Hiding in Plane Sight: How General Aviation Airport Hangars General Wealth
AOPA Survey of GA Hangars
General Aviation Has A Bright Future in America...

...But Airports Are Still Under Fire!

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>High School Initiative</td>
<td>42 States / 500 Classrooms / 8000+ Students</td>
</tr>
<tr>
<td>Flight Training</td>
<td>AOPA Flight Training Advantage</td>
</tr>
<tr>
<td>Flying Clubs</td>
<td>171 New Flying Clubs</td>
</tr>
<tr>
<td>Rusty Pilots</td>
<td>Over 10,000 Inactive Pilots returned to flying!</td>
</tr>
<tr>
<td>GA Safety</td>
<td>Still Improving! 50% less accidents than 1990’s</td>
</tr>
<tr>
<td># Pilots Increasing Again</td>
<td>20,730 new Pilots in 2018 (+17%)</td>
</tr>
<tr>
<td>New Technology</td>
<td>Aircraft, Avionics, Powerplants</td>
</tr>
<tr>
<td>Sellers Market!</td>
<td></td>
</tr>
<tr>
<td>Airports</td>
<td>2000 Airports have closed since the 1970’s</td>
</tr>
</tbody>
</table>
AOPA Airport Advocacy

• 105 active Airport Issues
• 230 Airport “cases” resolved since Jan 2020

• Top 3 Issue categories to date:
  • Rules/Reg/Min Standards   72
  • Airport Development       57
  • Permanent Closure Threat 43

• Too many Sponsors do not understand the value of their Airport
By the Numbers

• 664,500 pilots in the U.S.
• 211,749 GA aircraft in the inventory
• 7,628 Commercial aircraft
• 5,088 public use airports
• 3,304 federally funded airports
• About 400 commercial service airports

Common complaint at many airports: Not enough Hangars!
Measuring Hangar Demand

- Quantify hangar demand
- Understand the “Issues”
- Develop proposals

- 800 Airport Support Network Volunteers surveyed
- Statewide GA Hangar Surveys ongoing

- Airport Case Studies
  - PA survey complete
  - CA and NE launching soon
  - Seeking more States!
Emerging Results

Largest Impediment to building new Hangars

- Lack of developable land
- Lack of interest by state or local laws
- Lack of funding

How Long is the Wait?

- 74% of owners wait up to 2 years for a hangar
Emerging Results

• Waiting Lists – Not all created equal!
  • Not all owners on the waiting list will accept a Hangar when available.
  • Waiting lists force some owners to move to another airport.
• GA Hangars generate ~45% of airport revenue (Fuel sales = 45%)
• GA Hangars generate economic impact for the community
• Airport Managers have land to develop
• Airport Managers prefer to build rather than lease land for private hangars
• AIP funding priorities* limit funding for hangar projects  (*AIP Handbook, Appendix O)

55% of airport managers in PA report lack of funding as #1 impediment to building new hangars
Funding Options

- AIP
- State Grants
- State Revolving Loan Programs
- USDA Rural Development Grant/Loan
- Sponsor grant / loan / bond issuance
- Private developer funding
- Hybrid

- Congress recognizes the impact of limited funding for Hangars
What can SPONSORS do?

- Understand the value of the airport
- Invest in revenue generating projects (including GA Hangars)
- Adopt a “Pro-Airport” growth strategy in economic planning
- Adopt zoning that prohibits incompatible land use development
- Host Community events at the Airport
- Use AOPA as a resource for airport support

AOPA.org/ASN
AOPA REGIONAL MANAGERS

NORTHWEST MOUNTAIN
Josh Pruzek

GREAT LAKES
Kyle Lewis

EASTERN
Sean Collins

WESTERN PACIFIC
Melissa McCaffrey

CENTRAL SOUTHWEST
Tom CHandler

SOUTHERN
Steve Hedges

ALASKA
Tom George
Questions

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Airports should **not** be the victim of Community success!

