MEMORANDUM

TO: Airport Board
FROM: Patrick Dame, C.M., Executive Director
DATE: November 10, 2020
RE: Request from Consolidated Hangar Group to Change Operator Permit and Lease to Allow Storage of Equipment Other than Aircraft

Consolidated Hangar Group, LLC, is an Association of hangar owners with a 30 year lease commencing February 24, 2009. The lease has a ten year option, thereby, extending the lease termination date to February 24, 2049. Under Section III, part 3, the defined use of the Premises is as follows:

"Definition of commercial aeronautical services: Commercial aeronautical services are hereby defined as those which involve the sale of aviation services for profit to the general public: a. Commercial Aircraft Storage."

This is consistent with their Operator Permit which allows them to operate on the airfield as an "Aircraft Storage Operator."

It was recently brought to our attention by the sublessee that one of the units (hangars) was being subleased to FedEx for the storage of conveyors and other like equipment; not for an aircraft. We informed the Association’s Management Service Provider that this is not allowed under the lease agreement or Operator Permit. As such, they have requested a change to their lease agreement and/or Operator Permit to allow this activity. (Copy of email attached.)

Per the FAA, the primary purpose for an aircraft hangar is aircraft storage. The storage of aircraft handling equipment cannot be done so as to interfere with the primary aeronautical purpose of the hangar. We currently have an unsatisfied aviation demand for hangars, with a hangar shortage and a waiting list for the Airport owned Thangars. If we were to allow this type of activity under the present circumstances, we could potentially be in violation of our FAA/AIP grant assurances. Therefore, it is staff’s recommendation to deny the request.

STAFF RECOMMENDATION: Staff recommends the Board deny the request to change the use of the lease and the permitted activities allowed under the Operator Permit.