AMCG

Aviation Management Consulting Group

Airport Rent Study

Los Angeles County Department of Public Works – Aviation Division

San Gabriel Valley Airport

February 7, 2020

AMCG
Aviation Management
Consulting Group

February 7, 2020

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

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

RE: Airport Rent Study – San Gabriel Valley Airport

Dear Ms. Shannon and Mr. Smith:

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

AMCG is pleased to have been called on to conduct this study and provide an opinion of market rent. Please contact me if you have any questions pertaining to this analysis or the conclusions reached.

Helping your aviation management excellence,

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

I. EXECUTIVE SUMMARY

Airport:	San Gabriel Valley Airport 4233 Santa Anita Avenue El Monte, California 91731
Scope of Work:	This summary report conveys Aviation Management Consulting Group's opinion of market rent for certain improvements (Subject Properties) located at San Gabriel Valley Airport which are currently rented or which may be available for rent from the County of Los Angeles for aeronautical uses.
Subject Properties:	The components of the Subject Properties include: Executive Hangar, T-Hangars (Small, Medium, and Large), Portable T-Hangars (Medium), and Tiedowns (Monthly) for aeronautical uses.
Date of Report:	February 7, 2020
Property Inspection:	June 25, 2019
Methodology:	An opinion of market rent for the Subject Properties was developed based on an analysis of the information and data obtained from the County of Los Angeles and for similar properties at national, regional, comparable, and competitive airports (which is summarized in Section VI. Study Findings).
Rental Rate Conclusions:	Table 1 identifies the recommended rental rate for the Subject Properties for aeronautical uses.
Definitions and Acronyms:	Defined words and acronyms utilized are defined and identified in the Appendix. Defined words and acronyms are capitalized whenever used. Words or acronyms that are not defined or identified should be construed as being consistent with its generally accepted meaning.

Table 1 – Rental Rate Conclusions

Rental Rate Conclusions				
Component	Identification	Number of Units	Size (SF)	Market Rent Opinion
Executive Hangar	Row E	22	1,512	$642.60
	Row G	6	1,512	$756.00
	Row H	6	1,512	$756.00
	Row I	6	1,512	$756.00
	Row J	3	1,512	$756.00
	Row K	8	1,512	$756.00
Small T-Hangar	Row U	21	942	$440.00
	Row B	24	856	$380.00
	Row C	27	856	$380.00
	Row D	28	856	$380.00
Medium T-Hangar	Row W	22	1,088	$550.00
	Row A	23	1,144	$475.00
Large T-Hangar	Row V	11	1,687	$825.00
	Row L	5	1,628	$750.00
	Row M	6	1,628	$750.00
Medium Portable T-Hangar	Row N	12	1,080	$350.00
	Row O	12	1,080	$350.00
	Row P	14	1,080	$350.00
	Row Q	8	1,080	$350.00
Small Nested/Push-In	North Tiedown Area	148	N/A	$120.00
Medium Nested/Push-In			N/A	$150.00
Small Nested/Push-In	South Tiedown Area	46	N/A	$120.00
Medium Nested/Push-In			N/A	$150.00
Helipads	North Tiedown Area	2	N/A	$190.00
	South Tiedown Area	7	N/A	$190.00

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

II. INTRODUCTION

A. Scope of Work

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

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

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

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

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

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

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

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

B. Market Rent Defined

Market rent is defined as the most probable rent which a specified property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements.

C. Project Approach

To achieve the scope of work, AMCG completed the following work plan:

1. Developed a profile of the Airport;
2. Identified comparable and competitive airports utilizing the profile of the Airport;
3. Obtained rental rates (and related information) for aeronautical uses from the Airport and comparable and competitive airports identified;
4. Analyzed the data obtained from the Airport and comparable and competitive airports identified;
5. Analyzed national and regional data; and
6. Developed an opinion of market rents for the Subject Properties based on the analysis of the Airport, comparable and competitive airports, as well as national and regional data.

In drawing opinions of market rent for the Subject Properties, consideration was given to those factors that typically affect market rents for on-airport, aeronautical properties (e.g., property use, attributes, restrictions, limitations, etc.). Beyond this, AMCG's opinion of market rent for the Subject Properties has been formed based on a comparative analysis of current rents for aeronautical-use properties at national, regional, comparable, and competitive airports.

It is noteworthy that the rental rates currently being charged for the Subject Properties by the County (as well as rental rates currently being charged by commercial operators at the Airport for similar properties) were not included in the national, regional, comparable, or competitive rent data but were utilized as a point of reference to derive the opinion of market rent conveyed in this summary report.

Market rents for off-airport, non-aeronautical properties were not utilized as this approach is highly problematic due to the different types of use. The adjustment between off-airport, non-aeronautical properties and on-airport, aeronautical properties would have to reflect the fact that these uses do not exhibit the same bundle of rights. It is very difficult, if not impossible, to determine the adjustment applied to unencumbered off-airport, non-aeronautical rental rates to reflect the constraints imposed by the FAA, the airport sponsor, and/or others pertaining to the development and/or use of on-airport aeronautical properties.

When rendering an opinion of market rents for aeronautical-use properties, the cost of the real property (land and/or improvements) and desired rates of return are not typically considered. While these factors may be considered when rendering an opinion of market rents for off-airport non-aeronautical properties or may be considered by real estate investors, these factors are not generally consistent with the realities of the prevailing market for aeronautical-use properties. Therefore, AMCG's opinion of market rent was not based on the cost of real property or desired rates of return.

D. Key Underlying Assumptions

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

Market rents are driven by the amount a willing buyer (lessee) pays to a willing seller (lessor). To derive the market rent opinions for the Subject Properties, AMCG has identified and analyzed (on a comparative basis) the rents being charged and paid for similar properties at a cross-section of airports that are considered comparable to the Airport.

[1] Triple net lease rates, by definition, occur when the lessee is responsible for all maintenance, utilities, insurance, and taxes associated with the Subject Property. Consistent with industry standards for general aviation improvements, the evaluation of "triple net lease rates" includes the airport sponsor paying for costs associated with major maintenance items (e.g., repair and/or replacement of Hangar doors, roofing, super structure, HVAC, etc.).

[2] Modified gross lease rates, by definition, occur when the lessor pays for a portion of maintenance, utilities, insurance, and/or taxes associated with the Subject Property.

AMCG recognizes that there are differences between the Airport and the comparable airports. Some of the comparable airports exhibit superior characteristics and some exhibit inferior characteristics. To identify airports that were considered most comparable to the Airport and draw conclusions that reflect the conditions at the Airport, the comparable airports were compared with the Airport using a number of aeronautical activity and infrastructure indicators, as well as economic variables.

The following report summarizes AMCG's findings and opinions.