We want:

- Sponsors / local leaders to understand the value of their Airport
- Communities to embrace their local airport as PART of Community growth and success
- Airports to be MAGNETS to attract business and growth for the communities they serve

**We do not want:**

- Airports to be in opposition to Community growth and expansion
- Encroachment on the airport – causes a “death by a thousand cuts”!

“The most important Main Street in any town is the RUNWAY
Project Purpose

- Explore the value of hangars for Economic Development in NC
- Develop inventory of hangars at General Aviation Airports
- Determine payback period for hangar investment scenarios
General Aviation Airports

• 2,600 based aircraft valued at $986 million
• Generates $6.2 million annually in property tax
• Operate nearly 450 hangars with approximately 3.4 million square feet of hangar space
• ALPs show potential to build as many as double the current number of hangars
Value of General Aviation Airport Hangars

B U S I N E S S

E D U C A T I O N

M E D I C A L
33 General Aviation Airports Surveyed
ALP Data & Interviews

Source: Raleigh Executive Airport

Source: Rocky Mount Wilson Airport
### Existing and Planned Hangar Characteristics

<table>
<thead>
<tr>
<th>Airport Designation</th>
<th>Airports Surveyed</th>
<th>Average T-Hangars and Individual Units</th>
<th>Average Box/Corporate Hangars</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Existing Hangars</td>
<td>ALP Hangars</td>
</tr>
<tr>
<td>RED (~Regional)</td>
<td>11</td>
<td>3.0 (36 units)</td>
<td>2.5 (26 units)</td>
</tr>
<tr>
<td>BLUE (~Business)</td>
<td>16</td>
<td>2.4 (22 units)</td>
<td>1.8 (18 units)</td>
</tr>
<tr>
<td>GREEN (~Rural)</td>
<td>6</td>
<td>1.2 (12 units)</td>
<td>1.0 (9 units)</td>
</tr>
</tbody>
</table>
T-Hangar Findings

Average Monthly T-hangar Rates at Surveyed N.C. General Aviation Airports

[$ per month]

Source: Coastal Carolina Regional Airport
Box/Corporate Hangar Findings

Average Box/Corporate Hangar Rates at Surveyed N.C. General Aviation Airports
[$ per sq ft per year]

Source: Cape Fear Regional Jetport
Land/Ground Lease Findings

Average Annual Land/Ground Lease Rates at Surveyed N.C. General Aviation Airports

[$ per sq ft per year]

Source: Hickory Regional Airport
N.C. T-hangar Rates Compared to National Rates

N.C. Box/Corporate Hangar Rates Compared to National Rates

T-Hangar Cash Flow Estimate
[Assumed Recreational or Non-Business Aircraft]

Source: Coastal Carolina Regional Airport
Corporate/Box Hangar Cash Flow Estimate
[Assumed Business Aircraft]

Estimated Costs (−) and Tax Revenues (+)

$1,500,000
$1,000,000
$500,000
$500,000
$1,000,000
$(1,000,000)
$(1,500,000)

Year

Local (Construction, Aircraft Maintenance, and Property)
State (Construction, Business-Related, Aviation Fuel, Aircraft Maintenance)
Hangar Construction
Airport - Hangar Rent
Cumulative Net Difference

Source: Coastal Carolina Regional Airport
FINANCIAL FUNDING ALTERNATIVES SUMMARY

- **FAA AIP GRANTS**
  Contact the local FAA ADO, an engineering consultant, or airport financial consultant.

- **STATE/COUNTY AVIATION LOAN PROGRAM**
  Contact the appropriate aviation department.

- **AIRPORT OWNER**
  Check with the finance department about financing from the airport general fund or community development programs.

- **MUNICIPAL/COUNTY BOND ISSUES**
  Finance department staff can help, & investment bankers can handle bond issues. *(These can take some time to put together, so plan accordingly.)*

- **BANK LOAN**
  Check with the finance department staff.

- **PRIVATE DEVELOPMENT FUNDING**
  The private hangar developer will provide his or her own financing, but you probably will need to seek additional funding
