

ADVERTISEMENT AND PUBLIC NOTICE REQUEST FOR PROPOSALS

Airport Related Aeronautical Development Proposals

The New River Valley Airport Commission operates the New River Valley Airport, a 470-acre general aviation airport in Pulaski County Virginia. The Commission invites proposals for land leases, partnerships, or financing for development of aeronautical facilities at the New River Valley Airport which includes but are not limited to facilities for the hangaring of aircraft.

Proposals will be evaluated according to demonstrable feasibility, enhancement of aeronautical activity at the New River Valley Airport, enhancement of the financial condition of the Airport, compatibility with existing and future uses of the Airport, and enhancement of the availability of aeronautical services to businesses and the population of the New River Valley.

Interested parties should respond with proposals before **5:00 p.m., June 6, 2018**, however the Commission may receive proposals or proposal modifications after this date as well. The Commission reserves the right to consider proposals submitted thereafter. The Airport Commission reserves the right to reject any and all proposals, and/or divide any project into sections. The New River Valley Airport Commission is an equal opportunity/affirmative action employer.

The full text of this request for proposal is available at the airport or at www.hangarstudy.com. Inquiries and requests for proposal packets should be addressed to:

Mr. Keith Holt, Manager
New River Valley Airport
5391 CV Jackson Road, Building 4
Dublin, VA 24084
540-674-4141 Phone
540-674-4780 Fax
kpskmanager@gmail.com

SPECIFICATIONS REQUEST FOR PROPOSALS

Background Information:

The New River Valley Airport is a general aviation airport located approximately two miles north of the Town of Dublin, Virginia. The airport has a single runway of approximately 6,200 feet and a modern terminal facility. The airport provides fueling services, aircraft storage, aircraft rental and instruction, maintenance, pilot supplies and other similar services. The Commission invites proposals for leasing available land at the New River Valley Airport for aeronautical purposes, which include but are not limited to hangaring of aircraft.

There is currently a demand for additional hangar space at the New River Valley Airport. The Airport Commission recently completed a Hangar Market Study that details the demand and hangar marketability. This report is included in Attachment 1.

There is available land identified on the Airport Layout Plan as planned hangar developments. Those areas are detailed in Attachment 2. Any individual wishing to participate in a site visit may do so and coordinate in advance an agreeable date and time for such visit with the airport manager, Keith Holt, by calling (540) 674-4141 or email kpskmanager@gmail.com.

Scope of Services:

The New River Valley Airport is seeking proposals from individuals/firms interested in providing airport related development. Proposals may pertain to portions of the Airport designated on its Master Plan for future construction and to portions of the Airport as to which the Master Plan may be modified to provide for development.

Proposals must be for the development of an aviation related activity that would be conducted in accordance with all Federal Aviation Administration (FAA), state aviation guidance and regulations, stormwater management plans, soil erosion and sedimentation plan, airport minimum standards and other conditions which may be applied by the Airport Commission.

Construction of all buildings must comply with Pulaski County Building Code, NFPA 407 and be constructed to suitable industry standards and best practices. Please provide sufficient building information in the proposal.

Respondent is responsible for all engineering fees and legal fees for the project and lease development costs. Respondent is responsible for filing of all permits and licenses including FAA Forms 7460-1, 7460-2 and costs associated with developing and submitting final as-built plans to update the airport's layout plan.

Terms of the use of airport property must conform to the airport's master plan, airport layout plan, and/or at the approval of the New River Valley Airport Commission. The Airport Commission will only consider a proposal that incorporates a leasing of airport property, no sale of airport property will be considered.

Proposed lease term requirements should be incorporated into the proposal; however, the Airport Commission reserves the right to negotiate terms of the lease and the property's final development. All improvements made by the Respondent on the leased area shall be depreciated by the Respondent and shall become property of the New River Valley Airport Commission at the expirations of the lease period unless at the time the Airport Commission and the Respondent execute a new lease agreement.

The selected Respondent shall be responsible for all maintenance and repair of the land, structures, utilities and facilities upon the subject lease property during the time of the lease.

