA may disapprove an AIP grant for hangar construction if there are existing hangars at the airport being used for non-aeronautical purposes.

Issued in Washington, DC, on the 9th of June 2016.

Robin K. Hunt,

Acting Director, Office of Airport Compliance and Management Analysis.

[FR Doc. 2016–14133 Filed 6–14–16; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

21 CFR Parts 660, 801, and 809

[Docket No. FDA–2013–N–0125]

RIN 0910–AG74

Use of Symbols in Labeling

AGENCY: Food and Drug Administration, HHS.

ACTION: Final rule.

SUMMARY: The Food and Drug Administration (FDA or the Agency) is issuing this final rule revising its medical device and certain biological product labeling regulations to explicitly allow for the optional inclusion of graphical representations of information, or symbols, in labeling (including labels) without adjacent explanatory text (referred to in this document as "stand-alone symbols") if certain requirements are met. The final rule also specifies that the use of symbols, accompanied by adjacent explanatory text continues to be permitted. FDA is also revising its prescription device labeling regulations to allow the use of the symbol statement "Rx only" or "℞ only" in the labeling for prescription devices.

DATES: This rule is effective September 13, 2016.

FOR FURTHER INFORMATION CONTACT: *For information concerning the final rule as it relates to devices regulated by the Center for Devices and Radiological Health (CDRH):* Antoinette (Tosia) Hazlett, Center for Devices and Radiological Health, Food and Drug Administration, Bldg. 66, Rm. 5424, 10903 New Hampshire Ave., Silver Spring, MD 20993–0002, 301–796–6119, email: *Tosia.Hazlett@fda.hhs.gov.*

For information concerning the final rule as it relates to devices regulated by the Center for Biologics Evaluation and Research: Stephen Ripley, Center for Biologics Evaluation and Research, Food and Drug Administration, 10903 New Hampshire Ave., Bldg. 71, Rm. 7301, Silver Spring, MD 20993–0002, 240–402–7911.

SUPPLEMENTARY INFORMATION:

Executive Summary

Purpose of the Regulatory Action

The final rule explicitly permits the use of symbols in medical device labeling without adjacent explanatory text if certain requirements are met. The medical device industry has requested the ability to use stand-alone symbols on domestic device labeling, consistent with their current use on devices manufactured for European and other foreign markets. The final rule seeks to harmonize the U.S. device labeling requirements for symbols with international regulatory requirements, such as the Medical Device Directive 93/42/EEC of the European Union (EU) (the European Medical Device Directive) and global adoption of International Electrotechnical Commission (IEC) standard IEC 60417 and International Organization for Standardization (ISO) standard ISO 7000–DB that govern the use of device symbols in numerous foreign markets.

Summary of the Major Provisions of the Regulatory Action in Question

FDA has generally interpreted existing regulations not to allow the use of symbols in medical device labeling, except with adjacent English-language explanatory text and/or on in vitro diagnostic (IVD) devices intended for professional use. Under the final rule, symbols established in a standard developed by a standards development organization (SDO) may be used in medical device labeling without adjacent explanatory text as long as: (1) The standard is recognized by FDA under its authority under section 514(c) of the Federal Food, Drug, and Cosmetic Act (FD&C Act) (21 U.S.C. 360d(c)) and the symbol is used according to the specifications for use of the symbol set

Attachment "C"

FAA Notice of Proposed Rule Making: Policy on the Non-Aeronautical Use of Airport Hangars, July 22, 2014

■ 4. Amend § 401.5 by adding the definition of *Tether system* in alphabetical order to read as follows:

§ 401.5 Definitions.

* * * * *

Tether system means a device that contains launch vehicle hazards by physically constraining a launch vehicle in flight to a specified range from its launch point. A tether system includes all components, from the tether's point of attachment to the vehicle to a solid base, that experience load during a tethered launch.

* * * * *

Issued in Washington, DC, on July 9, 2014.

George C. Nield,

Associate Administrator, Commercial Space Transportation.

[FR Doc. 2014–16954 Filed 7–21–14; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Chapter I

[Docket No. FAA–2014–0463]

Policy on the Non-aeronautical Use of Airport Hangars

AGENCY: Federal Aviation Administration (FAA).

ACTION: Notice of Proposed Policy; Request for Comments

SUMMARY: Under Federal law, airport operators that have accepted federal grants and/or those that have obligations contained in property deeds for property transferred under various Federal laws such as the Surplus Property Act generally may use airport property only for aviation-related purposes unless otherwise approved by the FAA. Compliance inspections by FAA staff, as well as audits by the Government Accountability Office, have found that some hangars intended for aircraft storage are routinely used to store non-aeronautical items such as vehicles and large household items. In some cases, this storage interferes with—or entirely displaces—aeronautical use of the hangar. Moreover, many airports have a waiting list for hangar space, and a tenant's use of a hangar for non-aeronautical purposes prevents aircraft owners from obtaining access to hangar storage on the airport. At the same time, the FAA realizes that storage of some small incidental items in a hangar that is otherwise used for aircraft storage will have no effect on the aeronautical utility of the hangar. The FAA is proposing a statement of policy on use of airport hangars to clarify compliance requirements for airport sponsors, airport manager, airport tenants, state aviation officials, and FAA compliance staff. This notice solicits public comment on the proposed policy statement.

DATES: Send your comments on or before September 5, 2014. The FAA will consider comments on the proposed policy statement. Any necessary or appropriate revisions resulting from the comments received will be adopted as of the date of a subsequent publication in the **Federal Register**.

ADDRESSES: You may send comments [identified by Docket Number FAA–2014–0463] using any of the following methods:

• *Government-wide rulemaking Web site:* Go to *http://www.regulations.gov* and follow the instructions for sending your comments electronically.

• *Mail:* Docket Operations, U.S. Department of Transportation, West Building, Ground Floor, Room W12–140, Routing Symbol M–30, 1200 New Jersey Avenue SE., Washington, DC 20590.

• *Fax:* 1–202–493–2251.

• *Hand Delivery:* To Docket Operations, Room W12–140 on the ground floor of the West Building, 1200 New Jersey Avenue SE., Washington, DC 20590, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

For more information on the notice and comment process, see the **SUPPLEMENTARY INFORMATION** section of this document.

Docket: To read background documents or comments received, go to *http://www.regulations.gov* at any time or to Room W12–140 on the ground floor of the West Building, 1200 New Jersey Avenue SE., Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Kevin C. Willis, Manager, Airport Compliance Division, ACO–100, Federal Aviation Administration, 800 Independence Avenue SW., Washington, DC 20591, telephone (202) 267–3085; facsimile: (202) 267–4629.

SUPPLEMENTARY INFORMATION:

Privacy: We will post all comments we receive, without change, to *http://www.regulations.gov*, including any personal information you provide. Using the search function of our docket Web site, anyone can find and read the comments received into any of our dockets, including the name of the individual sending the comment (or signing the comment for an association, business, labor union, etc.). You may review DOT's complete Privacy Act Statement in the **Federal Register** published on April 11, 2000 (65 FR 19477–78).

Availability of Documents

You can get an electronic copy of this Policy and all other documents in this docket using the Internet by:

(1) Searching the Federal eRulemaking portal (*http://www.faa.gov/regulations/search*);

(2) Visiting FAA's Regulations and Policies Web page at (*http://www.faa.gov/regulations_policies*; or

(3) Accessing the Government Printing Office's Web page at (*http://www.gpoaccess.gov/index.html*.

You can also get a copy by sending a request to the Federal Aviation Administration, Office of Airport Compliance and Management Analysis, 800 Independence Avenue SW., Washington, DC 20591, or by calling (202) 267–3085. Make sure to identify the docket number, notice number, or amendment number of this proceeding.

Authority for the Policy

This notice is published under the authority described in Title 49 of the United States Code, Subtitle VII, part B, chapter 471, section 47122(a).

Background

Airport Sponsor Obligations

Airport sponsors that have accepted grants under the Airport Improvement Program (AIP) have agreed to comply with certain Federal policies included in each AIP grant agreement as sponsor assurances. The Airport and Airway Improvement Act of 1982 (AAIA), as amended and recodified at 49 U.S.C. 47107(a)(1), and the contractual sponsor assurances require that the airport sponsor make the airport available for aviation use. Grant assurance 22, *Economic Nondiscrimination,* requires the sponsor to make the airport available on reasonable terms without unjust discrimination for aeronautical activities, including aviation services. Grant assurance 19, *Operation and Maintenance,* prohibits an airport sponsor from causing or permitting any activity that would interfere with use of airport property for airport purposes. In some cases, sponsors who have received property transfers through surplus property and nonsurplus property agreements have similar federal obligations.

The sponsor may designate some areas of the airport for non-aviation use,[1] with FAA approval, but aeronautical facilities of the airport must be dedicated to use for aviation purposes. Limiting use of aeronautical facilities to aeronautical purposes ensures that airport facilities are available to meet aviation demand at the airport. Aviation tenants and aircraft sponsors should not be displaced by non-aviation commercial uses that could be conducted off of airport property.

It is the longstanding policy of the FAA that airport property be available for aeronautical use and not be available for non-aeronautical purposes unless that non-aeronautical use is approved by the FAA. Use of a designated aeronautical facility for a non-aviation purpose, even on a temporary basis, requires FAA approval. See FAA Order 5190.6B, *Airport Compliance Manual*, paragraph 22.6. The identification of non-aviation use of aeronautical areas receives special attention in FAA airport compliance inspections. See Order 5190.6B, paragraphs 21.6.e and f(5).

Areas of the airport designated for non-aeronautical use must be shown on an airport's Airport Layout Plan (ALP). The AAIA, at 49 U.S.C. 47107(a)(16), requires that AIP grant agreements include an assurance by the sponsor to maintain an ALP in a manner prescribed by the FAA. Sponsor assurance 29, *Airport Layout Plan*, implements § 47107(a)(16) and provides that an ALP must designate non-aviation areas of the airport. The sponsor may not allow an alteration of the airport in a manner inconsistent with the ALP unless approved by the FAA. See FAA Order 5190.6B, *Airport Compliance Manual*, paragraph 7.18, and Advisory Circular 150/5070–6B, *Airport Master Plans*, chapter 10.

Clearly identifying non-aeronautical facilities not only keeps aeronautical facilities available for aviation use, but also assures that the airport sponsor receives at least Fair Market Value (FMV) revenue from non-aviation uses of the airport. The AAIA requires that airport revenues be used for airport purposes, and that the airport maintain a fee structure that makes the airport as self-sustaining as possible. 49 U.S.C. 47107(a)(13)(A) and (b)(1). The FAA and the Department of Transportation Office of the Inspector General have interpreted these statutory provisions to require that non-aviation activities on an airport be charged a fair market rate for use of airport facilities rather than the aeronautical rate. See *FAA Policies and Procedures Concerning the Use of Airport Revenue*, § VII.C, 64 FR 7696, 7721(Feb. 16, 1999) (FAA Revenue Use Policy). If an airport tenant pays an aeronautical rate for a hangar and then uses the hangar for a non-aeronautical purpose, the tenant may be paying a below-market rate in violation of the sponsor's obligation for a self-sustaining rate structure and FAA's Revenue Use Policy. Confining non-aeronautical activity to designated non-aviation areas of the airport helps to ensure that the non-aeronautical use of airport property is monitored and allows the airport sponsor to clearly identify non-aeronautical fair market value lease rates in order meet their federal obligations. Identifying non-aeronautical uses and charging appropriate rates for these uses prevents the sponsor from subsidizing non-aviation activities with aviation revenues.

FAA Oversight

The FAA's enforcement of appropriate use of airport property has been the subject of two audits by the General Accounting Office (now called Government Accountability Office, or GAO). In August 1980, the GAO released a report to the Secretary of Transportation entitled "Misuse of Airport Land Acquired through Federal Assistance." This report highlighted several cases of federally funded land being used for various non-aeronautical purposes. The report cited a lack of oversight by FAA and recommended more active involvement in oversight. In May 1999, the GAO released the report, "General Aviation Airports: Unauthorized Land Use Highlights Need for Improved Oversight and Enforcement". This report highlighted the need for the FAA to increase its efforts to monitor airports for unauthorized use of land.

In response to this second report, the FAA began conducting land use inspections at 18 selected airports each year, at least two in each of the nine FAA regions. A frequent finding from these inspections has been the prevalence of non-aeronautical items stored in aircraft hangars designated for aeronautical use. In some cases, the aircraft hangars contained only non-aeronautical items, such as automobiles (including sponsor-owned police cruisers), boats, large recreational vehicles, etc. In other cases, non-aeronautical items shared space with legitimate aeronautical use of hangars. Inspections have frequently uncovered motorcycles, furniture, tools, and other non-aeronautical items stored in hangars along with aircraft. Some hangar tenants were found to be operating non-aviation commercial businesses out of an airfield hangar.

In May 2011, The Director of the Office of Airport Compliance and Management Analysis issued a Director's Determination under 14 CFR Part 16,[2] finding the City in violation of Grant Assurance 19. *Operations and Maintenance* by allowing non-aeronautical use of airport hangars for storing non-aviation items. The FAA ordered the City to submit a Corrective Action Plan to bring the airport back into compliance. As part of the City of Glendale's effort to formulate a Corrective Action Plan, the City requested the FAA to provide written confirmation on the status of certain items as aeronautical or non-aeronautical. The agency's July 12, 2012 response to the letter became widely circulated in the airport community and has been interpreted by some as general policy. Insofar as that letter suggested that all non-aeronautical items stored in a hangar would constitute a violation of the grant assurances, it applied to a specific situation at a specific airport and does not represent general agency policy.

