

2022 Hangar Market Survey and Contract Review

Prepared for CPAD Board

Prepared by : Jeff Robertson 1/24/2022

Overview

Airports representatives from several local airports were contacted in January 2022 to get current hangar rental rates for county or city owned hangars. For the most part, these hangars were “T Hangars” and not the rectangular hangars owned by CPAD. Although, both hangar styles are sized for one airplane, the square footage of the rectangular hangars was higher. The monthly rental rates are these airports listed below by airport:

Lincoln	T-Hangar	1040 Sq Ft	\$486/mo	\$0.47/ Sq Ft
Placerville	T-Hangar	1014Sq Ft	\$225/mo	\$0.22/ Sq Ft
Rancho Murietta	T-Hangar	1155 Sq Ft	\$525/mo	\$0.45/ Sq Ft
Rancho Murietta	T-Hangar	1265 Sq Ft	\$625/mo	\$0.49/ Sq Ft
Nevada County	Rectangle	1280 Sq Ft	\$333/mo	\$0.26/ Sq Ft

Auburn and Georgetown do not have any hangars owned by the county or city (all private).

All of the airports with hangars were full with “long time” renters. Lincoln mentioned their waiting list is 4-5 years.

Cameron Park Hangers

CPAD rents 8 hangars located near the airport office. Most of these hangars have been filled by the same tenant for quite a few years (one over 20 years). The lease paperwork for these rentals over the years has not been maintained properly and should be refreshed as soon as possible. In addition, I would recommend an annual review/sign off by the tenant and airport manager. I also recommend an annual rate revision be included in the lease tied to CPI or some other measure determined by the Finance Committee. The current lease/rental rates for the CPAD hangars are as follows:

HANGAR	SIZE	CURRENT RENT	RENT/SQ FT	LAST LEASE DATE
H 1	968 sq ft	\$385	\$.40/sq ft	8/1/04
H 2	1353 sq ft	\$410	\$.30/sq ft	?
H 3	1353 sq ft	\$425	\$.31/sq ft	11/1/17
H 4	968 sq ft	\$450	\$.46/sq ft	6/1/21
H 4a	385 sq ft	\$100	\$.26/sq ft	6/1/21
H 5 *	1434 sq ft	\$510	\$.34/sq ft	12/13/13
H 6	1476 sq ft	\$485	\$.33/sq ft	6/15/18
H 7	1476 sq ft	\$515	\$.35/sq ft	10/28/11
H 8	3776.5 sq ft	\$900	\$.24/sq ft	12/26/18

*H5 has an agreement with CPAD for a reduced rate in exchange for storage of CPAD equipment.

Conclusion/Recommendation

The leases have not been well maintained for several years. The rental rates have not been reviewed or kept at market levels for a number of these hangars.

I recommend the Finance Committee review the local rates as provided and adjust the rates for each hangar as they deem appropriate. Once the new rates are determined, new leases should be completed (if expired). If tenant is on a month to month basis, then a CPAD should pursue a lease agreement with an annual CPI adjustment incorporated (or other adjustment mechanism). Aircraft parking at Cameron Park is at a premium with waiting lists for both hangars and tie downs. This should be considered when determining market rates.