

REVOLVING HANGAR PROGRAM

APPROVED 8/14/09

Nebraska Department of Aeronautics

- I. Program Intent.** The Nebraska Department of Aeronautics (NDA) and the Nebraska Aeronautics Commission have developed this program to assist municipalities who wish to increase or improve the available hangar space at their public-use airports. Assistance is provided through a no interest loan.

This program is intended to aid and foster aviation interests and activities throughout the state. Hangars at public use airports should be considered public assets. These hangars provide unique capabilities for the community to aid and foster aviation activity. For the benefit of the community, hangars should be owned by the public body that owns and operates the airport. While various lease agreements, even long term, are made with private individuals or firms, the ownership of these facilities must remain in the hands of the public, to manage as a public asset for the community.

II. Eligibility.

- A. Who is eligible? Any municipality that operates a public use airport or persons owning privately owned public use airports. A municipality can be an airport authority, city, county or village. Privately owned public use airports must have at least one paved runway, retail sale of aviation fuel and facilities for sheltering, servicing or repair of aircraft.
- B. What is eligible?
1. T-hangars with 40'- 48' wide doors. Larger doors may be eligible upon special approval from the Commission.
 2. Shop and storage hangars.
 3. Ramps - from the hangar door to the edge of the taxiway, including fillets. Maximum eligible dimensions are:
 - a. T-hangars - 15' wide, plus fillets.
 - b. Shop/storage hangars - No greater than the width of the door.
 - c. Length - 27.5'.
 4. Moving an existing hangar to another location on the same airport when that hangar violates state or federal safety or design standards.
 5. Existing Hangar rehabilitation to include re-sheeting roof and side. The supporting structure has been determined to be structurally sound by a

licensed structural engineer.

6. Hangar door replacements.
7. Other - finished end units, full or partial floors, electrical service, outlets, lights, stubbed in utilities, other necessary items within 27.5' of the building and engineering fees.
8. Acquiring private hangars is eligible for state funds if no state funds were previously expended for the hangar.
9. Not Eligible - Full utilities such as water & heat (except for electricity), framing, insulation and other miscellaneous interior work.

C. Other conditions that must be met.

1. The hangar must be built on a site that is shown on the currently approved Airport Layout Plan.
2. The hangar building must meet the department's minimum standards (NDA Specification H-40).
3. The sponsor must insure the hangar for the life of the loan agreement.
4. The airport must meet the department's licensing standards, Title 17, Chapter 1 of the Nebraska Administrative Code.

III. Funding and Payments.

- A. NDA Share. NDA will loan 70% of the eligible costs for new construction and 50% of the eligible costs for existing hangar rehabilitation and/or door replacement, up to the amount approved by the Commission.
- B. Maximum. \$300,000 per airport. The balance of previous agreements plus the new amount can't exceed \$300,000.
- C. Repayment Period. The repayment is based on the total of all loans outstanding under the program. This includes the new program loan amount requested plus the balance on any previous program loans at the time of request.

| <u>Amount due</u> | <u>Repayment Period</u> |
|--|-------------------------|
| 0 - \$300,000 | 10 years |
| Existing Hangar rehabilitation and/or Replacement Doors | 5 years |

Acquire Private Hangar

5 years

- D. Payments. Monthly payments will be billed to the sponsor. The payment amount will be the amount of the new loan agreement divided by the repayment period divided by 12 months per year. No interest or carrying charges will be charged.
- E. Transfer of Ownership Penalty. Should the airport owner transfer ownership of the hangar to a private party within 20 years of the loan allocation date, the airport owner shall pay a penalty to the hangar loan fund the sum of 25% of the total loan amount contributed by the Aeronautics Commission.

IV. Application. Items A-E should be provided on the department's application form. The application must include:

- A. Description of the hangar.
 - 1. T-hangars - standard or nested, number of units, door sizes.
 - 2. Shop/Storage - length & width, number & location of doors, and door sizes.
 - 3. Rehabilitate existing hangar and or replacement doors – describe hangar to be retrofitted and proposed method for reconstruction.
- B. Description of existing hangars, number of hangar spaces on the airport and number of based aircraft. Number of existing hangar spaces not used by aircraft.
- C. Specific information on the demand for more or improved hangar space. Include the hangar waiting list, if applicable. The list should contain the aircraft make/model, "N" numbers, the current location of these aircraft, the address of the current owner and whether these are single or multi-engine.
- D. Estimated cost.
- E. Funding assurance. A statement from the sponsor, their lender or financial agent indicating the amount of money available for the hangar project should be provided.
- F. Sketch of the proposed or existing hangar's location. A partial print of the current ALP is preferred.