III. COMMUNITY OVERVIEW

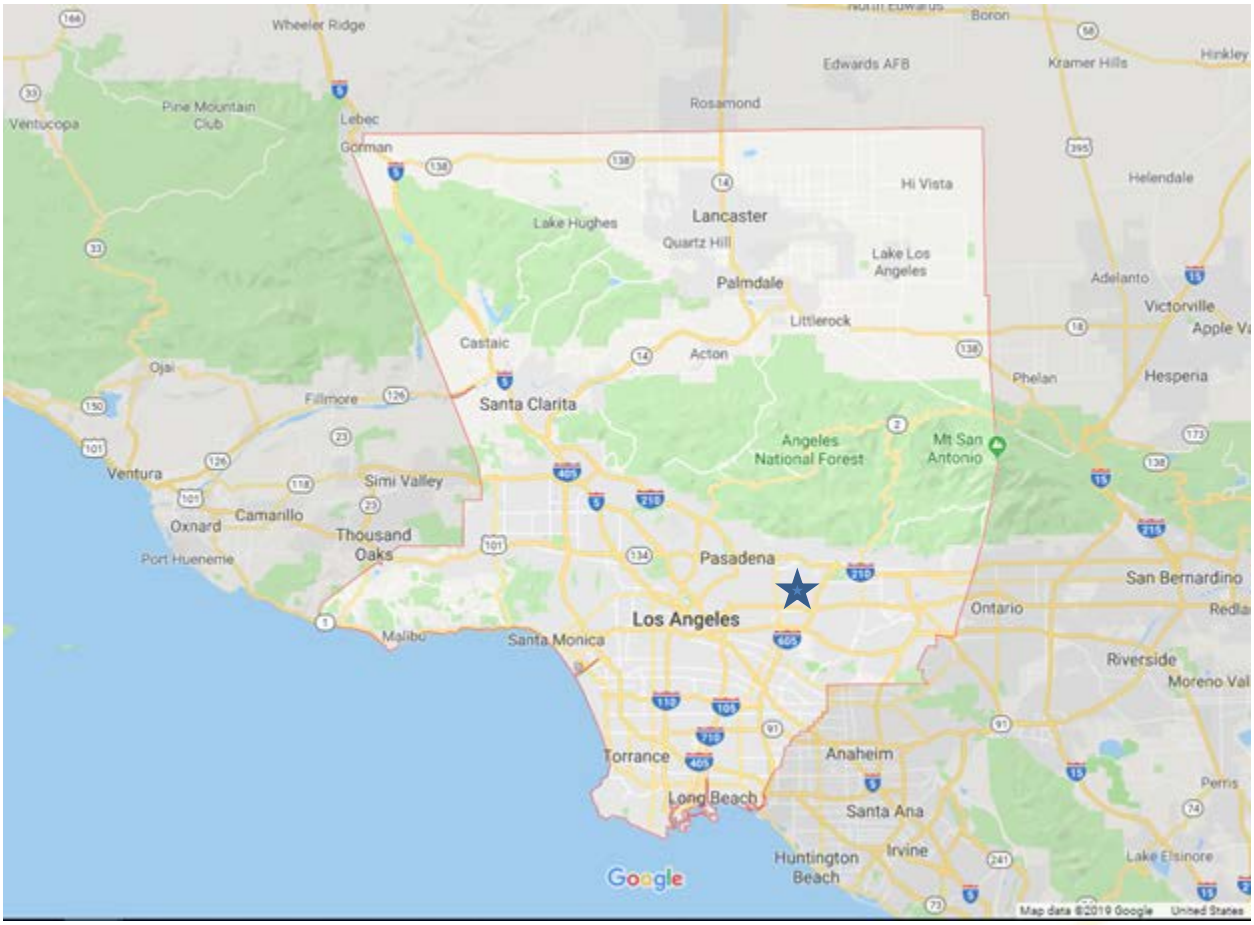
A. Airport Sponsor

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

B. Geographic Location

The Airport is located within in the County and within the City of El Monte (City). The Airport is located 1 mile north of the City of El Monte's Central Business District and approximately 13 miles northeast of downtown Los Angeles as indicated in Figure 1.

Figure 1 – Geographic Location



C. Demographics

The population of the City has decreased a total of 2.1% which results in a compounded annual decrease of 0.2% from 115,965 in 2000 to 113,475 in 2010 (U.S. Census Bureau). Since 2010, the population has increased to 115,586 as of July 1, 2018 (U.S. Census Bureau estimate) which reflects a total increase of 1.9% or a compounded annual increase of 0.2%.

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

D. Business and Industry

The largest employment sectors of the City are (1) educational services, health care, and social assistance (2) manufacturing, and (3) retail trade. These employment sectors account for approximately 43.4% of the employment in the City. The largest employment sectors of the County are (1) educational services, health care, and social assistance, (2) professional, scientific, management, administrative, and waste management services, and (3) arts, entertainment, recreation, and accommodations, and food services. These employment sectors account for approximately 44.5% of the employment in the County.

E. Economic Factors

The labor force of the City has decreased from 53,657 in 2010 to 53,603 in 2017 (U.S. Census Bureau estimate), which represents a total decrease of 0.1% or a compounded annual decrease of 0.01%. As identified by the U.S. Bureau of Labor Statistics, the unemployment rate of the City was preliminarily estimated at 4.7% (for 2017) as compared with the U.S. national unemployment rate which was approximately 3.7%. The labor force of the County has increased from 7,602,252 in 2010 to 8,102,402 in 2017 (U.S. Census Bureau) which represents a total increase of 6.6% and a compounded annual increase of 0.9%.

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

IV. SUBJECT AIRPORT OVERVIEW

A. Airport Description

The Airport, which consists of approximately 103 acres of land, has one runway as follows:

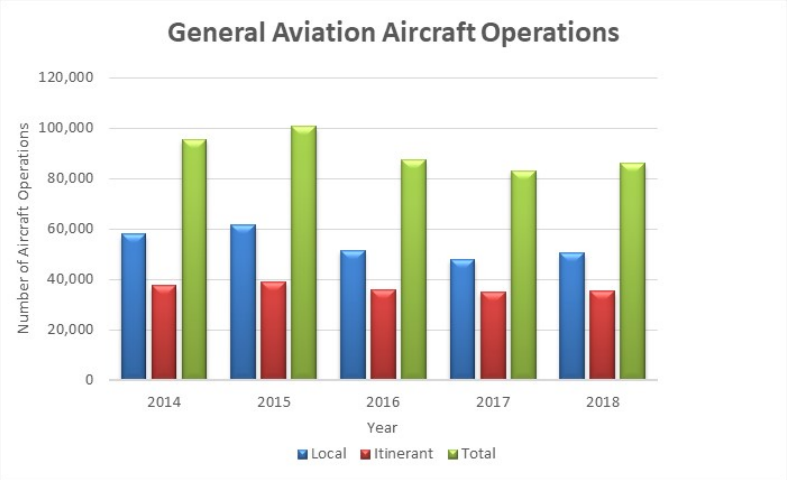
- Runway 01/19: 3,995 feet long and 75 feet wide, asphalt in good condition.

The Airport has an Air Traffic Control Tower (which operates from 8:00 a.m. to 8:00 p.m. local) and is served by multiple non-precision approaches (VOR, GPS). The Airport is designated a Reliever Airport in the FAA *National Plan of Integrated Airports System (NPIAS)* and a Regional Airport in the FAA *General Aviation Airports: A National Asset* study.

B. Aircraft Operations

Figure 2 depicts the general aviation (GA) aircraft operations (by category – local, itinerant, and total) at the Airport from 2014 to 2018, as reported by the FAA Air Traffic Activity Data System (ATADS).

Figure 2 – GA Aircraft Operations



As shown in Table 2, total general aviation aircraft operations at the Airport have decreased from 95,477 in 2014 to 85,984 in 2018. This represents a total decrease of 9.9% and a compounded annual decrease of 2.6%.

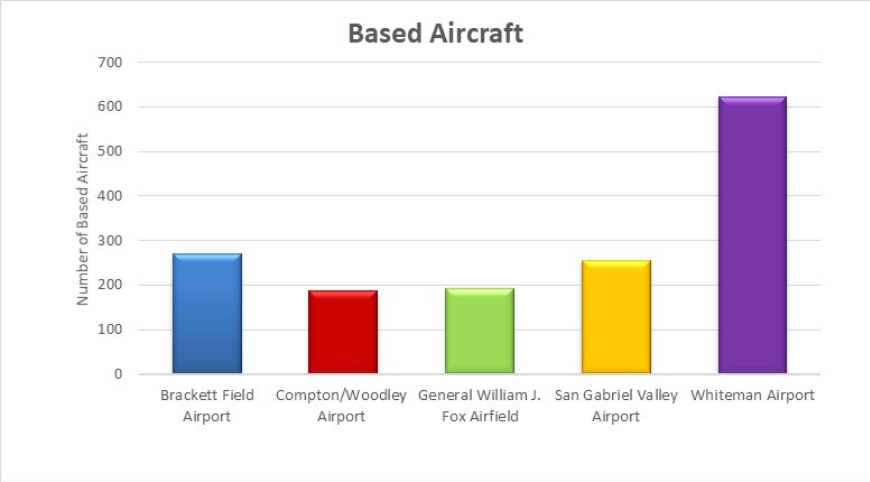
Table 2 – GA Aircraft Operations

Aircraft Operations				
Year	Local	Itinerant	Total	% Change
2014	57,951	37,526	95,477	N/A
2015	61,604	39,096	100,700	5.5%
2016	51,643	35,765	87,408	-13.2%
2017	47,990	35,193	83,183	-4.8%
2018	50,550	35,434	85,984	3.4%

C. Based Aircraft

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

Figure 3 – GA Based Aircraft



As shown in Table 3, 256 aircraft are currently based at the Airport.