A sponsor's grant assurance obligations require that its aeronautical facilities be used or be available for use for aeronautical activities. If the presence of non-aeronautical items in a hangar does not interfere with these obligations, then the FAA will generally not consider their presence to constitute a violation of the sponsor's obligation to provide reasonable access to aeronautical users and tenants. In cases where excess hangar capacity is unused because of low aviation demand, a sponsor can request FAA approval for interim non-aeronautical use of a hangar until that hangar is needed again for an aeronautical purpose. However, aeronautical use must take priority and be accommodated over non-aeronautical use even if the rental rate would be higher for the non-aeronautical use (See FAA Order 5190.6B, ¶ 22.6). The sponsor is required to charge a fair market commercial rental rate for any hangar rental or use for non-aeronautical purposes.

Use of Hangars for Fabrication and Assembly of Aircraft

While building an aircraft results in an aeronautical product, the FAA has not found all stages of the building process to be aeronautical for purposes of hangar use. A large part of the

[1] The terms "non-aviation" and "non-aeronautical" are used interchangeably in this Notice.

[2] *Valley Aviation Services, LLP* v. *City of Glendale, Arizona*, FAA Docket No. 16–09–06 (May 24, 2011) (Director's Determination).

construction process can be and often is conducted off-airport. Only when the various components are assembled into a final functioning aircraft is access to the airfield necessary.

In *Ashton* v. *City of Concord, NC*,[3] the complainant objected to the airport sponsor's prohibition of construction of a homebuilt aircraft in an airport T-hangar. The decision was based on a FAA determination that aircraft construction is not *per se* an aeronautical activity. While final stages of aircraft construction can be considered aeronautical, the airport sponsor prohibited this level of maintenance and repair in T-hangars but provided an alternate location on the airport. The FAA found that the airport sponsor's rules prohibiting maintenance and repair in a T-hangar, including construction of a homebuilt aircraft, did not violate the sponsor's grant assurances.

There have been industry objections to the FAA's designation of any aircraft construction stages as non-aeronautical. While the same principles apply generally to large aircraft manufacturing, compliance issues involving aircraft construction have typically been limited to homebuilt aircraft construction at general aviation airports. Commercial aircraft manufacturers use dedicated, purpose-built manufacturing facilities, and questions of aeronautical use for these facilities are generally resolved at the time of the initial lease. In contrast, persons constructing homebuilt aircraft sometimes seek to rent airport hangars designed for storage of operating aircraft and easy access to a taxiway, even though it may be years before a homebuilt aircraft kit will be able to take advantage of the convenient access to the airfield.

The FAA is not proposing any change to existing policy other than to clarify that final assembly of an aircraft, leading to the completion of the aircraft to a point where it can be taxied, will be considered an aeronautical use.

Proposed Policy and Request for Public Comment

The FAA intends to produce an agency policy on use of hangars and related facilities at federally obligated airports in sufficient detail to provide a clear and standardized guide for airport sponsors and FAA compliance staff. The FAA is proposing a policy statement for public comment based on the following general principles:

[3] *Ashton v. City of Concord*, FAA Docket No. 16–99–09 (January 28, 2000) (Director's Determination and affirmed by Final Agency Decision).

1. The primary goal of this policy is to protect federal investment in federally obligated airports by ensuring aeronautical facilities are available to aeronautical users. Aeronautical users requesting the use of a hangar for aircraft storage should not be denied access because the airport sponsor is permitting tenants to use hangars to store vehicles or household items, or to operate non-aviation businesses.

2. A secondary goal of the policy is to ensure that airport sponsors receive fair market rental for any approved use of airport property for non-aviation purposes.

3. The primary purpose of a hangar in an aeronautical area of the airport is aircraft storage or operation of an aeronautical service business that requires maintenance or repair work on aircraft. If a hangar is serving one of these purposes, then incidental storage of non-aviation items that does not interfere with the primary purpose of the hangar and occupies an insignificant amount of physical hangar space will not be considered to constitute a violation of the grant assurances. In such cases, incidental storage of non-aviation items will be treated as having *de minimis* value (for purposes of compliance with the self-sustaining assurance) and will not require the sponsor to increase rent as a result of the storage of these incidental non-aeronautical items.

4. If an airport's hangar capacity substantially exceeds aviation demand (e.g., there are multiple vacant hangars and no requests to rent them for aeronautical purposes), the sponsor may request and FAA may approve interim non-aeronautical use of vacant hangars under the provisions found in FAA Order 5190.6B, Chapter 22.6. FMV non-aeronautical rental rates would apply to any non-aviation use.

5. Final, active assembly of an aircraft in the manufacturing or homebuilt construction process, resulting in a completed, operational aircraft requiring access to the airfield, is considered an aeronautical activity for the purposes of this policy.

6. Using hangar space as a residence on a full-time or even temporary basis is not a compatible land use, no matter where it is located on the airport, and is not permitted.

7. Airport sponsors are expected to take measures to ensure that aeronautical facilities on the airport are reserved for aeronautical use. These measures should include a periodic inspection program to ensure that the waiting time for those persons who are legitimately in need of a hangar for aircraft storage is minimized.

8. Airport sponsors may adopt more stringent rules for use of hangars than required by the grant assurances, based on proprietary concerns for the safe and efficient use of airport property. However, such rules must be reasonable and not unjustly discriminatory against any aeronautical user. For example, an airport sponsor may limit storage of vehicles in hangars if there is concern that vehicular traffic on taxilanes or taxiways may create a safety hazard.

9. The sponsor's federal obligations do not protect non-aeronautical users and/or storage of non-aeronautical items. Non-aeronautical use is not a protected activity.

Proposed Policy and Request for Comments

In accordance with the above, the FAA proposes to adopt the following policy statement on use of hangars at federally obligated airports. The agency requests public comments on the proposed policy statement, as described in the "Address" and "Dates" information in this notice. Comments received by the due date will be considered in the development of a final agency policy statement.

Use of Aeronautical Land and Facilities

Applicability

This policy applies to all aircraft storage areas or facilities on a federally obligated airport unless designated for non-aviation use on an approved Airport Layout Plan or otherwise approved for non-aviation use by the FAA. The policy statement generally refers to the use of hangars since they are the type of aeronautical facility most often involved in issues of non-aviation use. The policy applies to all users of aircraft hangars, regardless of whether a user is an owner or lessee of the hangar, including airport sponsors, municipalities, and other public entities.

I. General

The intent of this policy is to ensure that the Federal investment in federally obligated airports is protected by making aeronautical facilities available to aeronautical users, and to ensure that airport sponsors receive fair market value for rental of approved non-aviation use of airport property. Sponsors who fail to comply with grant assurances and this policy may be subject to administrative sanctions such as the denial of funding from current and future AIP grants.

II. Standards for Aeronautical Use of Hangars

• Hangars located on airport property must be used for an aeronautical purpose, or be available for use for one, unless otherwise approved by the FAA.

• Aeronautical uses for hangars include:
  ○ Storage of operational aircraft
  ○ Final assembly of aircraft
  ○ Short-term storage of non-operational aircraft for purposes of maintenance, repair, or refurbishment

• Provided the hangar is used primarily for aeronautical purposes, an airport sponsor may permit limited, non-aeronautical items to be stored in hangars provided the items are incidental to aeronautical use of the hangar and occupy an insignificant amount of hangar space (e.g., a small refrigerator). The incidental storage of non-aeronautical items will be considered to be of *de minimis* value for the purpose of assessing rent.

• Generally, items are considered incidental if they:
  ○ Do not interfere with the aeronautical use of the hangar;
  ○ Do not displace the aeronautical contents of the hangar;
  ○ Do not impede access to aircraft or other aeronautical contents of the hangar;
  ○ Do not require a larger hangar than would otherwise be necessary if such items were not present;
  ○ Occupy an insignificant amount of hangar space;
  ○ Are owned by the hangar owner or tenant;
  ○ Are not used for non-aeronautical commercial purposes (i.e., the tenant is not conducting a non-aeronautical business from the hangar including storing inventory);
  ○ Are not stored in violation of airport rules and regulations.

• Hangars should be leased with consideration of the size and quantity of aircraft to be stored therein. To maximize the availability of hangars for all aeronautical users, sponsors should avoid leasing a hangar that is disproportionately large for the aircraft to be stored in the hangar (i.e., hangars built to store multiple aircraft should be used for multiple aircraft storage).

• Hangars must not be used as a residence. The FAA differentiates between a typical pilot resting facility or aircrew quarters versus a hangar residence or hangar home. The former are designed to be used for overnight and/or resting periods for aircrew, and not as a permanent or even temporary residence. See FAA Order 5190.6B, Paragraph 20.5.b.

• This policy on hangar use applies regardless of whether the hangar occupant leases the hangar from the airport sponsor or developer, or the hangar occupant constructed the hangar at their own expense and holds a ground lease only. When designated aeronautical land is made available for construction of hangars, the hangars built on the land will be fully subject to the sponsor's obligations to use aeronautical facilities for aeronautical use.

III. Approval for Non-Aeronautical Use of Hangars

Where hangars are unoccupied and there is no current aviation demand for hangar space, the airport sponsor may request that FAA approve an interim use of a hangar for non-aeronautical purposes for a period no more than five years. Interim leases of unused hangars can generate revenue for the airport and prevent deterioration of facilities. FAA will review the request in accordance with Order 5190.6B, ¶ 22.6. Approved interim or concurrent revenue-production uses must not interfere with safe and efficient airport operations and sponsors should only agree to lease terms that allow the hangars to be recovered on short notice for aeronautical purposes.

The airport sponsor is required to charge non-aeronautical fair market rental fees for the non-aeronautical use of airport property, even on an interim basis. (See *Policies and Procedures Concerning Airport Revenue, § VII.C.*)

IV. No Right to Non-Aeronautical Use

In the context of enforcement of the grant assurances, this policy allows some incidental storage of non-aeronautical items in hangars. However, the policy neither creates nor constitutes a right to store non-aeronautical items in hangars. Airport sponsors may restrict or prohibit storage of non-aeronautical items. Sponsors should consider factors such as emergency access, fire codes, security, insurance, and the impact of vehicular traffic on their surface areas when enacting rules regarding hangar storage. In some cases, permitting certain incidental non-aeronautical items in hangars could inhibit the sponsor's ability to meet obligations associated with grant assurance 19, *Operations and Maintenance.* Sponsors should ensure that taxiways and runways are not used for the vehicular transport of such items to or from the hangars.

V. Sponsor Compliance Actions

It is expected that aeronautical facilities on an airport will be available and used for aeronautical purposes in the normal course of airport business, and that non-aeronautical uses will be the exception. Sponsors should have a program to routinely monitor use of hangars and take measures to eliminate and prevent unapproved non-aeronautical use of hangars. Sponsors should ensure that length of time on a waiting list of those legitimately in need of a hangar for aircraft storage is minimized. Sponsors should also consider incorporating provisions in airport leases, including aeronautical leases, to adjust rental rates to FMV for any non-incidental non-aeronautical use of the leased facilities. FAA personnel conducting a land use or compliance inspection of an airport may request a copy of the sponsor's hangar use program and evidence that the sponsor has limited hangars to aviation use.

Issued in Washington, DC, on July 15, 2014.

Randall S. Fiertz,

Director, Office of Airport Compliance and Management Analysis.

[FR Doc. 2014–17031 Filed 7–21–14; 8:45 am]

BILLING CODE P

DEPARTMENT OF THE TREASURY

Financial Crimes Enforcement Network

31 CFR Part 1010

RIN 1506–AB27

Imposition of Special Measure Against FBME Bank Ltd., Formerly Known as Federal Bank of the Middle East, Ltd., as a Financial Institution of Primary Money Laundering Concern

AGENCY: Financial Crimes Enforcement Network ("FinCEN"), Treasury.

ACTION: Notice of proposed rulemaking.

SUMMARY: In a finding, notice of which is published elsewhere in this issue of the **Federal Register** ("Notice of Finding"), the Director of FinCEN found that FBME Bank Ltd. ("FBME"), formerly known as Federal Bank of the Middle East, Ltd., is a financial institution operating outside of the United States that is of primary money laundering concern. FinCEN is issuing this notice of proposed rulemaking ("NPRM") to propose the imposition of a special measure against FBME.

DATES: Written comments on this NPRM must be submitted on or before September 22, 2014.

ADDRESSES: You may submit comments, identified by 1506–AB27, by any of the following methods:

ST. AUGUSTINE/ST JOHNS COUNTY AIRPORT AUTHORITY

Briefing Memorandum
To: Board of Directors
From: Courtney Pittman, Interim Executive Director
Date: February 11, 2026
Subject: Proposed T-Hangar Rent Rate Adjustments

I. Purpose

The purpose of this briefing is to provide the Board with background information, financial context, and supporting analysis related to proposed T-Hangar rate adjustments at St. Augustine Airport.

II. Background

The St. Johns County Airport Authority (the "Authority") owns and operates publicly funded T-Hangars that are subject to applicable federal and state requirements, including FAA grant assurances and Florida law. Rental rates for these facilities have historically been reviewed and adjusted periodically to reflect market conditions, operating costs, and long-term asset stewardship considerations.

The Authority has recently completed construction of nineteen (19) new T-Hangars, increasing overall hangar inventory and prompting a review of the existing rate structure to ensure consistency, fairness, and fiscal responsibility across all facilities.

A Fair Market Value analysis by a leading airport industry appraisal specialist was conducted, and the results are attached.