In the operation of the facility, the Respondent shall adhere to all applicable Federal Aviation Administration (FAA) regulations, grant assurances, and Advisory Circulars (AC's). If the facility will be rented or leased, the Respondent shall provide a proposed rate structure which adheres to the FAA grant assurance to furnish those services on a reasonable and not unjustly discriminatory basis to all user at a reasonable and not unjustly discriminatory price.

Additionally, the Airport Commission will entertain private/public partnerships, co-op hangar ownership, low-interest financing of a development to be constructed by the Commission or financial contributions for the construction of facilities.

Corporations are encouraged to submit proposals for economic development projects that would need aeronautical space. Please provide enough details of the economic development proposal including potential employment figures and other community benefits.

Multiple proposals may be submitted. The Commission reserves the right to decline any or all proposals.

The Airport Commission strongly encourages proposals that incorporate either single unit t-hangars or box hangars to accommodate piston single-engine or twin-engine aircraft or larger corporate hangars with the flexibility to accommodate business jets or multiple aircraft types. Maximum use of the available land is strongly encouraged, and a mixed-use design is also highly desirable. Auto-parking if necessary should be accommodated and all taxi-lanes, taxiways, ramp or tie-down areas should conform with applicable FAA standards.

A construction bond may be required by the Airport Commission depending on the size and scope of the project.

Proposal Contents:

The proposal should be sufficient to fully explain the proposed development and to get a solid idea of the business plan, project's viability for completion and enhancement of the airport. The proposals may include the following:

- An overview of the firm/individual offering the proposal including aviation background.
- A detailed proposal for constructing and providing an aeronautical service. Include sketch and description of building size and location.
- A business plan if applicable.
 - If property management, including tenant referrals is to be done by another entity please identify who will be the responsible party. If the proposal is for the Airport Commission to do property management, tenant referrals or account services, please propose what rate the Airport Commission will be compensated for such services.
 - If hangar units are to be rented, please provide the proposed rate structure for the hangar rentals.
- Requested terms for ground lease.
- A description of how the development enhances aeronautical activity at the Airport and enhancement of financial condition of the Airport.
- A description of any airport related improvements that would be necessary in order to

accommodate the proposal and an explanation of financing or terms in order to make such improvements.

- A description (include letter of credit if available) of financing.

Proposals are not limited in length or complexity. However, a more developed and concise proposal will be evaluated more favorably.

Proposal Evaluation:

Evaluation of the responses will be based on the extent to which the response meets the requirements of the request for proposals and the Commission's determination as to the extent to which the respondent is likely to be able to achieve the desired results.

The selection process will be accomplished in accordance with the applicable procurement regulations and procedures. The New River Valley Airport Commission reserves the right to identify a short list of qualified respondents from the proposals received and proceed to contract negotiations at any time following the original requested submission date.

The Airport Commission will carefully consider the Respondent's development plan, business plan, qualifications, experience and financial responsibility in evaluating the proposals. Proposals will be evaluated according to demonstrable feasibility, enhancement of aeronautical activity at the New River Valley Airport, enhancement of the financial condition of the Airport, compatibility with existing and future uses of the Airport, and enhancement of the availability of aeronautical services to businesses and the population of the New River Valley. Consideration will be given for experience and skill, financial responsibility, business plan and terms of services and lease. The primary goal of the Airport is to offer the opportunity for a land lease for aeronautical development or other private-public partnerships that will be a benefit to the Airport Commission, airport users, local communities, and the respondent on a fair and equitable basis for all.

Proposal Submittal:

Proposals clearly marked "Airport Related Development Proposal" should be received no later than **5:00 p.m., local prevailing time on Wednesday, June 6, 2018** and should be addressed to:

Mr. Keith Holt, Manager
New River Valley Airport
5391 CV Jackson Road, Building 4
Dublin, VA 24084

The NRV Airport Commission reserves the right to consider proposals submitted thereafter.

Please note that proposals will NOT be accepted via fax machine.

Questions regarding the proposals should be addressed to Mr. Keith Holt, Manager, New River Valley Airport at 540-674-4141, between the hours of 8:00 a.m. until 5:00 p.m., Monday through Friday.