Table 3 – General Aviation Based Aircraft

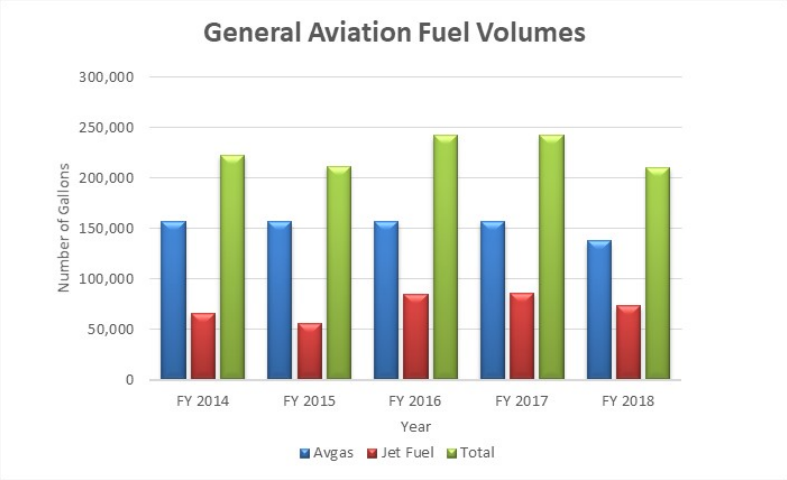
General Aviation Based Aircraft	
Airport	Total
Brackett Field Airport	271
Compton/Woodley Airport	188
General William J. Fox Airfield	193
San Gabriel Valley Airport	256
Whiteman Airport	623

D. Fuel Volumes

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

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

Figure 4 – General Aviation Fuel Volumes



As depicted in Table 4, total GA fuel volumes decreased from 223,050 gallons in FY 2014 to 210,530 gallons in FY 2018, which represents a total decrease of 5.6% or a compounded annual decrease of 1.4%. Additionally, approximately 32.1% of the general aviation fuel volume is jet fuel.

Table 4 – General Aviation Fuel Volumes

GA Fuel Volumes				
Year	Avgas	Jet Fuel	Total	% Change
FY 2014	157,384	65,666	223,050	N/A
FY 2015	156,546	55,097	211,643	-5.1%
FY 2016	157,216	84,851	242,067	14.4%
FY 2017	156,928	86,107	243,035	0.4%
FY 2018	137,430	73,100	210,530	-13.4%

E. Commercial Operators

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

V. SUBJECT PROPERTIES OVERVIEW

A. Subject Properties

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

Table 5 – Subject Properties Overview

Subject Properties Overview			
Component	Identification	Number of Units	Size (SF)
Executive Hangar	Row E	22	1,512
	Row G	6	1,512
	Row H	6	1,512
	Row I	6	1,512
	Row J	3	1,512
	Row K	8	1,512
Small T-Hangar	Row U	21	942
	Row B	24	856
	Row C	27	856
	Row D	28	856
Medium T-Hangar	Row W	22	1,088
	Row A	23	1,144
Large T-Hangar	Row V	11	1,687
	Row L	5	1,628
	Row M	6	1,628
Medium Portable T-Hangar	Row N	12	1,080
	Row O	12	1,080
	Row P	14	1,080
	Row Q	8	1,080
Small Nested/Push-In	North Tiedown Area	148	N/A
Medium Nested/Push-In			N/A
Small Nested/Push-In	South Tiedown Area	46	N/A
Medium Nested/Push-In			N/A
Helipads	North Tiedown Area	2	N/A
	South Tiedown Area	7	N/A

1. Executive Hangar

There is approximately 77,112 square feet of Executive Hangar included in the Subject Properties. As outlined in the Appendix, an Executive Hangar is a square or rectangular-shaped hangar designed to accommodate the proprietary aircraft operations of a single company or individual. Executive Hangars (ranging in size from 50 feet by 50 feet to upwards of 100 feet by 100 feet) are typically larger than T-Hangars and are typically smaller than most Community Hangars. In many cases, these hangars have shop, office, and storage areas located within the footprint of the hangar.

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

Table 6 – Executive Hangar Summary

Executive Hangars Summary										
Identification	Interior	Exterior	Number of Units	Size Per Unit (SF)	Door			Condition	Access	Amenities
					Type	Width (FT)	Height (FT)			
Row E	Steel Frame, Concrete Floor, Fluorsecent Lighting	Metal	22	1,512	8 Panel Sliding Metal	42	10	Fair	Fair	Fair
Row G	Steel Frame, Concrete Floor, Fluorsecent Lighting	Metal	6	1,512	8 Panel Sliding Metal	42	12	Average	Average	Average
Row H	Steel Frame, Concrete Floor, Fluorsecent Lighting	Metal	6	1,512	8 Panel Sliding Metal	42	12	Average	Average	Average
Row I	Steel Frame, Concrete Floor, Fluorsecent Lighting	Metal	6	1,512	8 Panel Sliding Metal	42	12	Average	Average	Average
Row J	Steel Frame, Concrete Floor, Fluorsecent Lighting	Metal	3	1,512	8 Panel Sliding Metal	42	12	Average	Average	Average
Row K	Steel Frame, Concrete Floor, Fluorsecent Lighting	Metal	8	1,512	8 Panel Sliding Metal	42	12	Average	Average	Average
			Total	**77,112**						

2. Small T-Hangars

There is approximately 87,406 square feet of Small T-Hangar included in the Subject Properties. As outlined in the Appendix, Small T-Hangars are typically 1,000 square feet or less with a door width up to 40 feet and a door height which can accommodate most single-engine piston-powered aircraft (e.g., Beechcraft Bonanza; Cessna 150, 172, 182, and 210; Cirrus 20 and 22; Diamond Star and Katana; Piper Arrow, Cherokee, and Saratoga; etc.).

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

Table 7 – Small T-Hangar Summary

Small T-Hangars Summary										
Identification	Interior	Exterior	Number of Units	Size Per Unit (SF)	Door			Condition	Access	Amenities
					Type	Width (FT)	Height (FT)			
Row U	Steel Frame, Concrete Floor, Fluorescent Lighting	Metal	21	942	2 Panel Sliding Metal	41	12	Good	Good	Average
Row B	Steel Frame, Concrete Floor, Incandescent Lighting	Metal	24	856	2 Panel Sliding Metal	40	10	Average	Fair	Average
Row C	Steel Frame, Concrete Floor, Incandescent Lighting	Metal	27	856	2 Panel Sliding Metal	40	10	Average	Fair	Average
Row D	Steel Frame, Concrete Floor, Incandescent Lighting	Metal	28	856	2 Panel Sliding Metal	40	10	Average	Fair	Average
			Total	**87,406**						

3. Medium T-Hangars

There is approximately 50,248 square feet of Medium T-Hangar included in the Subject Properties. As outlined in the Appendix, Medium T-Hangars typically range from 1,000 square feet up to 1,300 square feet with a door width ranging from 40 feet up to 45 feet and a door height which can accommodate most light multi-engine piston-powered aircraft (e.g., Cessna 310, Diamond Twin Star, Piper Seminole and Seneca, etc.).