III. Policy and Regulatory Considerations

T-Hangar rental rates must be established and administered in a manner that is:

- Reasonable and applied on a non-discriminatory basis
- Consistent with FAA guidance regarding self-sustaining airport operations
- Supportive of ongoing maintenance, capital reinvestment, and compliance obligations

IV. Proposed Rate Adjustment Overview

The proposed rate adjustments are designed to:

- Better align T-Hangar rental rates with current market conditions
- Support ongoing maintenance and lifecycle management of hangar assets
- Ensure equitable treatment across tenants and hangar types
- Reflect the expanded hangar inventory resulting from newly constructed units

No rate changes take effect unless and until formally approved by the Board.

V. Financial Considerations

Projected revenue impacts have been developed using conservative assumptions, including standard occupancy and collection rates. These projections are illustrative and subject to Board approval, tenant lease-up timing, and actual operational conditions.

Based on the proposed rate structure, annual T-Hangar revenue is projected to increase from approximately $1.08 million to $1.40 million, resulting in an estimated net increase of $321,000 per year. This increase is intended to better align revenues with prevailing market conditions, operating costs, and the long-term maintenance and reinvestment needs associated with the Authority's hangar facilities.

This proposal reflects projected revenue impacts associated with proposed T-Hangar rate adjustments and the anticipated lease-up of nineteen (19) newly constructed T-Hangars, based on standard occupancy and collection assumptions.

Consistent with FAA grant assurance principles, the proposed adjustments are intended to support the Airport's continued progress toward maintaining a financially self-sustaining operation, without imposing unreasonable or discriminatory charges on users.

Detailed financial data supporting these projections is provided in Attachment A – Proposed Rent Rate Increase.

VI. Implementation Timing

If approved by the Board, staff anticipate that any adopted rate adjustments would be implemented prospectively, following appropriate notice to tenants and in accordance with existing lease terms and Authority policies.

VII. Attachments

The following materials are provided to support Board review and discussion:

- Attachment A: Proposed Rent Rate Increase
- Attachment B: Appraisal Results

VIII. Staff Recommendation

Staff recommend that the Board adopt the proposed t-hangar rates as presented.

St. Augustine St. Johns County Airport Authority
T-Hangar Tenant List
As of October 1, 2025

Hangar	Current Base Rate 10/1/25	Appraisal Proposed Rent	Amount of Increase from 10/1/25	5% Proposed Increase	Proposed Rent Amount	Increase from 10/1/25 Base
A01		600.00	600.00	30.00	630.00	630.00
A02		600.00	600.00	30.00	630.00	630.00
A03		600.00	600.00	30.00	630.00	630.00
A04		600.00	600.00	30.00	630.00	630.00
A05		600.00	600.00	30.00	630.00	630.00
A06		600.00	600.00	30.00	630.00	630.00
A07		600.00	600.00	30.00	630.00	630.00
A08		600.00	600.00	30.00	630.00	630.00
A09		900.00	900.00	45.00	945.00	945.00
B01	477.48	500.00	22.52	25.00	525.00	47.52
B02	787.07	900.00	112.93	45.00	945.00	157.93
B03	477.48	500.00	22.52	25.00	525.00	47.52
B04	477.48	500.00	22.52	25.00	525.00	47.52
B05	477.48	500.00	22.52	25.00	525.00	47.52
B06	477.48	500.00	22.52	25.00	525.00	47.52
B07	475.17	500.00	24.83	25.00	525.00	49.83
B08	477.48	500.00	22.52	25.00	525.00	47.52
B09	475.17	500.00	24.83	25.00	525.00	49.83
B10	475.17	500.00	24.83	25.00	525.00	49.83
B11	787.07	900.00	112.93	45.00	945.00	157.93
B12	474.71	500.00	25.29	25.00	525.00	50.29
C01	475.17	500.00	24.83	25.00	525.00	49.83
C02	816.16	900.00	83.84	45.00	945.00	128.84
C03	460.43	500.00	39.57	25.00	525.00	64.57
C04	477.48	500.00	22.52	25.00	525.00	47.52
C05	460.43	500.00	39.57	25.00	525.00	64.57
C06	477.48	500.00	22.52	25.00	525.00	47.52
C07	477.50	500.00	22.50	25.00	525.00	47.50
C08	460.43	500.00	39.57	25.00	525.00	64.57
C09	477.48	500.00	22.52	25.00	525.00	47.52
C10	477.48	500.00	22.52	25.00	525.00	47.52
C11	812.26	900.00	87.74	45.00	945.00	132.74

St. Augustine St. Johns County Airport Authority
T-Hangar Tenant List
As of October 1, 2025

Hangar	Current Base Rate 10/1/25	Appraisal Proposed Rent	Amount of Increase from 10/1/25	5% Proposed Increase	Proposed Rent Amount	Increase from 10/1/25 Base
C12	460.43	500.00	39.57	25.00	525.00	64.57
D01	438.05	500.00	61.95	25.00	525.00	86.95
D02	816.19	900.00	83.81	45.00	945.00	128.81
D03	438.05	500.00	61.95	25.00	525.00	86.95
D04	438.05	500.00	61.95	25.00	525.00	86.95
D05	477.48	500.00	22.52	25.00	525.00	47.52
D05	477.48	500.00	22.52	25.00	525.00	47.52
D06	438.05	500.00	61.95	25.00	525.00	86.95
D07	438.05	500.00	61.95	25.00	525.00	86.95
D08	438.05	500.00	61.95	25.00	525.00	86.95
D09	477.48	500.00	22.52	25.00	525.00	47.52
D10	435.95	500.00	64.05	25.00	525.00	89.05
D11	816.16	900.00	83.84	45.00	945.00	128.84
D12	438.05	500.00	61.95	25.00	525.00	86.95
E01	460.43	500.00	39.57	25.00	525.00	64.57
E02	787.07	900.00	112.93	45.00	945.00	157.93
E03	475.17	500.00	24.83	25.00	525.00	49.83
E04	449.89	500.00	50.11	25.00	525.00	75.11
E05	393.20	500.00	106.80	25.00	525.00	131.80
E06	438.05	500.00	61.95	25.00	525.00	86.95
E07	438.05	500.00	61.95	25.00	525.00	86.95
E08	460.43	500.00	39.57	25.00	525.00	64.57
E09	477.48	500.00	22.52	25.00	525.00	47.52
E10	393.20	500.00	106.80	25.00	525.00	131.80
E11	513.78	900.00	386.22	45.00	945.00	431.22
E12	438.05	500.00	61.95	25.00	525.00	86.95
G01	1,114.94	1,250.00	135.06	62.50	1,312.50	197.56
G02	1,149.51	1,250.00	100.49	62.50	1,312.50	162.99
G03	1,081.42	1,250.00	168.58	62.50	1,312.50	231.08
G04	1,149.51	1,250.00	100.49	62.50	1,312.50	162.99
G05	1,197.39	1,250.00	52.61	62.50	1,312.50	115.11
G06	1,196.23	1,250.00	53.77	62.50	1,312.50	116.27

St. Augustine St. Johns County Airport Authority
T-Hangar Tenant List
As of October 1, 2025

Hangar	Current Base Rate 10/1/25	Appraisal Proposed Rent	Amount of Increase from 10/1/25	5% Proposed Increase	Proposed Rent Amount	Increase from 10/1/25 Base
H01	1,472.72	1,600.00	127.28	80.00	1,680.00	207.28
H02	1,472.72	1,600.00	127.28	80.00	1,680.00	207.28
H03-H04	3,618.48	3,650.00	31.52	182.50	3,832.50	214.02
I01	1,465.62	1,600.00	134.38	80.00	1,680.00	214.38
I02	1,602.04	1,600.00	(2.04)	80.00	1,680.00	77.96
I03	1,608.04	1,600.00	(8.04)	80.00	1,680.00	71.96
I04	1,556.98	1,600.00	43.02	80.00	1,680.00	123.02
J01		800.00	800.00	40.00	840.00	840.00
J02		550.00	550.00	27.50	577.50	577.50
J03		550.00	550.00	27.50	577.50	577.50
J04		550.00	550.00	27.50	577.50	577.50
J05		550.00	550.00	27.50	577.50	577.50
J06		550.00	550.00	27.50	577.50	577.50
J07		550.00	550.00	27.50	577.50	577.50
J08		550.00	550.00	27.50	577.50	577.50
J09		550.00	550.00	27.50	577.50	577.50
J10		800.00	800.00	40.00	840.00	840.00
K02	474.71	525.00	50.29	26.25	551.25	76.54
K03	474.71	525.00	50.29	26.25	551.25	76.54
K04	460.43	525.00	64.57	26.25	551.25	90.82
K05	477.48	525.00	47.52	26.25	551.25	73.77
K06	475.17	525.00	49.83	26.25	551.25	76.08
K07	463.82	525.00	61.18	26.25	551.25	87.43
K08	474.71	525.00	50.29	26.25	551.25	76.54
K09	477.48	525.00	47.52	26.25	551.25	73.77
K10	474.71	525.00	50.29	26.25	551.25	76.54
K11	506.06	525.00	18.94	26.25	551.25	45.19
K12	477.48	525.00	47.52	26.25	551.25	73.77
K12E	254.41	265.00	10.59	13.25	278.25	23.84
K13	475.17	525.00	49.83	26.25	551.25	76.08
L02	477.48	525.00	47.52	26.25	551.25	73.77
L04	460.43	525.00	64.57	26.25	551.25	90.82

St. Augustine St. Johns County Airport Authority
T-Hangar Tenant List
As of October 1, 2025

Hangar	Current Base Rate 10/1/25	Appraisal Proposed Rent	Amount of Increase from 10/1/25	5% Proposed Increase	Proposed Rent Amount	Increase from 10/1/25 Base
L05	475.17	525.00	49.83	26.25	551.25	76.08
L06	474.71	525.00	50.29	26.25	551.25	76.54
L07	450.88	525.00	74.12	26.25	551.25	100.37
L08	477.48	525.00	47.52	26.25	551.25	73.77
L09	474.71	525.00	50.29	26.25	551.25	76.54
L10	474.71	525.00	50.29	26.25	551.25	76.54
L11	474.71	525.00	50.29	26.25	551.25	76.54
L12	477.48	525.00	47.52	26.25	551.25	73.77
L13	474.71	525.00	50.29	26.25	551.25	76.54
L14	262.05	265.00	2.95	13.25	278.25	16.20
M01	212.18	265.00	52.82	13.25	278.25	66.07
M02	460.43	525.00	64.57	26.25	551.25	90.82
M03	477.48	525.00	47.52	26.25	551.25	73.77
M04	475.17	525.00	49.83	26.25	551.25	76.08
M06	477.48	525.00	47.52	26.25	551.25	73.77
M07	477.48	525.00	47.52	26.25	551.25	73.77
M08	475.17	525.00	49.83	26.25	551.25	76.08
M09	475.17	525.00	49.83	26.25	551.25	76.08
M10	460.43	525.00	64.57	26.25	551.25	90.82
M11	477.48	525.00	47.52	26.25	551.25	73.77
M12	477.48	525.00	47.52	26.25	551.25	73.77
M13	474.71	525.00	50.29	26.25	551.25	76.54
N01	1,148.40	1,250.00	101.60	62.50	1,312.50	164.10
N03	1,110.34	1,250.00	139.66	62.50	1,312.50	202.16
N05	1,110.34	1,250.00	139.66	62.50	1,312.50	202.16
O01	515.12	650.00	134.88	32.50	682.50	167.38
O02	563.05	600.00	36.95	30.00	630.00	66.95
O03	475.17	550.00	74.83	27.50	577.50	102.33
O04	477.48	550.00	72.52	27.50	577.50	100.02
O05	474.71	550.00	75.29	27.50	577.50	102.79
O06	652.22	800.00	147.78	40.00	840.00	187.78
P01	514.63	600.00	85.37	30.00	630.00	115.37

St. Augustine St. Johns County Airport Authority
T-Hangar Tenant List
As of October 1, 2025

Hangar	Current Base Rate 10/1/25	Appraisal Proposed Rent	Amount of Increase from 10/1/25	5% Proposed Increase	Proposed Rent Amount	Increase from 10/1/25 Base
P02	1,443.82	1,600.00	156.18	80.00	1,680.00	236.18
P03	460.43	550.00	89.57	27.50	577.50	117.07
P04	1,443.82	1,600.00	156.18	80.00	1,680.00	236.18
P05	475.17	550.00	74.83	27.50	577.50	102.33
P06	1,443.82	1,600.00	156.18	80.00	1,680.00	236.18
P07	515.12	600.00	84.88	30.00	630.00	114.88
P08	618.38	600.00	(18.38)	30.00	630.00	11.62
P10	474.71	550.00	75.29	27.50	577.50	102.79
P12	604.41	600.00	(4.41)	30.00	630.00	25.59
Q01	460.43	550.00	89.57	27.50	577.50	117.07
Q02	672.44	800.00	127.56	40.00	840.00	167.56
Q03	460.87	550.00	89.13	27.50	577.50	116.63
Q04	391.32	550.00	158.68	27.50	577.50	186.18
Q05	477.48	550.00	72.52	27.50	577.50	100.02
Q06	486.95	550.00	63.05	27.50	577.50	90.55
Q07	486.95	550.00	63.05	27.50	577.50	90.55
Q08	477.48	550.00	72.52	27.50	577.50	100.02
Q09	517.61	600.00	82.39	30.00	630.00	112.39
Q10	607.34	550.00	(57.34)	27.50	577.50	(29.84)
R01	477.48	550.00	72.52	27.50	577.50	100.02
R02	675.79	800.00	124.21	40.00	840.00	164.21
R03	477.48	550.00	72.52	27.50	577.50	100.02
R04	477.48	550.00	72.52	27.50	577.50	100.02
R05	477.48	550.00	72.52	27.50	577.50	100.02
R06	474.49	550.00	75.51	27.50	577.50	103.01
R07	477.48	550.00	72.52	27.50	577.50	100.02
R08	474.71	550.00	75.29	27.50	577.50	102.79
R09	477.48	550.00	72.52	27.50	577.50	100.02
R10	512.45	550.00	37.55	27.50	577.50	65.05
S01	477.48	600.00	122.52	30.00	630.00	152.52
S02	517.62	600.00	82.38	30.00	630.00	112.38
S03	474.71	550.00	75.29	27.50	577.50	102.79