Attachment 1:
Hangar Market Study

NEW RIVER VALLEY AIRPORT (KPSK) HANGAR MARKET STUDY



March 7, 2018 – Final Document

Prepared by:
The New River Valley Airport Commission
Keith Holt, Airport Manager

Introduction and Purpose

The New River Valley Airport (KPSK) embarked on a project in late 2017 to help quantify the demand and need for aircraft hangar space in the New River Valley. Anecdotal evidence supports the need for additional hangar options for aircraft owners, however there has been no consensus on what types of hangars are in demand or the amount of rent that could be gained from hangar rentals to make a business case to construct more.

The New River Valley Airport is run and operated by the New River Valley Airport Commission, a public entity made up of representatives from seven local funding jurisdictions (County of Pulaski, County of Montgomery, County of Giles, City of Radford, Town of Christiansburg, Town of Pulaski and Town of Dublin). As a public entity, there are high expectations for the use of airport revenue to support the growth of the airport without unduly burdening the funding jurisdictions. In addition, there are very specific state code requirements that must be adhered to when considering leasing of public land or private/public partnerships.

The purpose of this study is to evaluate the marketplace for aircraft hangar space in the New River Valley and to make recommendations on next steps for hangar development.

Existing Hangar Facilities

There are nine buildings with 54,726 square feet of hangar space at the New River Valley Airport. The hangars are a mix of publicly-owned (owned and operated by the New River Valley Airport Commission) and privately-owned hangars at New River Valley Airport (see figure 1). Five buildings with 13,710 square feet are privately owned, while the remaining four buildings with 41,016 square feet are publicly owned.

The privately-owned hangars were constructed by individuals on a ground lease negotiated by the Commission. Title and ownership of the land remains with the commission, however the improvements (building) belong to the lessee. The lessee pays an annual land lease fee to the airport and at end of the land lease term the improvement (the building) will revert and belong to the Airport Commission.

The publicly-owned hangars are owned and controlled by the Airport Commission. The rents received from the hangars are a revenue source for the airport. In FY2017 \$101,000 was received in hangar rental revenue.

In 2012 the Airport Commission acquired 20,020 square foot of hangar space in three separate buildings that was previously privately-owned. The acquisition cost of \$753,000 was paid for with a 25-year loan from a local bank at 3.685%. This allowed the airport to take ownership of the hangars sooner than the original ground lease would have allowed, in most cases nearly 50% sooner after payment of the loan and generate revenue more than sufficient to cover loan cost. Currently, the rents from the acquired hangars generates 38% more than the loan payment for a net monthly profit of \$1,460.

Figure 1: Hangar Locations and Ownership Type



Available Lots

The New River Valley Airport has three locations that are mostly graded and ready to build. This is unique, especially in Southwest Virginia, where typically locations need grading and site work to be suitable to build.

The location nearest the terminal building is 1.3 acre in size. This location is considered a prime location as it is the most visible, closest to the terminal building and closest to infrastructure such as water, sewer, electricity and the parking lot. The current airport layout plan shows two corporate hangars in this location, a 100'x100' and a 60'x60'. Previously a pen and ink approval had been done for a larger 21,600 square foot hangar for a potential corporate user.

The second location is roughly 17,600 square feet and has an existing taxiway infrastructure on both sides. The existing airport layout plan is for a box hangar in this location which mirrors the existing 135'x80' hangar beside it.

The third location is the newly created lot on the western side of the existing hangars. This location is presently shown on the Airport Layout Plan as two sets of T-Hangars. This location features a top flat lot that measures 435' x 400' as well as expansion possibilities with additional land grading. Direct access to Virginia State Route 100, a parking area, additional building locations or access to the airport entrance road are all possible from this lot making it well suited for a host of aviation activities including industrial or manufacturing.

Figure 2: Available Lots



Hangar Wait List

A hangar waiting list has been kept by the Airport's Administration for many years. When an aircraft owner calls to request hangar space, their name is added to the list if there are no spaces available. They have the option of specifying what type of hangar (group hangar or individual T-Hangar) they prefer. When a hangar spot comes available, the first name on the list is contacted.

The current list includes 51 names. The first name on the hangar waiting list has been on the list since November 2005. The newest name on the list (number 51) was placed on the list in July 2017.