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

Table 8 – Medium T-Hangar Summary

Medium T-Hangars Summary										
Identification	Interior	Exterior	Number of Units	Size Per Unit (SF)	Door			Condition	Access	Amenities
					Type	Width (FT)	Height (FT)			
Row W	Steel Frame, Concrete Floor, Fluorescent Lighting	Metal	22	1,088	2 Panel Metal Sliding	42	14	Good	Good	Average
Row A	Steel Frame, Concrete Floor, Incandescent Lighting	Metal	23	1,144	2 Panel Metal Sliding	44	13	Average	Fair	Average
			Total	**50,248**						

4. Large T-Hangars

There is approximately 36,465 square feet of Large T-Hangar included in the Subject Properties. As outlined in the Appendix, Large T-Hangars typically range from 1,300 square feet up to 2,000 square feet with a door width ranging from 45 feet up to 55 feet and a door height which can accommodate most multi-engine piston-powered aircraft and similarly sized turbine-powered aircraft (e.g., Cessna 421, King Air 90, Piper Cheyenne, Piper Malibu, etc.).

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

Table 9 – Large T-Hangar Summary

Large T-Hangars Summary										
Identification	Interior	Exterior	Number of Units	Size Per Unit (SF)	Door			Condition	Access	Amenities
					Type	Width	Height			
Row V	Steel Frame, Concrete Floor, Fluorescent Lighting	Metal	11	1,687	3 Panel Metal Sliding	53	18	Good	Good	Average
Row L	Steel Frame, Concrete Floor, Fluorsecent Lighting	Metal	5	1,628	3 Panel Sliding Metal	53	16	Average	Average	Average
Row M	Steel Frame, Concrete Floor, Fluorsecent Lighting	Metal	6	1,628	3 Panel Sliding Metal	53	16	Average	Average	Average
			Total	**36,465**						

5. Medium Portable T-Hangars

There is approximately 49,680 square feet of Medium Portable T-Hangar included in the Subject Properties. As outlined in the Appendix, Medium Portable T-Hangars typically range from 1,000 square feet up to 1,300 square feet with a door width ranging from 40 feet up to 45 feet and a door height which can accommodate most light multi-engine piston-powered aircraft (e.g., Cessna 310, Diamond Twin Star, Piper Seminole and Seneca, etc.).

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

Table 10 – Medium Portable T-Hangar Summary

Medium Portable T-Hangars Summary										
Identification	Interior	Exterior	Number of Units	Size Per Unit (SF)	Door			Condition	Access	Amenities
					Type	Width (FT)	Height (FT)			
Row N	Steel Frame, Asphalt Floor, Fluorescent Lighting	Metal	12	1,080	8 Panel Sliding Metal	43	11	Average	Fair	Average
Row O			12	1,080						
Row P			14	1,080						
Row Q			8	1,080						
			Total	**49,680**						

6. Tiedown

There are approximately 203 tiedowns included in the Subject Properties. As outlined in the Appendix, a Tiedown is an aircraft parking area typically signified by a painted "T" and usually equipped with three-point tiedown anchors to secure the aircraft. The majority of tiedown spaces can accommodate both single-engine aircraft (typically requiring width of up to 40 feet) and certain multi-engine aircraft (typically requiring a width of 40 feet to 45 feet). For the purposes of this *Airport Rent Study,* tiedowns are analyzed based on the type of aircraft accommodated (Small Tiedown and Medium Tiedown). Additionally, certain Tiedowns are designed specifically for helicopters (identified as helipads).

As such, the total number and property details of the Tiedowns are outlined in Table 11.

Table 11 – Tiedown Summary

Tiedown Summary				
Identification	Component	Number of Units	Condition	Access
North Tiedown Area	Nested/Push-In	148	Good	Good
	Non-Nested/Drive-In	0		
	Helipads	2		
South Tiedown Area	Nested/Push-In	46	Good	Good
	Non-Nested/Drive-In	0		
	Helipads	7		
Total		**203**		

7. Additional Properties

AMCG understands Community Hangars and Office associated with Hangar at the Airport are currently leased via a long term agreement with a rental rate established through direct negotiation. However, AMCG conducted an objective analysis of rental rates at national, regional, comparable and competitive airports to determine a base rental rate for consideration by the County in future negotiations.

Community Hangar

As outlined in the Appendix, a Community Hangar is a square or rectangular-shaped Hangar which is typically connected to other facilities (primarily to lean-to structures and/or FBO terminal buildings). Community Hangars, which typically range in size from 6,000 square feet upwards of 100,000 square feet per building, are typically the largest Hangar located at an airport. Community Hangars typically accommodate multiple aircraft of various sizes which may be owned by more than one entity or individual.

Office Associated with Hangar

As outlined in the Appendix, Office associated with Hangar is office space connected to a Hangar that is typically utilized to conduct business and administrative related functions.

VI. STUDY FINDINGS

In order to derive an opinion of market rent for the Subject Properties, information and data from similar properties at the Airport as well as similar properties (leased from airport sponsors) at national, regional, comparable, and competitive airports was analyzed. The results of the analysis are summarized in this section. Definitions of the Minimum, Maximum, Mean, Standard Deviation, Median, and Range (utilized in the following tables) are provided in the Appendix.

A. National Data

As a supplement to the comparable airport data, rents obtained over the last 10 years from more than 550 airports (including all categories of NPIAS airports – general aviation to Large Hub Primary Commercial Service) located throughout the United States were analyzed. A summary and statistical analysis of the findings for national airports is provided in Table 12.

Table 12 – National Airport Data Summary

National Airport Data Summary						
Component	Minimum	Maximum	Mean	Standard Deviation	Median	Range
Executive Hangars	$0.05	$8.47	$2.94	$1.70	$2.89	$8.42
Small T-Hangars	$56.60	$541.50	$218.54	$96.55	$204.24	$484.90
Medium T-Hangars	$50.00	$671.00	$291.37	$122.43	$265.50	$621.00
Large T-Hangars	$110.00	$884.21	$419.96	$167.66	$400.00	$774.21
Small Tiedown	$15.08	$250.00	$55.24	$44.33	$40.00	$234.92
Medium Tiedown	$15.00	$564.00	$101.07	$139.55	$51.00	$549.00
Community Hangars	$0.03	$9.70	$2.63	$1.94	$2.25	$9.67
Office Associated with Hangar	$0.14	$15.00	$5.83	$3.41	$5.25	$14.86

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

B. Regional Data (FAA Western-Pacific Region)

As an additional supplement to the comparable airport data, rents obtained over the last 10 years from more than 90 airports (including all categories of NPIAS airports – general aviation to Large Hub Primary Commercial Service) in the FAA Western-Pacific Region (consisting of Arizona, California, Hawaii, and Nevada)[4] were analyzed. A summary and statistical analysis of the findings for regional airports is provided in Table 13.

[4] While American Samoa, Commonwealth of the Northern Mariana Islands, and Guam are included in the FAA Western-Pacific Region, rents from airports in these territories were not included or analyzed.

Table 13 – Regional Airport Data Summary

Regional Airport Data Summary						
Component	Minimum	Maximum	Mean	Standard Deviation	Median	Range
Executive Hangars	$0.15	$8.47	$3.35	$1.63	$3.21	$8.32
Small T-Hangars	$91.00	$541.50	$249.85	$97.30	$217.13	$450.50
Medium T-Hangars	$90.00	$751.00	$334.05	$127.36	$291.00	$661.00
Large T-Hangars	$200.00	$775.00	$452.59	$141.80	$416.88	$575.00
Small Tiedown	$25.00	$250.00	$59.07	$57.01	$45.00	$225.00
Medium Tiedown	$25.00	$564.00	$124.76	$168.55	$68.00	$539.00
Community Hangars	$0.03	$7.88	$3.04	$1.71	$2.98	$7.85
Office Associated with Hangar	$0.75	$12.00	$3.82	$2.35	$3.60	$11.25

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

C. Comparable Airport Data

The first step in identifying comparable airports is developing an accurate profile of the Airport. The profile was developed based on data available from various sources, including the FAA and state and local agencies. The Airport profile provided the basis for establishing the criteria and parameters for identifying comparable airports.