St. Augustine St. Johns County Airport Authority
T-Hangar Tenant List
As of October 1, 2025

Hangar	Current Base Rate 10/1/25	Appraisal Proposed Rent	Amount of Increase from 10/1/25	5% Proposed Increase	Proposed Rent Amount	Increase from 10/1/25 Base
S04	474.71	550.00	75.29	27.50	577.50	102.79
S06	477.48	550.00	72.52	27.50	577.50	100.02
S07	474.71	550.00	75.29	27.50	577.50	102.79
S08	460.43	550.00	89.57	27.50	577.50	117.07
S10	672.82	700.00	27.18	35.00	735.00	62.18
Monthly Total	90,083.14	111,295.00	21,211.86	5,564.75	116,859.75	26,776.61
Yearly Total	1,080,997.69	1,335,540.00	**254,542.31**	66,777.00	1,402,317.00	**321,319.31**

MARKET RENT ANALYSIS

****

Miscellaneous T-Hangars, L-Hangars and Box Hangar Facilities
St. Augustine Airport (SGJ)
St. Augustine, Florida

Prepared for:

Mr. Courtney K. Pittman
Interim Executive Director
St. Augustine Airport
4796 US 1 North
St. Augustine, Florida 32095

Date of Report: September 16, 2025
Date of Analysis: July 7, 2025

Airport
Business
Solutions

September 16, 2025

Mr. Courtney K. Pittman
Interim Executive Director
St. Augustine Airport
4796 US 1 North
St. Augustine, Florida 32095

RE: Market Rent Analysis
Miscellaneous T-Hangars, L-Hangars and Box Hangar Facilities
St. Augustine Airport (SGJ)
St. Augustine, Florida

Dear Mr. Pittman:

In accordance with your request, ***Airport Business Solutions (ABS)*** has inspected the subject development and completed our comprehensive study of the local and regional general aviation market for the purpose of providing estimates of Market Rent on various T-hangars, L-hangars, and box hangar facilities at the St. Augustine Airport (FAA Identifier SGJ) in St. Augustine, Florida. There are 111 T-hangars, 22 L-hangars, and 18 box hangars contained in a total of seventeen hangar complexes located on the south side of the Airport reflecting average to good quality and condition. Per our discussion, the following report provides current market rent estimates for the Airport-owned facilities.

The primary purpose of the assignment is to provide an estimate of the Market Rent of the aforementioned hangars to assist the Airport with rate-setting and scheduled rental rate adjustments. At the present time, hangar demand in the region is substantial with every airport hangar project at 100% occupancy with a waiting list. Moreover, it should be noted that most airport sponsors indicate a desire to construct new T-hangars and box hangars, but the economics are not viable given that current construction costs are negatively impacted by wage scales and other costs. The hangar units are not currently individually metered, and all utilities are paid by the Airport. The selected rates are reflective of this lease structure and the current supply and demand imbalance.

After careful analysis of the subject Airport, facilities, and their competitive environment, as well as the local and regional general aviation market, it is our opinion that the current Market Rent of the various St. Augustine Airport-owned hangars identified herein, as of July 7, 2025, are as follows:

Mr. Courtney K. Pittman
September 16, 2025
Page Two

ST. AUGUSTINE AIRPORT T-HANGARS, L-HANGARS & BOX HANGARS - PROPOSED MONTHLY RENTS					
Hangar No.	**T- Hangar**	**L- Hangar**	**Box Hangar**	**Hangar Area (Sq Ft)**	**Proposed Monthly Rent**
B01, B03-B10, B12	x				**$500.00**
B02 & B11			x	1,982 - 2,011	**$900.00**
C01, CO3-C10, C12	x			1,238 - 1,264	**$500.00**
C02 & C11			x	1,994 - 2,005	**$900.00**
D01, D03-D10, D12	x			1,236 - 1,269	**$500.00**
D02			x	1,990	**$900.00**
D11		x		2,014	**$900.00**
E01, E03 - E10, E12	x			1,227 - 1,267	**$500.00**
E02		x		1,991	**$900.00**
E11			x	1,882	**$900.00**
G01 - G06		x		2,490 - 2,596	**$1,250.00**
H01 & H02		x		3,004 - 3,033	**$1,600.00**
H3		x		6,047	**$3,650.00**
I01 - I04		x		3,017 - 3,264	**$1,600.00**
K02 - K13	x			1,025 - 1,054	**$525.00**
K14			x	445	**$265.00**
L02 - L13	x			1,038 - 1,050	**$525.00**
L14			x	502	**$265.00**
M01			x	509	**$265.00**
M02 - M13	x			1,039 - 1,048	**$525.00**
N1 - N5		x		2,501 - 2,587	**$1,250.00**
O01	x			1,594	**$650.00**
O02	x			1,475	**$600.00**
O03-O05	x			1,082-1,083	**$550.00**
O06			x	1,694	**$800.00**
P01 & P07			x	1,251 - 1,305	**$600.00**
P02, PO4, PO6		x		3,032	**$1,600.00**
P03, P05, P10	x			1,081 - 1,085	**$550.00**
P08 & P12	x			1,460 - 1,500	**$600.00**
Q01, Q03 - Q08, Q10	x			1,084	**$550.00**
Q02			x	1,700	**$800.00**
Q09			x	1,274	**$600.00**
R01, R03 - R10	x			1,083	**$550.00**
R02			x	1,704	**$800.00**
S01	x			1,489	**$600.00**
S02			x	1,287	**$600.00**
S03-S08	x			1,083-1,085	**$550.00**
S10	x			1,699	**$700.00**

The recommended rates anticipate implementation on a uniform basis at a specific point in time. Once implemented, it is suggested that this date becomes the beginning of the fiscal year as it relates to annual rate adjustment at the Airport. It is recommended that annual increases equal to 3% or changes in the Jacksonville/St. Augustine area Consumer Price Index, whichever is greater, be implemented on a consistent, uniform basis. Moreover, a reassessment of rates is recommended at 3 to 5-year intervals to ensure that SGJ remains competitive in the region as it relates to rental rates and supply and demand characteristics.

Utility costs vary widely between the various hangar complexes at SGJ, in part due to the larger hangars offering greater amenities. As such, while the proposed hangar rates herein consider the current utility costs for each building, it is recommended that the Airport perform annual assessment of the utility costs to determine whether significant increases are being realized. If it is determined that an unreasonable increase has occurred, it is recommended that the Airport consider a utility assessment for each unit to offset the increased costs.

We appreciate this opportunity to be of service to you, the St. Augustine Airport and the St. Johns County Airport Authority on this project. If you should have any further questions, or request additional information or clarification, please advise.

Sincerely,

Michael A. Hodges, MAI
State of Florida
Certified General Real Estate Appraiser
License No. RZ2770

IDENTIFICATION OF THE FACILITIES ANALYZED

The subject hangar facilities analyzed herein include T-hangars, L-hangars, and box hangars of various sizes at the St. Augustine Airport (FAA Identifier SGJ) in St. Augustine, Florida. Said hangars lie south of Runway 6/24 and west of Runway 13/31 with primary road access from Estrella Avenue which extends east from U.S. 1 North.

On the following pages is a brief synopsis of each SGJ hangar facility analyzed herein.

Hangar No.	T-Hangar	L-Hangar	Box Hangar	Unit Area (SF)	Hangar No.	T-Hangar	L-Hangar	Box Hangar	Unit Area (SF)
B01	x			1,266	D01	x			1,269
B02			x	1,982	D02			x	1,990
B03	x			1,262	D03	x			1,269
B04	x			1,252	D04	x			1,266
B05	x			1,252	D05	x			1,250
B06	x			1,234	D06	x			1,236
B07	x			1,256	D07	x			1,262
B08	x			1,256	D08	x			1,269
B09	x			1,248	D09	x			1,254
B10	x			1,238	D10	x			1,241
B11			x	2,002	D11		x		2,014
B12	x			1,268	D12	x			1,267
C01	x			1,264	E01	x			1,267
C02			x	1,994	E02		x		1,991
C03	x			1,263	E03	x			1,266
C04	x			1,265	E04	x			1,267
C05	x			1,250	E05	x			1,254
C06	x			1,238	E06	x			1,227
C07	x			1,261	E07	x			1,266
C08	x			1,261	E08	x			1,264
C09	x			1,248	E09	x			1,254
C10	x			1,243	E10	x			1,231
C11			x	2,005	E11			x	1,882
C12	x			1,262	E12	x			1,267
G01		x		2,596	L05	x			1,036
G02		x		2,557	L06	x			1,047
G03		x		2,570	L07	x			1,050
G04		x		2,557	L08	x			1,054
G05		x		2,494	L09	x			1,050
G06		x		2,490	L10	x			1,047

Hangar No.	T-Hangar	L-Hangar	Box Hangar	Unit Area (SF)	Hangar No.	T-Hangar	L-Hangar	Box Hangar	Unit Area (SF)
H01		x		3,004	L11	x			1,045
H02		x		3,033	L12	x			1,047
H03		x		6,047	L13	x			1,048
H04		x		Part of H03	L14			x	502
I01		x		3,017	M01			x	509
I02		x		3,017	M02	x			1,045
I03		x		3,264	M03	x			1,048
I04		x		3,255	M04	x			1,038
K01			x	509	M05	x			1,039
K02	x			1,045	M06	x			1,047
K03	x			1,047	M07	x			1,041
K04	x			1,044	M08	x			1,048
K05	x			1,045	M09	x			1,045
K06	x			1,054	M10	x			1,040
K07	x			1,044	M11	x			1,046
K08	x			1,025	M12	x			1,048
K09	x			1,044	M13	x			1,045
K10	x			1,048	N1		x		2,587
K11	x			1,045	N3		x		2,501
K12	x			1,027	N5		x		2,574
K13	x			1,046	O01	x			1,594
K14			x	445	O02	x			1,475
L01			x	509	O03	x			1,083
L02	x			1,044	O04	x			1,083
L03	x			1,056	O05	x			1,082
L04	x			1,038	O06			x	1,694

Hangar No.	T-Hangar	L-Hangar	Box Hangar	Unit Area (SF)	Hangar No.	T-Hangar	L-Hangar	Box Hangar	Unit Area (SF)
P01			x	1,305	R01	x			1,083
P02		x		3,032	R02			x	1,704
P03	x			1,083	R03	x			1,083
P04		x		3,032	R04	x			1,083
P05	x			1,085	R05	x			1,051
P06		x		3,032	R06	x			1,087
P07			x	1,251	R07	x			1,084
P08	x			1,500	R08	x			1,083
P10	x			1,081	R09	x			1,087
P12	x			1,460	R10	x			1,292
Q01	x			1,084	S01	x			1,489
Q02			x	1,700	S02			x	1,287
Q03	x			1,084	S03	x			1,083
Q04	x			1,084	S04	x			1,083
Q05	x			1,084	S05	x			1,085
Q06	x			1,084	S06	x			1,083
Q07	x			1,084	S07	x			1,084
Q08	x			1,084	S08	x			1,085
Q09			x	1,274	S10	x			1,699
Q10	x			1,466					

All of the hangars reflect metal construction with concrete floors, metal bi-fold doors, fluorescent or LED lighting, and electrical service. Some of the hangars have insulated ceilings. It should be noted that many of the hangars have been improved at the tenant’s cost. However, it is our understanding that there was no adjustment to rates or lease terms for capital investment by the tenant. It was done at the sole discretion and risk.