V. How the Program Works.

- A. Commission Approval. The airport sponsor or the state airport engineer may present the application to the Aeronautics Commission at the August Commission Meeting. It should be noted that, for consideration at the August Commission

Meeting, applications MUST be received at the NDA's Lincoln office on or before June 1. The Commission can take one of the following actions.

1. Approve the project and allocate (reserve) funds.
2. Approve the project and place it on the list for future funding. The list will be used when there is not enough money in the hangar fund to allocate funds for the project. When funds become available, NDA will notify the sponsor that it is next on the list. The sponsor can then prepare for bids and proceed with construction.
3. Disapprove the project.

Allocated funds will be withdrawn, without prejudice, if the municipality has not signed a construction contract within eleven months of the Commission's approval or of notification that funds are available.

- B. Priorities. The Commission will use the following priorities as a guide in selecting projects to be approved.

Priority No. 1: Build new buildings or rehabilitate existing buildings at airports that have all existing spaces full and the number of spaces requested \leq the number of planes on waiting list.

Priority No. 2: Build new buildings or rehabilitate existing buildings at airports that have some empty hangars, but the hangars are too small for the size of aircraft.

Priority No. 3: Hangar rehabilitation or hangar door replacement

Priority No. 4: Build new buildings or rehabilitate existing buildings at all other airports.

Tiebreaker: When two or more requests have the same priority, additional consideration will be given to:

1. Airports that have the longest waiting list or most pressing need; and
2. An airport can reduce their requested amount by asking for less than 70% for a new building (or 50% of a building rehabilitation and or door replacement), or by requesting a less expensive building.

- C. Plans & Specifications.

1. T-Hangars, Shop/Storage Hangars and Rehabilitate existing hangar and or

Replacement Doors. The sponsor must hire an engineer to prepare the plans and specifications, bid the project and provide on site inspection at critical construction events. Consultants will use the standard NDA consultant agreement. NDA must approve the plans and specifications before advertisement. Engineering costs are eligible under this program.

- D. Bidding. The sponsor opens the bids and then awards the contract subject to NDA's concurrence.
- E. Plan Review. NDA must receive one copy of the building plans and design computations stamped by a Nebraska registered professional engineer. The sponsor's consultant must submit the plans and specifications for review by the State Fire Marshal's office and the plan must meet all state and local electrical code. If the building is to be heated or cooled, the plan must comply with the International Energy Conservation Code (IECC).
- F. Hangar Program Agreement. After the sponsor sends in the building plans, computations and signed contract, NDA will prepare the loan agreement. The agreement states the maximum amount of money that may be advanced and the repayment schedule.
- G. Construction and Funding. The sponsor pays the contractor as construction progresses and sends a copy of the billings to NDA. NDA will reimburse the sponsor for 70% (or 50% for hangar rehabilitation and or replacement doors) of eligible incurred costs. The NDA will retain 10% from each reimbursement until the sponsor has completed the "Project Close Out" list described below.
- H. Project Close Out. The following steps are required.
1. The construction is completed and final bills have been submitted.
 2. The sponsor accepts the building and advises NDA in writing.
 3. The sponsor insures the building against fire, hail, and windstorms including extended coverage with loss payable to NDA and the sponsor as their interests may appear. A copy of the insurance certificate must be sent to NDA.

When all three items have been done, NDA will forward the final 10% due.

- I. Repayment. The conditional sales contract will include the repayment schedule. NDA will begin billing the sponsor when the construction is complete or when the hangar is used for aviation purposes, whichever is first.

It should be noted that, for consideration at the August Commission Meeting, applications MUST be received at the NDA's Lincoln office on or before June 1.

**HANGAR LOAN APPLICATION
NEBRASKA DEPARTMENT OF AERONAUTICS**

Airport _____ **Location** _____

Description of Request:

T-Hangar: Number of stalls: _____ Nested or standard: _____
 Door sizes: _____

Shop/Storage Hangar: Length _____ x Width _____
 Door size: _____

Door Replacement: Number of Doors: _____ Door sizes: _____
 Hangar description: _____

Hangar Rehabilitation: Number of Doors: _____ Door sizes: _____
 Hangar description: _____

Description / Justification: _____

| Cost Estimate: | <u>Hangar Only</u> | <u>Taxiway Only</u> |
|-----------------------|--------------------|---------------------|
| Construction | _____ | _____ |
| Engineering | _____ | _____ |
| Administration | <u>N/A</u> | <u>\$2,000</u> |
| Total | _____ | _____ |

- _____ **Existing hangar information (CONTACT NDA FOR DETAILS).**
- _____ **Waiting list attached.**
- _____ **Sketch of hangar location attached.**

The sponsor of this airport has or will have sufficient funds for 30% of the hangar costs, 20% of the taxiway costs and 50% of rehabilitation or replacement door costs, as applicable.

Signature