The selection of comparable airports was based on a number of criteria including historic activity levels, total based aircraft, the presence of a control tower, runway length, total airport acreage, FAA NPIAS classification, FAA General Aviation Asset Study classification as well as population, median household income, and mean household income for the Airport’s associated City. Parameters were then established in each of these areas to facilitate the selection process.

While a total of 16 airports were considered comparable to the Airport, rental rates and related information from 12 airports[5] were obtained and analyzed, as shown in Table 14.

Table 14 – Comparable Airports

Comparable Airports		
Airport	**Identifier**	**Location**
Ann Arbor Municipal Airport	ARB	Ann Arbor, Michigan
Bowman Field Airport	LOU	Louisville, Kentucky
David Wayne Hooks Memorial Airport	DWH	Houston, Texas
Fullerton Municipal Airport	FUL	Fullerton, California
Glendale Municipal Airport	GEU	Glendale, Arizona
Grand Prairie Municipal Airport	GPM	Grand Prairie, Texas
Napa County Airport	APC	Napa, California
Oxnard Airport	OXR	Oxnard, California
Phoenix Goodyear Airport	GYR	Goodyear, Arizona
Renton Municipal Airport	RNT	Renton, Washington
Riverside Municipal Airport	RAL	Riverside, California
Shreveport Downtown Airport	DTN	Shreveport, Louisiana

[5] Relevant and useable information was not available from Danbury Municipal Airport (DXR), Glendale Municipal Airport (GEU), Jack Northrop Field/Hawthorne Municipal Airport (HHR), or North Perry Airport (HWO).

Table 15 provides a summary and statistical analysis of the findings for the comparable airports.

Table 15 – Comparable Airport Data Summary

Comparable Airport Data Summary						
Component	Minimum	Maximum	Mean	Standard Deviation	Median	Range
Executive Hangars	$2.52	$6.99	$4.96	$1.10	$5.06	$4.47
Small T-Hangars	$140.00	$625.00	$276.09	$121.20	$230.00	$485.00
Medium T-Hangars	$218.93	$711.00	$433.04	$147.95	$382.00	$492.07
Large T-Hangars	$68.69	$775.00	$442.33	$183.02	$417.50	$706.31
Small Tiedown	$17.77	$120.00	$51.78	$35.21	$40.00	$102.23
Medium Tiedown	$17.77	$225.00	$72.52	$56.73	$60.00	$207.23
Community Hangars	$1.08	$4.80	$2.94	$2.63	$2.94	$3.72
Office Associated with Hangar	$6.00	$6.00	$6.00	N/A	$6.00	$0.00

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

D. Competitive Airport Data

Typically, an airport is considered competitive if it is located in relatively close proximity to the Airport and serves a similar market. Each competitive airport is then compared to the Airport based on (1) infrastructure and (2) available products, services, and facilities.

For the purposes of this study, airports within 40 nautical miles of the Airport were identified as being potentially competitive airports. It is significant to note that while three airports owned by the County (Brackett Field Airport, Compton/Woodley Airport, and Whiteman Airport) are located within the competitive area, the relevant and useable data obtained from these Airports was not included in the findings to ensure the County’s existing rental rates did not have an undue influence on the results of this study.

While a total of 9 airports were considered competitive to the Airport, rental rates and related information from 4 airports[6] were obtained and analyzed, as shown in Table 16:

Table 16 – Competitive Airports

Competitive Airports		
Airport	**Identifier**	**Location**
Chino Airport	CNO	Chino, California
Fullerton Municipal Airport	FUL	Fullerton, California
Long Beach Airport/Daugherty Field	LGB	Long Beach, California
Zamperini Field Airport	TOA	Torrance, California

Table 17 provides a summary and statistical analysis of the findings for the competitive airports.

[6] Relevant and useable information was not available from Cable Airport (CCB), Corona Municipal Airport (AJO), and Jack Northrop Field/Hawthorne Municipal Airport (HHR). While relevant and useable information was available from Santa Monica Municipal Airport (SMO) and Van Nuys Airport (VNY), the information was deemed as a statistical outlier.

Table 17 – Competitive Airport Data Summary

Competitive Airport Data Summary						
Component	Minimum	Maximum	Mean	Standard Deviation	Median	Range
Executive Hangars	$4.75	$7.10	$5.69	$0.79	$5.72	$2.35
Small T-Hangars	$295.00	$625.00	$464.60	$116.83	$464.00	$330.00
Medium T-Hangars	$310.00	$711.00	$561.77	$123.31	$575.00	$401.00
Large T-Hangars	$425.00	$445.00	$435.00	$14.14	$435.00	$20.00
Small Tiedown	$55.00	$128.00	$108.11	$26.79	$116.00	$73.00
Medium Tiedown	$55.00	$243.00	$146.75	$64.77	$143.50	$188.00
Community Hangars	N/A	N/A	N/A	N/A	N/A	N/A
Office Associated with Hangar	N/A	N/A	N/A	N/A	N/A	N/A

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

VII. RENTAL RATE SUMMARY

A. Rental Rate Conclusions (By Component)

Table 18 identifies the conclusions of AMCG's opinion of market rent for the Subject Properties. The rental rate conclusions (effective June 25, 2019 which is consistent with the date of property inspection) are based on the analysis of the Subject Properties and the rents being charged for similar properties at the Airport and national, regional, comparable, and competitive airports. The market rental rate conclusions are conveyed on a "per unit per month" (pu/mo) basis.

Table 18 – Rental Rate Conclusions

Rental Rate Conclusions				
Component	Identification	Number of Units	Size (SF)	Market Rent Opinion
Executive Hangar	Row E	22	1,512	$642.60
	Row G	6	1,512	$756.00
	Row H	6	1,512	$756.00
	Row I	6	1,512	$756.00
	Row J	3	1,512	$756.00
	Row K	8	1,512	$756.00
Small T-Hangar	Row U	21	942	$440.00
	Row B	24	856	$380.00
	Row C	27	856	$380.00
	Row D	28	856	$380.00
Medium T-Hangar	Row W	22	1,088	$550.00
	Row A	23	1,144	$475.00
Large T-Hangar	Row V	11	1,687	$825.00
	Row L	5	1,628	$750.00
	Row M	6	1,628	$750.00
Medium Portable T-Hangar	Row N	12	1,080	$350.00
	Row O	12	1,080	$350.00
	Row P	14	1,080	$350.00
	Row Q	8	1,080	$350.00
Small Nested/Push-In	North Tiedown Area	148	N/A	$120.00
Medium Nested/Push-In			N/A	$150.00
Small Nested/Push-In	South Tiedown Area	46	N/A	$120.00
Medium Nested/Push-In			N/A	$150.00
Helipads	North Tiedown Area	2	N/A	$190.00
	South Tiedown Area	7	N/A	$190.00

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

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

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

The average national, regional (FAA Western-Pacific Region), comparable, and competitive rental rates are representative of airport properties with the following attributes (as applicable):

- Average airside and landside access,
- Average amenities, and
- Average condition.

Each of these attributes is rated using the following descriptors: poor, fair, average, good, and excellent. The resulting data points were analyzed independently, and the overall statistical representation was analyzed to determine a base rental rate for each component of the Subject Properties. Once a base rental rate was derived for the Airport, specific conclusions were estimated for each component of the Subject Properties based on size, access, amenities, and condition (as applicable). For the purposes of this *Airport Rent Study*, size adjustments were developed, where appropriate, based on an analysis of AMCG's proprietary industry database (for all airports nationally). This process included an analysis of more than 4,000 data points correlating size ranges to existing rental rates compared to the national average rental rate.