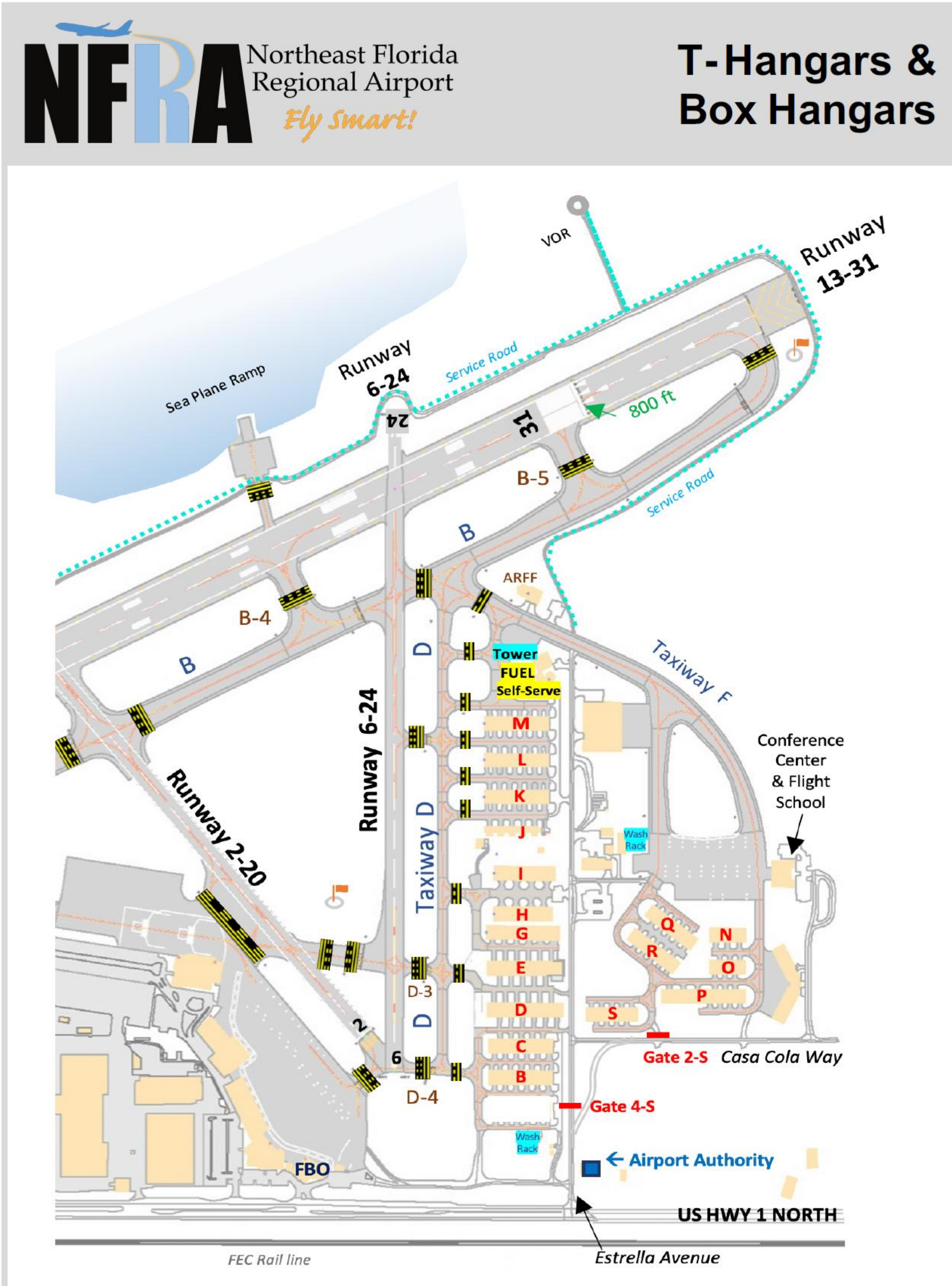
PURPOSE OF THE ANALYSIS

On behalf of the St. Augustine Airport and the St. Johns County Airport Authority, Mr. Courtney Pittman, its Interim Airport Manager, has requested an estimate of the current Market Rents applicable to the various T-hangars, L-hangars, and box hangars identified herein. There are 111 T-hangars, 22 L-hangars, and 18 box hangars contained in a total of seventeen hangar complexes located on the south side of the Airport reflecting average to good quality and condition. According to representatives of the Airport, all of the units are currently occupied, with the Airport also maintaining a waiting list. The purpose of the analysis is to provide the Airport with supportable information to allow rate-setting for the units based upon current supply and demand characteristics.

The consultants assume that all information provided by the Airport staff is current and accurate. ***ABS*** reserves the right to modify its conclusions if it is discovered that pertinent information was not made available.

DATE OF RENT ESTIMATE

The date of this report is September 16, 2025, although an on-site inspection of the Airport and hangar facilities was performed by Michael A. Hodges, MAI on July 7, 2025.


NFRA
Northeast Florida Regional Airport
Fly Smart!
T-Hangars & Box Hangars
VOR
Runway 13-31
Runway 6-24
Service Road
Sea Plane Ramp
24
31
800 ft
B-5
B
Service Road
ARFF
B-4
B
D
Tower
FUEL
Self-Serve
Taxiway F
M
L
K
J
I
H
G
E
D
C
B
Runway 6-24
Taxiway D
Runway 2-20
Conference Center & Flight School
Wash Rack
Q
R
N
O
P
S
D-3
D
2
6
D-4
Gate 2-S
Casa Cola Way
Gate 4-S
Wash Rack
FBO
Airport Authority
US HWY 1 NORTH
FEC Rail line
Estrella Avenue

DEFINITION OF MARKET RENT

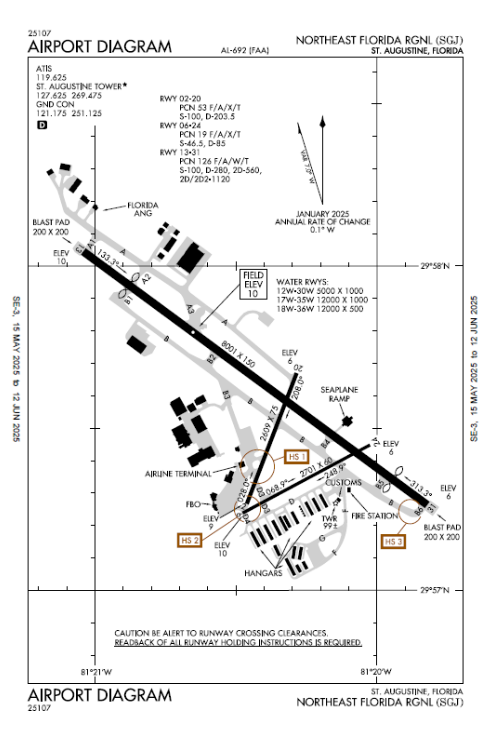
The primary value estimate herein conforms with the definition of "Market Rent" per **The Dictionary of Real Estate Appraisal**, specifically defined as "The most probable rent that a property should bring in a competitive and open market under all conditions requisite to a fair lease transaction, the lessee and lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus. Implicit in this definition is the execution of a lease as of a specified date under conditions whereby:

- Lessee and lessor are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- Payment is made in terms of cash or in terms of financial arrangements comparable thereto; and
- The rent reflects specified terms and conditions, such as permitted uses, use restrictions, expense obligations, duration, concessions, rental adjustments and revaluations, renewal and purchase options, and tenant improvements (TIs)."

ST. AUGUSTINE AIRPORT

Given the scope of this assignment and the intended party, a detailed Airport description and analysis is omitted herein. The following is a brief synopsis of the St. Augustine Airport.

The St. Augustine Airport (FAA Identifier SGJ), also known as the Northeast Florida Regional Airport, is owned and operated by the St. Johns County Airport Authority and is a public use airport serving the aviation needs of the City of St. Augustine and St. Johns County, Florida. The Airport is developed on approximately 710 acres of land and lies approximately four miles north of the City of St Augustine. SGJ is bounded by Gun Club Road and Hawkeye View Lane to the north, the Tolomato River to the east, North Boulevard to the south, and the U.S. Highway 1 North to the west. The Airport is close to Interstate 95, a major north-south traffic corridor, which lies approximately six miles to the west. U.S. Highway 1 North provides the primary ground access to the Airport.



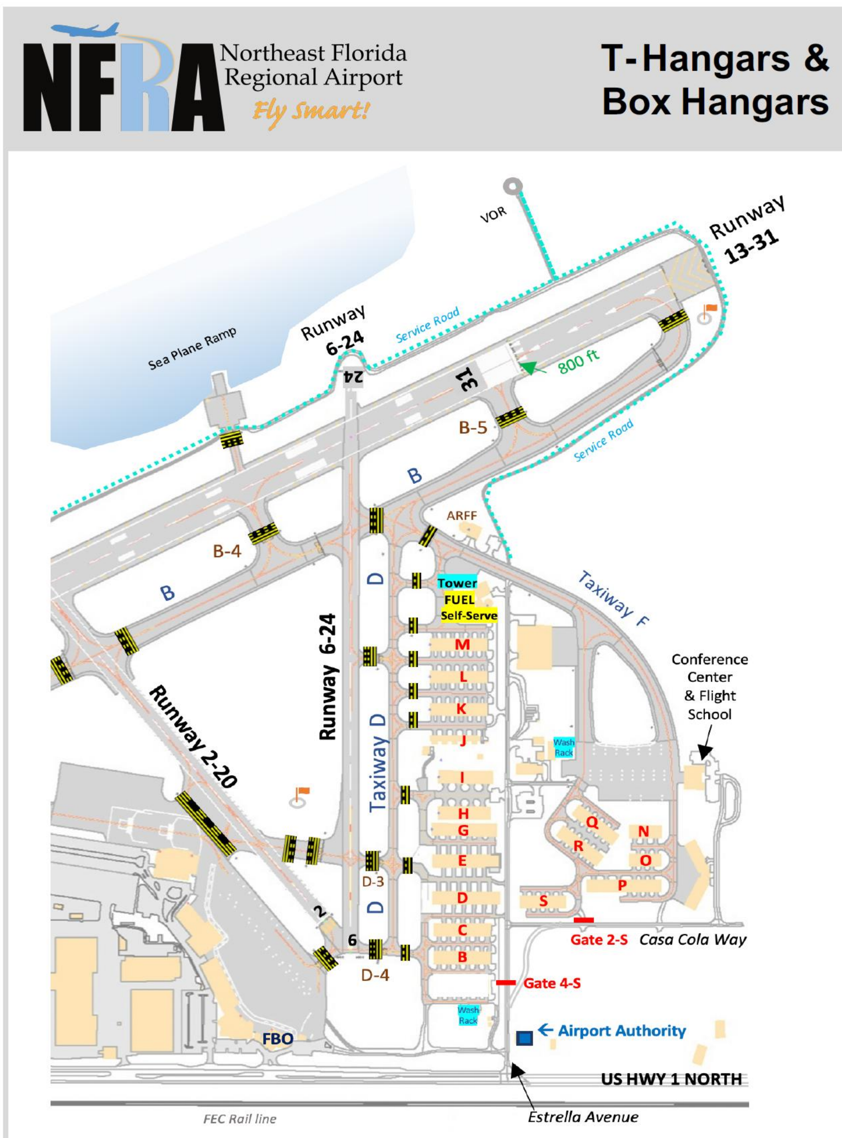
The Airport offers an air traffic control tower operating from 0600-2200 daily and has three asphalt runways, with the primary runway being Runway 13/31, which measures 8,001 feet long by 150 feet wide. This runway offers good pavement condition with a weight bearing capacity of 100,000 pounds single-wheel, 280,000 pounds dual wheel, 560,000 pounds double tandem, and 1,120,000 pounds dual double tandem. Runway 13 is currently marked with a displaced threshold of 1,058 feet, while Runway 31 with a displaced threshold of 805 feet to meet the required safety areas on each runway end. Because of the displaced thresholds, distances are declared for accelerating/stopping and landing and are less than the full runway length. Runway 31 offers an instrument landing system (ILS) and a Medium Intensity Approach Lighting System with runway alignment indicator lights (MALSR) allowing precision approaches. It also offers a 4-light PAPI, which runway end 13 has a 4-box VASI. The other runways have non-precision approaches with either GPS or VOR procedures.

The Airport also offers Runways 6/24 and 2/20. Runway 6/24 is 2,701 feet long and 60 feet wide with a maximum weight bearing capacity of 85,000 lbs. with Runway 6 having a 2-light PAPI. Runway 2/20 is 2,609 feet in length and 75 feet wide with a maximum weight bearing capacity of 203,500 lbs. Both of these runways are in good condition with medium intensity runway edge lights. Throughout the airfield is an extensive taxiway system connecting the runways and associated airside facilities.

The St. Augustine Airport offers an excellent location, accessibility and infrastructure, exceeding typical general aviation airports in the region. Atlantic Aviation serves as the Airport's sole fixed base operator. The Airport offers all of the amenities necessary to facilitate continued aviation growth in the region, to include a variety of aviation uses.