Airport management states that several of the names on the list are likely no longer interested, have moved from the area, or are no longer flying. There has been an effort to "clean up" the list, however that effort has been stymied by a lack of return phone calls and sometimes outdated contact information. There is no regular communication with the individuals on the list or follow-up from airport management other than when a hangar spot comes available. It is commonplace for pilots to have their name on the waiting list at more than one airport which can complicate the statistical validity of the list when it comes to formulating a business model.

Economic Development Needs

From time-to-time the airport gets the opportunity to pursue larger economic development projects that require as either a whole or a part some aviation facility needs. These requests have ranged from aircraft manufacturers, aircraft maintenance, aviation parts suppliers, blimp building, manufacturing or corporate aircraft storage needs. Most businesses are looking for an existing building, 10,000 square foot or larger. Few are willing to construct their own. In most cases, the airport works with Pulaski County's Economic Development team, Virginia's First/Commerce Park, or the New River Valley Economic Development Alliance (now known as Onward New River Valley) to work through the proposal process for these economic development prospects. The economic benefit and size of one of these prospects varies but would all be beneficial for the airport is a variety of ways including employment, tax base, fuel sales or general local government support.

Personal Property Tax

The personal property tax on aircraft in Pulaski County is assessed at a rate of \$2.35 per \$100 on the assessed value of the aircraft which is 60% of the purchase price. The value depreciates 10% every 2 years down to 20% of the original purchase price value.

Pulaski County appears to be about middle of the road when it comes to personal property tax rate on aircraft in Virginia. Some localities, such as those in Northern Virginia, have reduced the personal property tax on aircraft to near zero to entice operators to base their aircraft at their airports and to benefit from ancillary sales such as fuel sales and aircraft maintenance. In Southwest Virginia, Montgomery County's assessment is roughly the same, however Roanoke County's is roughly half of Pulaski County's at \$1.06 per \$100 with depreciation occurring every year rather than every other year.

This can be an important factor in where to base especially for larger, more expensive aircraft. For example, the purchaser of a \$3.1 million used Citation Jet would be assessed \$43,710 in personal property tax the first year of owning the aircraft. The tax would be reduced to \$14,570 per year by the 9th year of ownership. The assessment in Pulaski County over 10-years would amount to \$291,400. The same aircraft based in Roanoke would be assessed \$98,580 over a 10-year timeframe.

Table 1: Aircraft Personal Property Tax Pulaski County Example

Aircraft Purchase Price		\$3,100,000	
Locality:	Pulaski County		
Tax Rate:	\$2.35	per 100 with depreciation 10% assessed value every two years past purchase year down to 20%	
	Assessed %	Assessed Value	Property Tax Due
Year 1	60%	\$1,860,000	\$43,710.00
Year 2	60%	\$1,860,000	\$43,710.00
Year 3	50%	\$1,550,000	\$36,425.00
Year 4	50%	\$1,550,000	\$36,425.00
Year 5	40%	\$1,240,000	\$29,140.00
Year 6	40%	\$1,240,000	\$29,140.00
Year 7	30%	\$930,000	\$21,855.00
Year 8	30%	\$930,000	\$21,855.00
Year 9	20%	\$620,000	\$14,570.00
Year 10	20%	\$620,000	<u>\$14,570.00</u>
Total			\$291,400.00

Table 2: Aircraft Personal Property Tax Roanoke County Example

Aircraft Purchase Price		\$3,100,000	
Locality:	Roanoke Co.		
Tax Rate:	\$1.06	per \$100 with depreciation 10% assessed value every year past purchase year down to 20%	
	Assessed %	Assessed Value	Property Tax Due
Year 1	60%	\$1,860,000	\$19,716.00
Year 2	50%	\$1,550,000	\$16,430.00
Year 3	40%	\$1,240,000	\$13,144.00
Year 4	30%	\$930,000	\$9,858.00
Year 5	20%	\$620,000	\$6,572.00
Year 6	20%	\$620,000	\$6,572.00
Year 7	20%	\$620,000	\$6,572.00
Year 8	20%	\$620,000	\$6,572.00
Year 9	20%	\$620,000	\$6,572.00
Year 10	20%	\$620,000	\$6,572.00

Total	\$98,580.00
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Privately owned hangars are also assessed personal property tax on the value of the building only, not the land. This can be a limiting factor a potential investor in a privately-owned development would have to consider when deciding to make such an investment.