1. Executive Hangar

The results of the study indicate the average rental rates for Executive Hangar range from $2.94 psf/yr at national airports to $5.69 psf/yr at competitive airports. The average rental rate at regional airports was $3.35 psf/yr and $4.96 psf/yr at comparable airports. Utilizing the comparative analysis of the largest MSAs to the national average results in an adjusted national average of $4.41 psf/yr. It is significant to note that the rental rates for Executive Hangar range from a minimum of $2.52 psf/yr at comparable airports to $7.10 psf/yr at competitive airports. The current established rate for Executive Hangar as approved by the Board for FY 2019-2020 ranges from $695.00 pu/mo to $789.00 pu/mo (approximately $5.52 psf/yr to $5.88 psf/yr).

In addition to the above findings, a comparative analysis of data in the national database was conducted. This analysis included airports where Executive Hangar and Community Hangar are both leased. Through this analysis, it was determined that an adjustment of +35% for Executive Hangar exists at such airports. Applying this adjustment to the Community Hangar base rental rate ($4.00 psf/yr) would yield an Executive Hangar rental rate of $5.40 psf/yr.

Based on analyzing all available data, a base rental rate of $6.00 psf/yr was derived.

The average rental rate for an Executive Hangar up to 2,999 square feet in the national database exhibits no adjustment (based on size) while the average rental rate for Executive Hangar from 3,000 square feet to 4,999 square feet exhibits an adjustment of approximately +5% (based on size) compared to the national average rental rate.

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

Table 19 – Executive Hangar Summary

Executive Hangars Conclusions Summary							
Identification	Base Rental Rate	Adjustments				Calculated Result	Market Rent Opinion
		Size	Access	Amenities	Condition		
Row E	$6.00	0%	-5%	-5%	-5%	$5.10	$642.60
Row G		0%	0%	0%	0%	$6.00	$756.00
Row H		0%	0%	0%	0%	$6.00	$756.00
Row I		0%	0%	0%	0%	$6.00	$756.00
Row J		0%	0%	0%	0%	$6.00	$756.00
Row K		0%	0%	0%	0%	$6.00	$756.00

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

2. Small T-Hangar

The results of the study indicate the average rental rates for Small T-Hangar range from $218.54 pu/mo at national airports to $464.60 pu/mo at competitive airports. The average rental rate at regional airports was $249.85 pu/mo and $276.09 pu/mo at comparable airports. Utilizing the comparative analysis of the largest MSAs to the national average results in an adjusted national average of $327.81 pu/mo. It is significant to note that the rental rates for Small T-Hangar range from a minimum of $140.00 pu/mo at comparable airports to a maximum of $625.00 pu/mo at comparable and competitive airports. The current established rates for Small T-Hangar as approved by the Board for FY 2019-2020 ranges from $389.00 pu/mo to $447.00 pu/mo.

Based on analyzing all available data, a base rental rate of $400.00 pu/mo was derived.

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

Table 20 – Small T-Hangar Conclusions Summary

Small T-Hangars Conclusions Summary						
Identification	Base Rental Rate	Adjustments			Calculated Result	Market Rent Opinion
		Access	Amenities	Condition		
Row U	$400.00	5%	0%	5%	$440.00	$440.00
Row B		-5%	0%	0%	$380.00	$380.00
Row C		-5%	0%	0%	$380.00	$380.00
Row D		-5%	0%	0%	$380.00	$380.00

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

3. Medium T-Hangar

The results of the study indicate the average rental rates for Medium T-Hangar range from $291.37 pu/mo at national airports to $561.77 pu/mo at competitive airports. The average rental rate at regional airports was $334.05 pu/mo and $433.04 pu/mo at comparable airports. Utilizing the comparative analysis of the largest MSAs to the national average results in an adjusted national average of $437.05 pu/mo. It is significant to note that the rental rates for Medium T-Hangar range from a minimum of $218.93 pu/mo at comparable airports to a maximum of $711.00 pu/mo at comparable and competitive airports. The current established rates for Medium T-Hangar as approved by the Board for FY 2019-2020 ranges from $428.00 pu/mo to $495.00 pu/mo.

Based on analyzing all available data, a base rental rate of $500.00 pu/mo was derived.

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

Table 21 – Medium T-Hangar Conclusions Summary

Medium T-Hangars Conclusions Summary						
Identification	Base Rental Rate	Adjustments			Calculated Result	Market Rent Opinion
		Access	Amenities	Condition		
Row W	$500.00	5%	0%	5%	$550.00	$550.00
Row A		-5%	0%	0%	$475.00	$475.00

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

4. Large T-Hangar

The results of the study indicate the average rental rates for Large T-Hangar range from $419.96 pu/mo at national airports to $452.59 pu/mo at regional airports. The average rental rate at competitive airports was $435.00 pu/mo and $442.33 pu/mo at comparable airports. Utilizing the comparative analysis of the largest MSAs to the national average results in an adjusted national average of $629.94 pu/mo. It is significant to note that the rental rates for Large T-Hangar range from a minimum of $68.69 pu/mo at comparable airports to a maximum of $775.00 pu/mo at comparable airports. The current established rate for Large T-Hangar as approved by the Board for FY 2019-2020 is $823.00 pu/mo.

Based on analyzing all available data, a base rental rate of $750.00 pu/mo was derived.

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

Table 22 – Large T-Hangar Conclusions Summary

Large T-Hangars Conclusions Summary						
Identification	Base Rental Rate	Adjustments			Calculated Result	Market Rent Opinion
		Access	Amenities	Condition		
Row V	$750.00	5%	0%	5%	$825.00	$825.00
Row L		0%	0%	0%	$750.00	$750.00
Row M		0%	0%	0%	$750.00	$750.00

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

5. Medium Portable T-Hangar

Portable T-Hangars that are owned and leased by the airport sponsor are not common at airports, as such, a comparative analysis of data in the national airport database was conducted. This analysis included airports where Portable T-Hangars and T-Hangars are both leased. Through this analysis, it was determined that an adjustment of -25% from similarly sized T-Hangars for Portable T-Hangars exists at such airports. The current established rate for Medium Portable T-Hangar as approved by the Board for FY 2019-2020 is $423.00 pu/mo.

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

Table 23 – Medium Portable T-Hangar Conclusions Summary

Medium Portable T-Hangars Conclusions Summary							
Identification	Base Rental Rate	Adjustments				Calculated Result	Market Rent Opinion
		Type	Access	Amenities	Condition		
Row N	$500.00	-25%	-5%	0%	0%	$350.00	$350.00
Row O		-25%	-5%	0%	0%	$350.00	$350.00
Row P		-25%	-5%	0%	0%	$350.00	$350.00
Row Q		-25%	-5%	0%	0%	$350.00	$350.00

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

6. Small Tiedown

The results of the study indicate the average rental rates for Small Tiedown (nested or push-in) range from $51.78 pu/mo at comparable airports to $108.11 pu/mo at competitive airports. The average rental rate at national airports was $55.24 pu/mo and $59.07 pu/mo at regional airports. Utilizing the comparative analysis of the largest MSAs to the national average results in an adjusted national average of $82.86 pu/mo. It is significant to note that the rental rates for Small Tiedown (nested or push-in) range from a minimum of $17.77 pu/mo at comparable airports to a maximum of $128.00 pu/mo at competitive airports. The current established rate for Single-Engine Tiedown as approved by the Board for FY 2019-2020 ranges from $60.00 pu/mo to $127.00 pu/mo (including both nested or push-in Single-Engine Tiedowns and non-nested or drive-in Single-Engine Tiedowns).

Based on analyzing all available data, a base rental rate of $110.00 pu/mo was derived.