MARKET RENT ANALYSIS

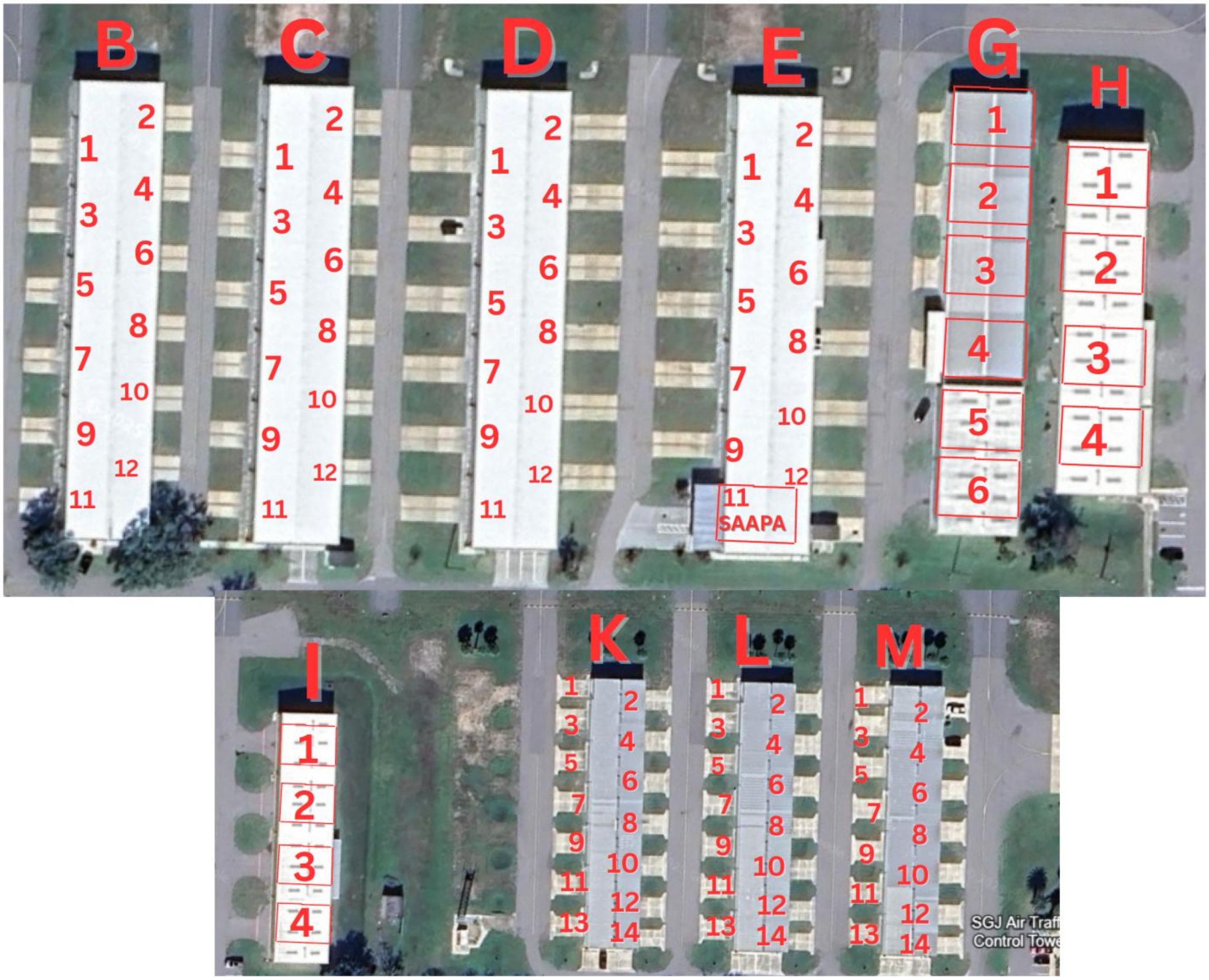
The purpose of this analysis is to estimate the current Market Rent of various T-hangars, L-hangars, and box hangars owned and operated by the St. Johns County Airport Authority at the St. Augustine Airport. The hangar facilities analyzed include 111 T-hangars, 22 L-hangars, and 18 box hangars contained in a total of seventeen hangar complexes located on the south side of the Airport reflecting average to good quality and condition. According to representatives of the Airport, all of the units are currently occupied with the Airport also maintaining a waiting list. On the following pages, the various complexes and units are described:



- Hangar Complex B – Hangar Complex B includes 10 T-hangar units (Hangars B01, B03-B10 and B12) containing between 1,234 and 1,268 square feet each, as well as box hangar units of 1,982 and 2,011 square feet.
- Hangar Complex C – Hangar Complex C also includes 10 T-hangar units (Hangars C01, C03-C10 and C12) containing between 1,238 and 1,264 square feet each, as well as box hangar units of 1,994 and 2,005 square feet.
- Hangar Complex D – Hangar Complex D includes 10 T-hangar units (Hangars D01, D03-D10 and D12) containing between 1,236 and 1,269 square feet each, as well as one box hangar unit containing 1,990 square feet and one L-hangar unit encompassing 2,014 square feet. (Note: L-hangar units offer a shape consistent with their name and are larger hangars than traditional T-hangars.)
- Hangar Complex E – Hangar Complex E includes 10 T-hangar units (Hangars E01, E03-E10 and D12) containing between 1,227 and 1,267 square feet each, as well as one box hangar unit containing 1,882 square feet and one L-hangar unit encompassing 1,991 square feet.
- Hangar Complex G – Hangar Complex G includes 6 L-hangar units (Hangars G01-G06) containing between 2,490 and 2,596 square feet each.
- Hangar Complex H – Hangar Complex H includes 3 L-hangar units (Hangars H01-H03) with Hangars H03 being combined with H04 into a single 6,047 square foot unit. The remaining units contain 3,004 and 3,033 square feet.
- Hangar Complex I – Hangar Complex I includes 4 L-hangar units (Hangars I01-I04) containing between 3,017 and 3,264 square feet each.
- Hangar Complex K – Hangar Complex K includes 12 T-hangar units (Hangars K02-K13) containing between 1,025 and 1,054 square feet each, while K01 is a 509 square foot unit used for maintenance equipment and K14 is a 445 square foot box hangar for storage.
- Hangar Complex L – Hangar Complex L also includes 12 T-hangar units (Hangars L02-L13) containing between 1,038 and 1,050 square feet each, while L01 is a 509 square foot unit used for maintenance equipment and L14 is a 502 square foot box hangar for storage.

- Hangar Complex M – Hangar Complex M also includes 12 T-hangar units (Hangars M02-M13) containing between 1,039 and 1,048 square feet each, while M01 is a 509 square foot box hangar used for storage.
- Hangar Complex N – Hangar Complex N includes 5 L-hangar units (Hangars N01-N05) containing between 2,501 and 2,587 square feet each.
- Hangar Complex O – Hangar Complex O includes 5 T-hangar units (Hangars O01-O05) with unit O01 containing 1,594 square feet, O02 containing 1,475 square feet, and O03-O05 containing 1,082 and 1,083 square feet. There is also one box hangar unit (O06) containing 1,694 square feet.
- Hangar Complex P – Hangar Complex P includes 3 T-hangar units (Hangars P03, P05 & P10) containing between 1,081 and 1,085 square feet each, two T-hangars (P08 & P12) containing 1,460 and 1,500 square feet, two box hangars (P01 & P07) containing 1,251 and 1,305 square feet, and three L-hangar units (P02, P04 & P06) encompassing 3,032 square feet each.
- Hangar Complex Q – Hangar Complex Q includes 8 T-hangar units (Hangars Q01, Q03-Q08 and Q10) containing 1,084 square feet each, as well as two box hangar units of 1,700 and 1,274 square feet (Q02 & Q09).
- Hangar Complex R – Hangar Complex R includes 9 T-hangar units (Hangars R01 and R03-R10) containing 1,083 square feet each, as well as one box hangar unit (R02) with 1,704 square feet.
- Hangar Complex S – Hangar Complex S also includes 8 T-hangar units (Hangars S01, S03-S08 and S10) with S01 containing 1,489 square feet, S03-S08 containing between 1,083 and 1,085 square feet each, S10 encompassing 1,699 square feet, as well as one box hangar unit (S02) with 1,287 square feet. (Note: There is no unit S09 within this complex.)

In the selection of a market rent for the subject hangar units, the consultants surveyed numerous airports throughout the region, attempting to focus on airport offering similar physical and economic characteristics to the St. Augustine Airport. As will be discussed herein, every airport surveyed indicated 100% occupancy with a waiting list.



On the following page, a summary chart of current rental rates for the St. Augustine Airport hangars is provided. The page that follows offers a summary of hangar lease data obtained through the consultant's recent survey of regional airports competing with SGJ. Detailed comparable data and analysis have been retained in the consultants' files.

ST. AUGUSTINE AIRPORT CURRENT HANGAR RENTS						
Hangar Nos.	**T- Hangar**	**L- Hangar**	**Box Hangar**	**Square Footage**	**Current Monthly**	**Current Per Sq Ft**
B01, B03-B10, B12	x			1,234 - 1,268	$253.00-$463.57	$0.20-$0.37
B02 & B11			x	1,982 - 2,011	$764.15	$0.36-$0.39
C01, CO3-C10, C12	x			1,238 - 1,264	$461.33 - $463.67	$0.36 - $0.37
C02 & C11			x	1,994 - 2,005	$788.60 - $792.39	$0.30 - $0.40
D01, D03-D10, D12	x			1,236 - 1,269	$423.25 - $463.57	$0.34 - $0.37
D02			x	1,990	$792.42	$0.40
D11		x		2,014	$792.39	$0.39
E01, E03 - E10, E12	x			1,227 - 1,267	$381.75 - $463.57	$0.37 - $0.39
E02		x		1,991	$764.15	$0.38
E11			x	1,882	$484.29	$0.26
G01 - G06		x		2,490 - 2,596	$1081.42 - $1162.51	$0.41 - $0.47
H01 & H02		x		3,004 - 3,033	$1,429.83	$0.47
H3		x		6,047	$3,513.09	$0.58
I01 - I04		x		3,017 - 3,264	$1,422.93 - $3,109.01	$0.47 - $1.03
K02 - K13	x			1,025 - 1,054	$247.00 - $710.57	$0.44 - $0.69
K14			x	445	$247.00	$0.56
L02 - L13	x			1,038 - 1,050	$437.75 - $463.57	$0.44
L14			x	502	$254.42	$0.51
M01			x	509	$206.00	$0.40
M02 - M13	x			1,039 - 1,048	$447.02 - $463,37	$0.43 - $0.45
N1 - N5		x		2,501 - 2,587	$1,078.00 - $1,114.95	$0.42 - $0.43
O01	x			1,594	$500.12	$0.31
O02	x			1,475	$546.65	$0.37
O03-O05	x			1,082-1,083	$460.88-$463.57	$0.43
O06			x	1,694	$633.22	$0.37
P01 & P07			x	1,251 - 1,305	$499.64 - $500.12	$0.38 - $0.40
P02, PO4, PO6		x		3,032	$1,401.77	$0.46
P03, P05, P10	x			1,081 - 1,085	$434.00 - $600.37	$0.40 - $0.43
P08 & P12	x			1,460 - 1,500	$586.81-$600.37	$0.40
Q01, Q03 - Q08, Q10	x			1,084	$379.00 - $589.65	$0.35 - $0.44
Q02			x	1,700	$652.85	$0.38
Q09			x	1,274	$502.53	$0.39
R01, R03 - R10	x			1,083	$447.02 - $497.52	$0.30 - $0.44
R02			x	1,704	$656.11	$0.39
S01	x			1,489	$463.57	$0.31
S02			x	1,287	$502.54	$0.39
S03-S08	x			1,083-1,085	$447.02-$463.57	$0.41-$0.43
S10	x			1,699	$653.22	$0.38

Market Rent Analysis
Miscellaneous T-Hangar and Box Hangar Facilities
St. Augustine Airport (SGJ)
September 16, 2025

Airport Business Solutions

St Augustine T-Hangar Comparables
Total Rent Per Month & Per Square Foot Per Month

Airport	City	ID	Box Hangar Rent Per Month	Box Hangar Rent Per Sq. Ft./Mo.	Small T-Hangars Per Month	Small T-Hangars Per Sq. Ft./Mo.	Medium T-Hangars Per Month	Medium T-Hangars Per Sq. Ft./Mo.	Large T-Hangars Per Month	Large T-Hangars Per Sq. Ft./Mo.
Average Sq. Ft. For Hangar Size Classification			**2,000 SF to 3,600 SF**		**Small - 900 to 1,100 SF**		**Medium - 1,200 to 1,400 SF**		**Large - 1,700 to 2,000 SF**	
Average Door Width			**50' to 100'**		**40' to 42'**		**44' to 46'**		**48' to 50'**	
Pensacola International Airport	Pensacola, FL	PNS			$550.00	$0.55	$844.00	$0.65	N/A	
Northwest Florida Beaches Intl.	Panama City, FL	ECP			$451.00	$0.45	$610.00	$0.47	$844.00	$0.47
DeFuniak Springs Airport	DeFuniak Springs, FL	54J		$0.28 - $0.45	$450.00	$0.45	N/A		N/A	
Foley Municipal Airport	Foley, AL	5R4			$275.00	$0.28	$300.00	$0.23	$360.00	$0.20
Gainesville Regional Airport	Gainesville, FL	GNV			$248.00	$0.25	$440.00	$0.30	$474.00	$0.32
Ocala International Airport	Ocala, FL	OCF			$331.00	$0.33	$415.00	$0.33	$545.00	$0.33
Deland Municipal Airport	Deland, FL	DED			$300.00	$0.30	N/A		$525.00	$0.29
Fernandina Beach Municipal	Fernandina, FL	FHB			$340.00	$0.34	N/A		$564.00	$0.31
Flagler Executive Airport	Flagler, FL	FIN			$400.00	$0.40	N/A		$675.00	$0.38
Palatka Municipal Airport	Palatka. FL	28J			$217.00	$0.22	N/A		N/A	
Lee Gilmer Memorial Airport	Gainesville, GA	GVL			$256.00	$0.26	$435.00	$0.33	N/A	
Jacksonville Herlong Airport	Jacksonville, FL	HEG	$590.00	$0.33	$420.00	$0.40	$455.00	$0.35	$530.00	$0.38
Marion County Airport	Dunnellon, FL	X35			$300.00	$0.30	N/A		N/A	
New Smyrna Beach Airport	New Smyrna Beach, FL	EVB			N/A		$553.00	$0.43	N/A	
St. Elmo Airport	Mobile, AL	2R5			$200.00	$0.20	$350.00	$0.27	N/A	
Miami Executive	Miami, FL	TMB	Lg. Exec Box	$1.75	N/A		N/A		N/A	
Orlando Executive	Orlando, FL	ORL	Lg. Exec Box	$0.50 - $1.00	N/A		N/A		N/A	
Miami Opa Locka	Miami, FL	OPF	Lg. Exec Box	$1.66	N/A		N/A		N/A	
Leesburg International	Leesburg, FL	LEE			$295.00	$0.26	N/A		$510.00	$0.30
Brooksville/Tampa Bay Regional	Brooksville, FL	BKV			$469.00	$0.47	$533.00	$0.41	$609.00	$0.34
Umatilla Municipal Airport	Umatilla, FL	X23			$320.00	$0.30	$325.00	$0.28	N/A	

Note: Storage Units were extremely difficult to quantify. Some were quoted based on the PSF price of the hangars (100 to 200 SF), although most reflected fixed amounts ranging from $100 to $250.