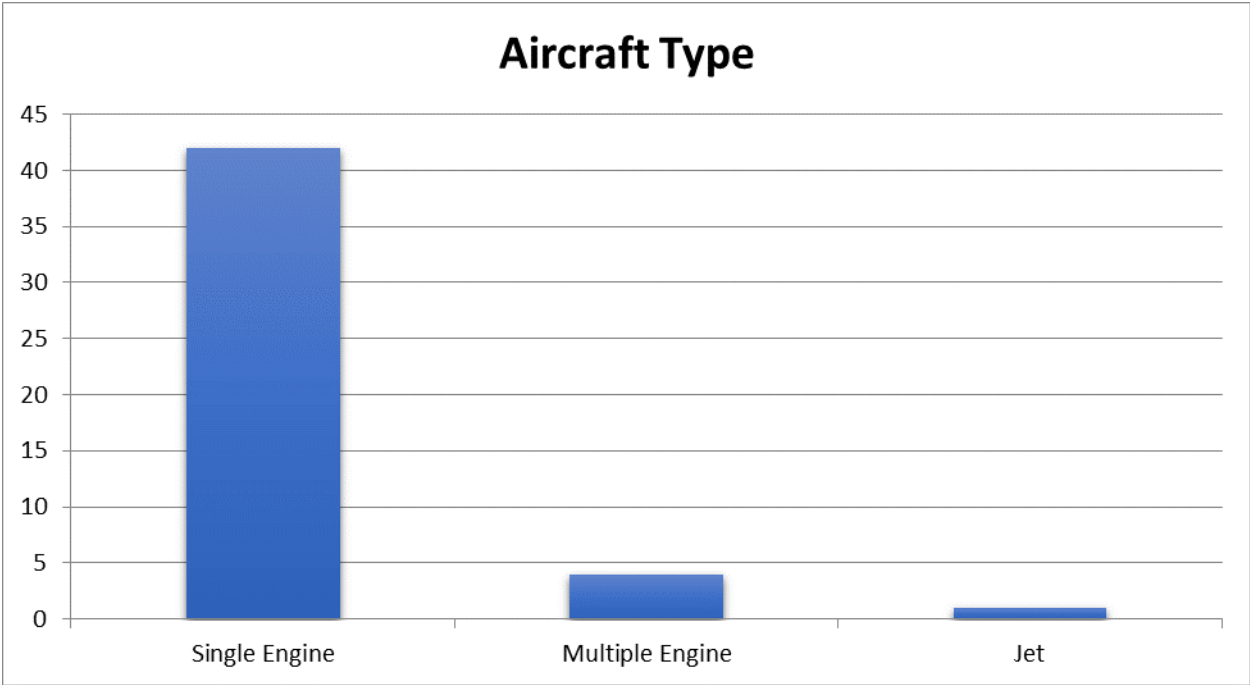
Market Analysis/Survey Results

Postcard mailers were mailed to nearly 300 registered pilots within a 30-mile radius of the New River Valley Airport asking them to participate in a survey at www.hangarstudy.com. The list of pilots was compiled using public data from the Federal Aviation Administration (FAA). This list does not differentiate aircraft owners or inactive pilots. It can be assumed that roughly only half of the list are actively involved in aviation. Additionally, email notification with the website link was emailed out to a local pilots list maintained with airport administration and included on social media. In total, there were 46 responses to the survey request.

Q: Which of the following best describes your aircraft ownership situation?