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

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

Table 24 – Small Tiedown Conclusions Summary

Small Tiedown Summary							
Identification	Component	Base Rental Rate	Adjustments			Calculated Result	Market Rent Opinion
			Size	Access	Condition		
North Tiedown Area	Nested/Push-In	$110.00	0%	5%	5%	$121.00	$120.00
	Non-Nested/Drive-In		0%	25%	5%	$143.00	$145.00
South Tiedown Area	Nested/Push-In		0%	5%	5%	$121.00	$120.00
	Non-Nested/Drive-In		0%	25%	5%	$143.00	$145.00

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

7. Medium Tiedown

The results of the study indicate the average rental rates for Medium Tiedown (nested or push-in) range from $72.52 pu/mo at comparable airports to $146.75 pu/mo at competitive airports. The average rental rate at national airports was $101.07 pu/mo and $124.76 pu/mo at regional airports. Utilizing the comparative analysis of the largest MSAs to the national average results in an adjusted national average of $151.60 pu/mo. It is significant to note that the rental rates for Medium Tiedown (nested or push-in) range from a minimum of $17.77 pu/mo at comparable airports to a maximum of $225.00 pu/mo at comparable airports. The current established rate for Twin Tiedown as approved by the Board for FY 2019-2020 ranges from $96.00 pu/mo to $137.00 pu/mo (including both nested or push-in Twin Tiedowns and non-nested or drive-in Twin Tiedowns).

Based on analyzing all available data, a base rental rate of $135.00 pu/mo was derived.

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

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

Table 25 – Medium Tiedown Conclusions Summary

Medium Tiedown Summary							
Identification	Component	Base Rental Rate	Adjustments			Calculated Result	Market Rent Opinion
			Size	Access	Condition		
North Tiedown Area	Nested/Push-In	$135.00	0%	5%	5%	$148.50	$150.00
	Non-Nested/Drive-In		0%	25%	5%	$175.50	$175.00
	Helipads		10%	25%	5%	$189.00	$190.00
South Tiedown Area	Nested/Push-In		0%	5%	5%	$148.50	$150.00
	Non-Nested/Drive-In		0%	25%	5%	$175.50	$175.00
	Helipads		10%	25%	5%	$189.00	$190.00

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

8. Additional Properties

Based on the objective analysis conducted, AMCG identified a base rental rate which can be considered by the County in future negotiations. By utilizing the base rental rate, appropriate adjustments for size, access, amenities and condition can then be applied. The appropriate size adjustment is outlined for each specific component. As it pertains to access, amenities and condition, the following adjustments can be utilized:

- Excellent +10%
- Good +5%
- Average 0%
- Fair -5%
- Poor -10%

Community Hangar

The results of the study indicate the average rental rates for Community Hangar range from $2.63 psf/yr at national airports to $3.04 psf/yr at regional airports. The average rental rate at comparable airports was $2.94 psf/yr. No usable or relevant data was available from competitive airports. Utilizing the comparative analysis of the largest MSAs to the national average results in an adjusted national average of $3.95 psf/yr. It is significant to note that the rental rates for Community Hangar range from a minimum of $1.08 psf/yr at comparable airports to a maximum of $4.80 psf/yr at comparable airports. There is no current established rate for Community Hangar as approved by the Board for FY 2019-2020.

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

The average rental rate for a Community Hangar up to 7,499 square feet in the national database exhibits an adjustment of approximately +30% (based on size) while the average rental rate for a Community Hangar from 7,500 square feet to 12,499 square feet exhibits an adjustment of approximately +10% (based on size) compared to the national average rental rate.

Office Associated with Hangar

The results of the study indicate that the average rental rates for Office Associated with Hangar range from $3.82 psf/yr at regional airports to $6.00 psf/yr at comparable airports. The average rental rate at national airports was $5.83 psf/yr. No usable or relevant data was available from competitive airports. Utilizing the comparative analysis of the largest MSAs to the national average results in an adjusted national average of $8.75 psf/yr.

In addition to the above findings, a comparative analysis of data in the national airport database was conducted. This analysis included airports where Office Associated with Hangar and Community Hangar are both leased. Through this analysis, it was determined that an adjustment of 60% for Office Associated with Hangar exists at such airports. Applying this adjustment to the Community Hangar base rental rate ($4.00 psf/yr) would yield an Office Associated with Hangar rental rate of $6.40 psf/yr.

There is no current established rate for Office Associated with Hangar as approved by the Board for FY 2019-2020.

Based on analyzing all available data, a base rental rate of $6.50 psf/yr was derived.

The average rental rate for Office Associated with Hangar up to 1,999 square feet in the national database exhibits an adjustment of approximately -5% (based on size) while the average rental rate for Office Associated with Hangar greater than 2,000 square feet exhibits no adjustment (based on size) compared to the national average rental rate.

B. Rental Rate Summary (for the Subject Properties)

Based on the preceding analysis and analysis of the rents being charged for similar properties at the Airport and national, regional, comparable and competitive airports, the conclusions of AMCG's opinion of market rent for the Subject Properties are outlined in Table 26.

Table 26 – Rental Rate Conclusions

Rental Rate Conclusions					
Component	Identification	Number of Units	Size (SF)	*Current Rental rate	Market Rent Opinion
Executive Hangar	Row E	22	1,512	$695.00	$642.60
	Row G	6	1,512	$695.00	$756.00
	Row H	6	1,512	$695.00	$756.00
	Row I	6	1,512	$695.00	$756.00
	Row J	3	1,512	$695.00	$756.00
	Row K	8	1,512	$695.00	$756.00
Small T-Hangar	Row U	21	942	$389.00	$440.00
	Row B	24	856	$447.00	$380.00
	Row C	27	856	$447.00	$380.00
	Row D	28	856	$447.00	$380.00
Medium T-Hangar	Row W	22	1,088	$428.00	$550.00
	Row A	23	1,144	$495.00	$475.00
Large T-Hangar	Row V	11	1,687	$823.00	$825.00
	Row L	5	1,628	$798.00	$750.00
	Row M	6	1,628	$798.00	$750.00
Medium Portable T-Hangar	Row N	12	1,080	$423.00	$350.00
	Row O	12	1,080	$423.00	$350.00
	Row P	14	1,080	$423.00	$350.00
	Row Q	8	1,080	$423.00	$350.00
Small Nested/Push-In	North Tiedown Area	148	N/A	$60.00/$96.00	$120.00
Medium Nested/Push-In			N/A	$96.00	$150.00
Small Nested/Push-In	South Tiedown Area	46	N/A	$60.00/$96.00	$120.00
Medium Nested/Push-In			N/A	$96.00	$150.00
Helipads	North Tiedown Area	2	N/A	N/A	$190.00
	South Tiedown Area	7	N/A	N/A	$190.00

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

VIII. APPENDIX

A. Limiting Conditions

This report is subject to the following conditions and to other specific and limiting conditions as described by Aviation Management Consulting Group, Inc. (AMCG) in this report.