SUMMARY OF FINDINGS

As demonstrated on the prior chart of hangar rental rates at comparable regional airports, the variance between rates at airports is significant, both on a monthly rate basis and per square foot basis. The following is a summary of the ranges depicted by available data.

Hangar Type	Size Range (Sq. Ft.)	Monthly Rent Range	Monthly Per Sq. Ft. Range
Small T-Hangars	900-1,100	$200-$550	$0.20-$0.55
Medium T-Hangars	1,200-1,400	$300-$844	$0.23-$0.65
Large T-Hangars	1,700-2,000	$360-$844	$0.20-$0.47
Box Hangars	2,000-3,600	$590 and Up	$0.28-$1.75

Based upon the summary chart of current rates herein, the aforementioned competitive range of rates is generally consistent with the current rental rates indicated for the St. Augustine Airport hangars, although the subject rates vary widely within the range. The most significant result of our analysis was that all of the surveyed airports are currently at 100% occupancy, as well as maintaining a waiting list. This is consistent with the current situation at SGJ as well.

As evidenced by this data, hangar demand in the region is substantial, and does not appear to demonstrate any indication of a downward trend in the near future. This is in part due to the fact that current construction costs for new T-hangars, driven by skilled labor shortages and wage costs, are not consistent with rental rates necessary to amortize the costs. Moreover, the lack of funding for municipal development of hangars, as well as the issues with existing rate structures that quell private development of hangars, has tended to drive demand in excess of supply. Nevertheless, the market has failed to recognize this economic situation and made rate adjustments accordingly. Based upon the consultant's experience in other similar markets with high demand and suppressed rental rates, the issue is often that no airport wants to be the "leader" to increase rates. This tends to be the case whether an airport is currently at the bottom or top of the competitive rate range in the area.

In other situations, airports have chosen to substantially subsidize rates and ignore marketplace supply and demand characteristics in an effort to "support" general aviation, or in the hope that the low hangar rents will be offset by increased fuel sales. Unfortunately, it is the consultant's experience that general aviation pilots that are fixated on obtaining the lowest hangar rent, regardless of the quality and/or condition of the facility or overall convenience, will also fly 50 miles away to save $0.05 per gallon on fuel. Despite the fact that it may have cost them $50.00 to save $1.00 in fuel costs.

One of the challenges of the SGJ situation is that while the airport offers a total of 151 T-hangar, L-hangar and box hangars units, there are over 100 different hangar sizes exhibited. In many cases, the hangar sizes will only vary by a square foot or two, but because of the way rents have historically been handled, monthly rents may vary by a few pennies per month, even though the hangars offer the same utility and capacity to accommodate a certain size aircraft. Within this analysis, the consultant has grouped hangar units within each hangar complex based upon utility rather than solely upon unit size in an effort to simplify the administration of hangar rates for the Airport staff.

CONCLUSIONS AND RECOMMENDATIONS

As mentioned previously, the current rates reflected by the subject facilities are generally within the range of rates of competitive airports. However, it is significant to address the fact that the SGJ hangar units are currently at full occupancy with a waiting list. More significantly, all of the hangars at the surveyed competitive airports reflect a similar occupancy and waiting list scenario. Based upon the consultant's experience at other airports throughout the country, as well as in the general real estate industry, it is generally indicated that if a hangar development reflects 100% occupancy with a waiting list, it is generally accepted that demand exceeds supply and that the rates are too low. Predicated upon this premise, it is recommended that all hangars at SGJ should realize at least a nominal increase in monthly rental rates.

As noted herein, the Airport offers a total of 151 T-hangar, L-hangar and box hangars units with over 100 different hangar sizes exhibited. In many cases, the hangar sizes only vary by a few square feet, yielding monthly rents that vary by a few pennies per month, even though the hangars offer the same utility and capacity to accommodate a certain size aircraft. Within this analysis, the consultant has grouped hangar units within each hangar complex based upon utility rather than solely upon unit size in an effort to simplify the administration of hangar rates for the Airport staff.

Based upon the available data, consideration to the physical infrastructure, amenities offered, and locational characteristics of the St. Augustine Airport the consultant's rent conclusions are as follows.

ST. AUGUSTINE AIRPORT T-HANGARS, L-HANGARS & BOX HANGARS PROPOSED MONTHLY RENTS							
Hangar No.	**T- Hangar**	**L- Hangar**	**Box Hangar**	**Hangar Area (Sq Ft)**	**Current Monthly**	**Current Per Sq Ft**	**Proposed Monthly Rent**
B01, B03-B10, B12	x				$253.00-$463.57	$0.20-$0.37	**$500.00**
B02 & B11			x	1,982 - 2,011	$764.15	$0.36-$0.39	**$900.00**
C01, CO3-C10, C12	x			1,238 - 1,264	$461.33 - $463.67	$0.36 - $0.37	**$500.00**
C02 & C11			x	1,994 - 2,005	$788.60 - $792.39	$0.30 - $0.40	**$900.00**
D01, D03-D10, D12	x			1,236 - 1,269	$423.25 - $463.57	$0.34 - $0.37	**$500.00**
D02			x	1,990	$792.42	$0.40	**$900.00**
D11		x		2,014	$792.39	$0.39	**$900.00**
E01, E03 - E10, E12	x			1,227 - 1,267	$381.75 - $463.57	$0.37 - $0.39	**$500.00**
E02		x		1,991	$764.15	$0.38	**$900.00**
E11			x	1,882	$484.29	$0.26	**$900.00**
G01 - G06		x		2,490 - 2,596	$1081.42 - $1162.51	$0.41 - $0.47	**$1,250.00**
H01 & H02		x		3,004 - 3,033	$1,429.83	$0.47	**$1,600.00**
H3		x		6,047	$3,513.09	$0.58	**$3,650.00**
I01 - I04		x		3,017 - 3,264	$1,422.93 - $3,109.01	$0.47 - $1.03	**$1,600.00**
K02 - K13	x			1,025 - 1,054	$247.00 - $710.57	$0.44 - $0.69	**$525.00**
K14			x	445	$247.00	$0.56	**$265.00**
L02 - L13	x			1,038 - 1,050	$437.75 - $463.57	$0.44	**$525.00**
L14			x	502	$254.42	$0.51	**$265.00**
M01			x	509	$206.00	$0.40	**$265.00**
M02 - M13	x			1,039 - 1,048	$447.02 - $463,37	$0.43 - $0.45	**$525.00**
N1 - N5		x		2,501 - 2,587	$1,078.00 - $1,114.95	$0.42 - $0.43	**$1,250.00**
O01	x			1,594	$500.12	$0.31	**$650.00**
O02	x			1,475	$546.65	$0.37	**$600.00**
O03-O05	x			1,082-1,083	$460.88-$463.57	$0.43	**$550.00**
O06			x	1,694	$633.22	$0.37	**$800.00**
P01 & P07			x	1,251 - 1,305	$499.64 - $500.12	$0.38 - $0.40	**$600.00**
P02, P04, P06		x		3,032	$1,401.77	$0.46	**$1,600.00**
P03, P05, P10	x			1,081 - 1,085	$434.00 - $600.37	$0.40 - $0.43	**$550.00**
P08 & P12	x			1,460 - 1,500	$586.81-$600.37	$0.40	**$600.00**
Q01, Q03 - Q08, Q10	x			1,084	$379.00 - $589.65	$0.35 - $0.44	**$550.00**
Q02			x	1,700	$652.85	$0.38	**$800.00**
Q09			x	1,274	$502.53	$0.39	**$600.00**
R01, R03 - R10	x			1,083	$447.02 - $497.52	$0.30 - $0.44	**$550.00**
R02			x	1,704	$656.11	$0.39	**$800.00**
S01	x			1,489	$463.57	$0.31	**$600.00**
S02			x	1,287	$502.54	$0.39	**$600.00**
S03-S08	x			1,083-1,085	$447.02-$463.57	$0.41-$0.43	**$550.00**
S10	x			1,699	$653.22	$0.38	**$700.00**

FINAL MARKET RENT ESTIMATES

Reconciliation is the process of evaluating facts, trends, observations, and conclusions utilized to derive the final estimate of the current Market Rent of various hangar facilities at the St. Augustine Airport in St. Augustine, Florida. As noted above it is the consultants' opinion that current state of the local, regional and national economy, as well as the supply and demand characteristics of hangars at SGJ and throughout the region, play significant roles in the estimate of current market rent levels.

As discussed herein, utility costs vary widely between the various hangar complexes at SGJ. In part, this is due to the larger hangars offering greater amenities. As such, while the proposed hangar rates herein consider the current utility costs for each building, it is recommended that the Airport perform annual assessment of the utility costs to determine whether significant increases are being realized. If it is determined that an unreasonable increase has occurred, it is recommended that the Airport consider a utility assessment for each unit to offset the increased costs.

The recommended rates herein anticipate implementation on a uniform basis at a specific point in time. Once implemented, it is suggested that this date becomes the beginning of the fiscal year as it relates to annual rate adjustment at the Airport. It is recommended that annual increases equal to 3% or changes in the Jacksonville/St. Augustine area Consumer Price Index, whichever is greater, be implemented on a consistent, uniform basis. Moreover, a reassessment of rates is recommended at 3 to 5-year intervals to ensure that SGJ remains competitive in the region as it relates to rental rates and supply and demand characteristics.

After careful analysis of the hangar and general airport environment, as well as the local and regional aviation markets, it is our opinion that the current Market Rent of Airport-owned and operated hangars facilities identified herein at the St. Augustine Airport, as of July 7, 2025, are as follows:

ST. AUGUSTINE AIRPORT T-HANGARS, L-HANGARS & BOX HANGARS - PROPOSED MONTHLY RENTS					
Hangar No.	**T- Hangar**	**L- Hangar**	**Box Hangar**	**Hangar Area (Sq Ft)**	**Proposed Monthly Rent**
B01, B03-B10, B12	x				**$500.00**
B02 & B11			x	1,982 - 2,011	**$900.00**
C01, CO3-C10, C12	x			1,238 - 1,264	**$500.00**
C02 & C11			x	1,994 - 2,005	**$900.00**
D01, D03-D10, D12	x			1,236 - 1,269	**$500.00**
D02			x	1,990	**$900.00**
D11		x		2,014	**$900.00**
E01, E03 - E10, E12	x			1,227 - 1,267	**$500.00**
E02		x		1,991	**$900.00**
E11			x	1,882	**$900.00**
G01 - G06		x		2,490 - 2,596	**$1,250.00**
H01 & H02		x		3,004 - 3,033	**$1,600.00**
H3		x		6,047	**$3,650.00**
I01 - I04		x		3,017 - 3,264	**$1,600.00**
K02 - K13	x			1,025 - 1,054	**$525.00**
K14			x	445	**$265.00**
L02 - L13	x			1,038 - 1,050	**$525.00**
L14			x	502	**$265.00**
M01			x	509	**$265.00**
M02 - M13	x			1,039 - 1,048	**$525.00**
N1 - N5		x		2,501 - 2,587	**$1,250.00**
O01	x			1,594	**$650.00**
O02	x			1,475	**$600.00**
O03-O05	x			1,082-1,083	**$550.00**
O06			x	1,694	**$800.00**
P01 & P07			x	1,251 - 1,305	**$600.00**
P02, P04, PO6		x		3,032	**$1,600.00**
P03, P05, P10	x			1,081 - 1,085	**$550.00**
P08 & P12	x			1,460 - 1,500	**$600.00**
Q01, Q03 - Q08, Q10	x			1,084	**$550.00**
Q02			x	1,700	**$800.00**
Q09			x	1,274	**$600.00**
R01, R03 - R10	x			1,083	**$550.00**
R02			x	1,704	**$800.00**
S01	x			1,489	**$600.00**
S02			x	1,287	**$600.00**
S03-S08	x			1,083-1,085	**$550.00**
S10	x			1,699	**$700.00**

ADDENDUM

QUALIFICATIONS OF CONSULTANT

CURRICULUM VITAE

NAME:	Michael A. Hodges, MAI
TITLE:	President/CEO
FIRM NAME:	*ABS Aviation Consultancy, Inc. dba* ***Airport Business Solutions***
ADDRESS:	131 Hollybrook Drive Flat Rock, North Carolina 28731-8593
PHONE:	(813) 813-3170

EDUCATION

Graduate of the University of Tennessee with a Bachelor of Arts Degree - Major in Philosophy.

PROFESSIONAL AND TECHNICAL COURSES

Currently certified in the program of continuing education as required by the Appraisal Institute.

Completed requirements for MAI member designation of the Appraisal Institute to include peer review of appraisal assignments, completion of a demonstration appraisal report on an income-producing property, experience rating, and educational courses.

BACKGROUND AND EXPERIENCE

President and CEO of ***ABS Aviation Consultancy, Inc. dba Airport Business Solutions (ABS)***, a diverse aviation valuation and consulting firm which specializes in the analysis of airports, fixed base operations, and other aviation-related properties for lease negotiation, acquisition, litigation, leasehold and going-concern valuation, and bankruptcy, as well as providing specialized airport management consulting, to include policy development, to airports of all sizes. Additional expertise offered in the area of financial self-sufficiency analysis for general aviation airports and through-the-fence access agreements and operations.

ABS has provided a myriad of services to airports throughout North and South America, Asia, and Europe. Using our extensive and diverse experience, ***ABS*** has assisted airports throughout the world in such areas as business plan development and implementation, concessions planning and management, air cargo assessments, facility/operating agreement negotiations, terminal design, parking assessment, rental car analysis, general aviation operations and management, non-aeronautical land development, financial modeling, and full or partial airport privatization assessments.

President and CEO of ***ABS Aviation Management, Inc. dba ABS Aviation***, an airport and FBO management services entity currently providing comprehensive FBO management of the Big Island Jet Center FBO at the Ellison Onizuka Kona International Airport in Kailua-Kona, Hawaii.

Partner in the Big Island Jet Center FBO at the Ellison Onizuka Kona International Airport in Kailua-Kona, Hawaii.

Aviation President of Kompass Partners from 2005 through 2013. Kompass Partners was a Hong Kong-headquartered company specializing in creating successful partnerships between U.S. and Chinese aviation businesses.

Vice President and Part Owner in the firm of Hodges, McArthur, & Dunn, P.C. Real Estate Appraisers and Consultants from 1990 through 1995. Hodges, McArthur and Dunn, P.C. was a full-service real estate appraisal and consulting firm with offices in Knoxville, Nashville, and Memphis, Tennessee, and Atlanta, Georgia. Responsibilities included appraisals, general feasibility studies, and market analyses on a variety of property types involved in financing, acquisition, condemnation, bankruptcy, litigation, and estate valuation.

Founder and President of HMD Aviation Appraisal Group in 1994, a division of Hodges, McArthur & Dunn, P.C. HMD Aviation Appraisal Group was a real estate appraisal and consulting firm which specialized in the valuation of the real estate aspect of fixed base operations and other aviation-related properties for lease negotiation, acquisition, litigation, leasehold valuation, and bankruptcy.

Staff Appraiser with Hodges and Wallace Appraisal Associates from 1982 through 1990. Responsibilities included research, appraisals, general feasibility studies and market analyses on a variety of property types involved in financing, acquisition, condemnation, bankruptcy, litigation, and estate valuation.

COURT EXPERIENCE

Qualified as an expert witness in various courts in Florida, Georgia, Tennessee, Kentucky, Arizona, Colorado, and California on various valuation, management, financial and operational issues on airports, aviation businesses and aviation-related properties.

TERRITORY

Airport Business Solutions is based in Asheville, North Carolina with a satellite offices in Denver, Colorado. The firm has completed a variety of assignments throughout the United States, Asia, Europe and Latin America, to include valuation, consultation, and miscellaneous advisory services.

AFFILIATIONS AND DESIGNATIONS

Elected to Membership in the Appraisal Institute with an MAI designation on April 20, 1994 - Member No. 10,333.

State of North Carolina – Certified General Real Estate Appraiser – Certificate No. A8162

State of Florida - Certified General Appraiser - License No. RZ2770

Commonwealth of Pennsylvania - Certified General Appraiser - Certificate No. GA-001626-R

State of Georgia - Certified General Real Property Appraiser - License No. CG004018

State of Texas – Certified General Real Estate Appraiser – License No. TX 1338569 G

State of Tennessee - Certified General Real Estate Appraiser – License No. 5506

State of South Carolina – Certified General Appraiser – License No. 3026

State of Oregon – Certified General Appraiser - License No. C001674

State of Colorado – Certified General Appraiser - License No. CG.200003989

Commonwealth of Kentucky – Certified General Real Property Appraiser – License No. 297898

Member of the Appraisal Institute's Young Advisory Council in 1994-1996

Corporate Member of the National Air Transportation Association (NATA)

Corporate Member of the American Association of Airport Executives (AAAE)

Corporate Member of the National Business Aviation Association (NBAA)

Member of AAAE's General Aviation Airports Committee

Member of NATA’s Airport Business Committee

Member of NATA’s FBO Subcommittee

Member of AAAE’s Real Estate and Commercial Development Committee

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October 16, 2025

Mr. Courtney K. Pittman
Interim Executive Director
St. Augustine Airport
4796 US 1 North
St. Augustine, Florida 32095

RE: Supplemental Market Rent Analysis
Hangar Complexes A and J
St. Augustine Airport (SGJ)
St. Augustine, Florida

Dear Mr. Pittman:

In accordance with your request, ***Airport Business Solutions (ABS)*** has completed a comprehensive study of the prevailing Market Rents for the individual hangar units within Hangar complexes A and J at the St. Augustine Airport (FAA Identifier SGJ) in St. Augustine, Florida. The purpose and intended use of the Market Rent Analysis is to provide an estimate of a market-based rental rates for the individual units to assist with rate-setting. The previous report on Miscellaneous T-Hangars, L-Hangars and Box Hangar Facilities at the Airport completed on September 16, 2025 is utilized as a basis for the conclusions herein. The intended users of this supplemental report are Airport staff and members of the St. Johns County Airport Authority, who should refer to that original report for all relevant Airport information and market data. The various hangars included in this supplemental analysis are identified as follows.

Hangar No.	T-Hangar	L-Hangar	Unit Area (SF)	Hangar No.	T-Hangar	L-Hangar	Unit Area (SF)
A01	X		1,336	J01		X	1,636
A01+	X		1,986	J02	X		1,071
A02	X		1,357	J03	X		1,071
A03	X		1,336	J04	X		1,071
A04	X		1,336	J05	X		1,071
A05	X		1,336	J06	X		1,071
A06	X		1,336	J07	X		1,071
A07	X		1,336	J08	X		1,071
A08	X		1,336	J09	X		1,071
A09		X	2,064	J10		X	1,636

Note: Hangar A01+ reflects Hangar A01 plus an adjacent office, restroom & closet

The subject hangars within Hangar Complexes A and J reflect similar construction features to the other hangars that we analyzed in the original report. Moreover, it is significant to note that all hangars are currently fully occupied and subject to a waiting list. The hangar units are not currently individually metered, and all utilities are paid by the Airport. The selected rates are reflective of this lease structure and the current supply and demand imbalance.

After careful analysis of the subject Airport, facilities, and their competitive environment, as well as the local and regional general aviation market, it is our opinion that the current Market Rent of the various St. Augustine Airport-owned hangars within Hangar Complexes A & J, as of July 7, 2025, date of the original analysis, are as follows:

ST. AUGUSTINE AIRPORT - HANGAR COMPLEXES A & J PROPOSED MONTHLY RENTS					
Hangar No.	**T- Hangar**	**L- Hangar**	**Box Hangar**	**Hangar Area (Sq Ft)**	**Proposed Monthly Rent**
A01-A8	X			1,336-1,357	**$600.00**
A01+	x			1,986	**$900.00**
A09		x		2,064	**$900.00**
J01 & J10		x		1,636	**$800.00**
J02-J09	X			1,071	**$550.00**

As stated in the original report, the recommended rates anticipate implementation on a uniform basis at a specific point in time. Once implemented, it is suggested that this date becomes the beginning of the fiscal year as it relates to annual rate adjustment at the Airport. It is recommended that annual increases equal to 3% or changes in the Jacksonville/St. Augustine area Consumer Price Index, whichever is greater, be implemented on a consistent, uniform basis. Moreover, a reassessment of rates is recommended at 3 to 5-year intervals to ensure that SGJ remains competitive in the region as it relates to rental rates and supply and demand characteristics.

In addition, while the proposed hangar rates herein consider the current utility costs for each building, it is recommended that the Airport perform annual assessment of the utility costs to determine whether significant increases are being realized. If it is determined that an unreasonable increase has occurred, it is recommended that the Airport consider a utility assessment for each unit to offset the increased costs.

Again, we appreciate this opportunity to provide this supplemental analysis to you, the St. Augustine Airport and the St. Johns County Airport Authority. If you should have any further questions, or request additional information or clarification, please advise.

Sincerely,

Michael A. Hodges, MAI
State of Florida
Certified General Real Estate Appraiser
License No. RZ2770

Briefing Memorandum
To: Board of Directors
From: Courtney Pittman, Interim Executive Director
Date: February 11, 2026
Subject: Logo Selection

I. Purpose

The purpose of this briefing is to present three logo options for Board review and discussion and to request Board direction and action as appropriate regarding selection of a preferred airport logo.

II. Background

As part of the Authority's ongoing efforts to modernize its public-facing identity and ensure consistency with its strategic direction, staff has evaluated the airport's logo and overall brand presentation. This initiative follows the airport's transition to the St. Augustine Airport name and is intended to ensure alignment across governance documents, signage, digital platforms, tenant communications, and intergovernmental coordination.

The logo is intended to function as a long-term institutional identifier rather than a marketing campaign asset. Any update is designed to reflect stability, credibility, and stewardship of a public asset, consistent with the Authority's role as airport sponsor.

III. Mission and Vision Alignment

The logo options presented are evaluated to ensure consistency with the Authority's adopted mission and vision, reinforcing (not redefining) the airport's role and strategic direction.

Mission Statement
To support the full spectrum of flight while driving regional prosperity and national capability.

Vision Statement
To be THE trusted launch point for the general aviation community, private jets, defense contractors, and Advanced Air Mobility.

Each logo option has been reviewed to ensure it does not imply commitments, services, or operational decisions beyond those formally adopted by the Board.

Staff is presenting three distinct logo options for Board consideration. Each option reflects varying stylistic approaches while maintaining consistency with the Authority's mission, vision, and guiding principles.

V. Guiding Principles

Staff's evaluation of the logo options has been guided by the following principles:

• Professional and institutional appearance appropriate for a public airport authority
• Longevity and neutrality, avoiding short-term design trends
• Legibility and usability across digital, print, and physical applications
• Compatibility with regulatory, intergovernmental, and contractual communications
• Flexibility for use across departments, tenants, and external stakeholders

VI. Financial and Implementation Considerations

No funding action is requested at this time. Any future implementation would be phased and coordinated to minimize cost impacts and operational disruption. Implementation would focus on natural transition points, such as routine document updates and digital assets, rather than wholesale replacement.

VII. Board Discussion and Action

The Board will review the three logo options, discuss alignment with the Authority's mission and vision, and take action to select the preferred logo.

St. Augustine Airport Logo Options

Option 1

Option 2

Option 3

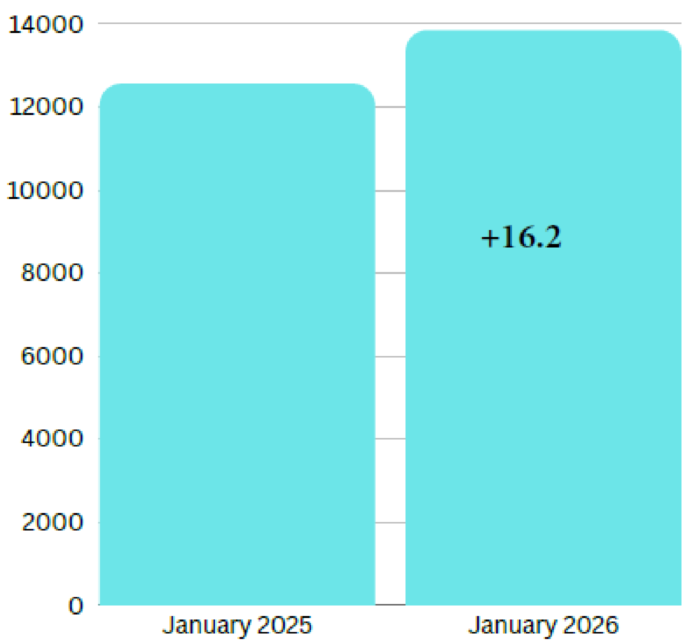
St. Augustine Airport Authority
Construction Project Summary
Fiscal Year Ending 9/30/2026

Project Name	Primary Grant #	Contractor/Vendor	Project Description	Original Contract Amount	Approved Changes	Total Contract Current Value including Changes	Net Actuals Paid to Date	Remaining to be Paid	Remarks
Design New T-Hangars	444069-1 G2F06	DiMare Construction	Construct two T-Hangar buildings A & J	$ 4,747,901		$ 4,747,901	$ 3,880,144	$ 867,757	85% Complete
Land Acqisition - Hawkeye View Lane	438048-1 G2V47			$ 3,012,500		$ 3,012,500	$ 2,117,557	$ 894,943	Grant funds remaining $423,511
Eastside Infrastructure - Job Growth Grant	G0143		Infrastructure supporting Hawkeye View Lane realignment	$ 4,892,795		$ 4,892,795	$ 8,560	$ 4,884,235	Initial design phase
Self Serve Fuel Farm Improvements	438047-1 G2T25		Design & Construct Fuel Farm	$ 562,500		$ 562,500	$ 9,000	$ 553,500	Initial design phase
Access Rd US1 to Conference Center (Casa Cola)	435026-2 G3A74		Design & construct Access Rd from US 1 to Conference Center	$ 1,156,250		$ 1,156,250	$ 198,805	$ 957,445	Initial design phase
Taxiway F Extension	433126-5 G3A71		Extend Taxiway F past Casa Cola Rd	$ 1,250,000		$ 1,250,000	$ 41,305	$ 1,208,695	Extension approved to FY 27/28
Hawkeye View Lane Realignment	435026-3 G3L10		Design & Construct Realignment of Hawkeye View Lane	$ 5,000,000		$ 5,000,000	$ 21,743	$ 4,978,258	Initial design phase

Actuals Paid totals as of 1/31/26

St. Augustine Airport
Operations and Fuel Sale Report

Tower Operations



Fuel Sales