1. AMCG assumes no responsibility for matters legal in nature affecting the Subject Properties, nor does AMCG render any opinion as to the title of the Subject Properties, which are assumed to be good and marketable. The Subject Properties have been analyzed as though free and clear and held under responsible ownership and competent management.
2. Information, estimates, and opinions furnished to AMCG and contained in this report were obtained from sources considered to be reliable and are believed to be true and correct. However, AMCG assumes no responsibility for their accuracy.
3. Although dimensions were taken from a source considered reliable, this should not be construed as a survey. A licensed engineer or surveyor should verify the exact size and legal description.
4. Sketches presented in this report may show approximate dimensions and are included to assist the reader in visualizing the Subject Properties. AMCG assumes no responsibility for the accuracy and has not conducted a survey of the Subject Properties.
5. Unless noted in this report, the rental rate conclusions do not include contributory value of any personal property, furniture, fixtures, equipment, or on-going business value.
6. It is assumed that the utilization of the improvements is within the boundaries or property lines of the Subject Properties and that there is no encroachment or trespass unless noted in this report.
7. This report is prepared for the sole, exclusive use of the client. No third parties are authorized to rely on this report without the prior written consent of AMCG and the client.
8. It is assumed that all applicable zoning and use regulations have been complied with unless non-conformity was stated, defined, and considered in this report.
9. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or federal government or private entity or organization have been or can be obtained or renewed for any use on which the rental rate conclusions are based.
10. Full compliance with all applicable federal, state, and local environmental regulations and laws is assumed unless noncompliance is stated, defined, and considered in this report.
11. In this assignment, the existence of potentially hazardous material, gases, toxic waste, and mold, which may or may not be present on the Subject Properties, was not observed by AMCG; nor does AMCG have any knowledge of the existence of such materials on the Subject Properties. To AMCG's knowledge, the presence of potentially hazardous waste, materials, or gases has not been detected, or if detected, it has been determined that the amount or level is considered to be safe according to standards established by the Environmental Protection Agency (EPA). However, AMCG is not qualified to detect such substances and does not make any guarantees or warranties that the Subject Properties have been tested for the presence of potentially hazardous waste, gases, toxic waste, or mold and, if tested, that the tests were conducted pursuant to EPA-approved procedures. The existence of any potentially hazardous waste, gases, toxic waste, or mold may have an effect on the rental rate conclusions.

12. The American with Disabilities Act (ADA) became effective January 26, 1992. AMCG has not made a specific compliance survey and analysis of the Subject Properties to determine whether or not the Subject Properties are in conformity with the various detailed analysis of the requirements of the ADA. It is possible that a compliance survey of the Subject Properties together with a detailed analysis of the requirements of the ADA could reveal that the Subject Properties are not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative impact on the market rent conclusion. Since AMCG has no direct evidence relating to this issue, possible noncompliance with the requirements of the ADA was not considered in the rental rate conclusions.

13. AMCG assumes there are no hidden or unapparent conditions of the Subject Properties or subsoil that would render the Subject Properties more or less valuable. AMCG assumes no responsibility for such conditions or for engineering that might be required to discover such factors.

14. No requirements shall be made of AMCG to give testimony or appear in court by reason of this report, unless arrangements have been made previously. If any courtroom or administrative testimony is required in connection with this report, additional fees and expenses shall be charged for those services.

15. Possession of this report, or copy hereof, does not carry with it the right of publication nor may it be used for any purpose whatsoever by any entity but the client without the prior written consent of AMCG and the client.

16. Neither all nor any part of the contents of this report shall be disseminated to the public through advertising media or public means of communication without the prior written consent of AMCG and the client.

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

B. Definitions and Acronyms

- Community Hangar - A square or rectangular-shaped Hangar which is typically connected to other facilities (primarily to lean-to structures and/or FBO terminal buildings). Community Hangars, which typically range in size from 75 feet by 75 feet to upwards of 100,000 square feet per building, are typically the largest hangar located at an airport. Community Hangars can accommodate multiple aircraft of various sizes and configurations which are owned by more than one company or individual.
- Executive Hangar - A square or rectangular-shaped hangar designed to accommodate the proprietary aircraft operations of a single company or individual. Executive Hangars (ranging in size from 50 feet by 50 feet to upwards of 100 feet by 100 feet) are typically larger than T-Hangars, smaller than Community Hangars, and may have associated shop, office, and storage areas.
- GPS - Global positioning system.
- Hangar – Any fully or partially enclosed storage facility for an aircraft.
- Itinerant - Aircraft operations terminated at an airport which (1) arrive from outside the airport area or (2) depart the airport and leave the airport area.
- Local - Aircraft operations which (1) remain in the local traffic pattern, (2) execute simulated instrument approaches or low passes at an airport, or (3) operate to or from an airport and a designated practice area within a 20-mile radius of the Air Traffic Control Tower.
- Median - Figure wherein half of the data points in the number series are below the median value while half of the data points in the number series are above the median value.
- Minimum - Minimum value present in the data range.
- Maximum - Maximum value present in the data range.
- Mean - Arithmetic average of all data in the data range.
- Office Associated with Hangar - is office space connected to a Hangar that is typically utilized to conduct business and administrative related functions
- Portable Hangar - A Hangar that is square, rectangular-shaped, or “T” shaped and is not permanently affixed to associated apron area and the Portable Hangar can be reasonably removed or is designed to be removed.
  - Small Portable Hangar - Typically up to 1,000 square feet with a door width up to 40 feet and a door height which can accommodate most single-engine piston-powered aircraft (e.g., Beechcraft Bonanza; Cessna 150, 172, 182, and 210; Cirrus 20 and 22; Diamond Star and Katana; Piper Arrow, Cherokee, and Saratoga; etc.).
  - Medium Portable Hangar - Typically ranges from 1,000 square feet up to 1,300 square feet with a door width ranging from 40 feet up to 45 feet and a door height which can accommodate most light multi-engine piston-powered aircraft (e.g., Cessna 310, Diamond Twin Star, Piper Seminole and Seneca, etc.).
- Standard Deviation - Statistical method designed to mathematically measure the variability in a set of data points. The calculated figure for standard deviation is indicative of the relative distance between the mean and every data point. For a normally distributed data range, approximately 68% of the data points would fall within one standard deviation of the mean, as illustrated by a normal bell curve. Similarly, approximately 95% of the data points would fall within two standard deviations, while approximately 99.7% of the data points would fall within three standard deviations of the mean. Assuming the data points from the airports are representative of the population and the population follows a normal bell curve, the calculated standard deviation values would illustrate the relative variability in data points (i.e., how close these data points are to the mean).
- T-Hangar - A Hangar that typically has the capacity to store only one aircraft, usually not larger than a cabin class multi-engine aircraft. This type of hangar derives its name from its shape (in the form of a “T”) which increases the efficiency of the design so as to accommodate the wingspan and the tail section of an aircraft. T-Hangars may be stand-alone structures, or they may be combined and “nested” so that the tail sections of the “T” configuration interlock to form a single congruous structure.

- Small T-Hangar - Typically up to 1,000 square feet with a door width up to 40 feet and a door height which can accommodate most single-engine piston-powered aircraft (e.g., Beechcraft Bonanza; Cessna 150, 172, 182, and 210; Cirrus 20 and 22; Diamond Star and Katana; Piper Arrow, Cherokee, and Saratoga; etc.).
- Medium T-Hangar - Typically ranges from 1,000 square feet up to 1,300 square feet with a door width ranging from 40 feet up to 45 feet and a door height which can accommodate most light multi-engine piston-powered aircraft (e.g., Cessna 310, Diamond Twin Star, Piper Seminole and Seneca, etc.).
- Large T-Hangar - Typically ranges from 1,300 square feet up to 2,000 square feet with a door width ranging from 45 feet up to 55 feet and a door height which can accommodate most multi-engine piston-powered aircraft and similarly sized turbine-powered aircraft (e.g., Cessna 421, King Air 90, Piper Cheyenne, Piper Malibu, etc.).

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

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

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

➢ VOR - Very high frequency omnidirectional range.

C. Subject Properties Identification Map

Figure 5 – Airport Overview

For reference purposes only

Figure 6 – San Gabriel Valley Airport South Subject Properties Map

For reference purposes only

Figure 7 – San Gabriel Valley Airport North Subject Properties Map

For reference purposes only

Figure 8 – San Gabriel Valley Airport South Subject Properties Map

For reference purposes only

D. Subject Properties Photographic Survey

Executive Hangar
Row E

Executive Hangar
Row E

Small T-Hangar
Row U

Small T-Hangar
Row U

Medium T-Hangar
Row V

Medium T-Hangar
Row A

Large T-Hangar
Row W

Large T-Hangar
Row W

South Tiedown Area

South Tiedown Area