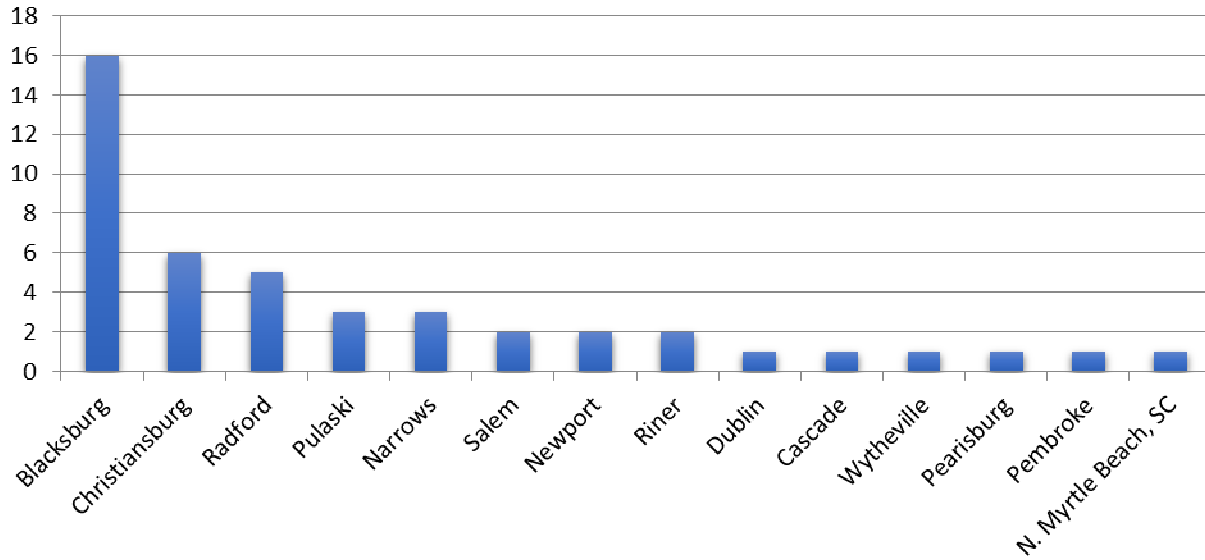
	Response Percent	Response Count
Presently own an aircraft	82.61%	38
Plan to purchase an aircraft in the next 6 months	4.35%	2
Plan to purchase an aircraft in 6-12 months	6.52%	3
Plan to purchase an aircraft in 12 months or greater	8.7%	4
Looking to enter into a co-ownership or multi-ownership of an aircraft	4.35%	2
Have no desire to purchase an aircraft	4.35%	2

Q: What make and model airplane do you own or are most likely to purchase?

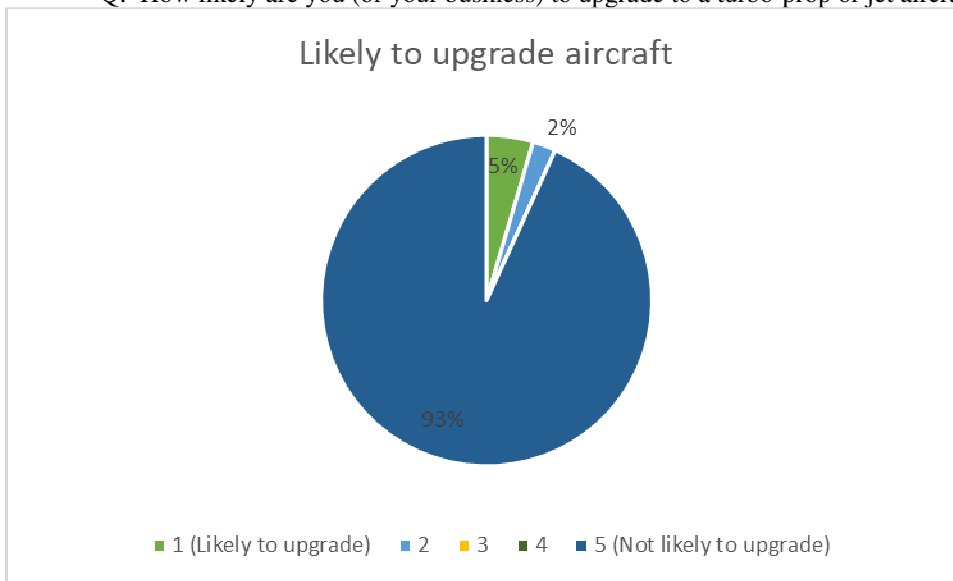


Q: What is your home zip code?

Location of Aircraft Owners



Q: How likely are you (or your business) to upgrade to a turbo-prop or jet aircraft in the next 5 years?

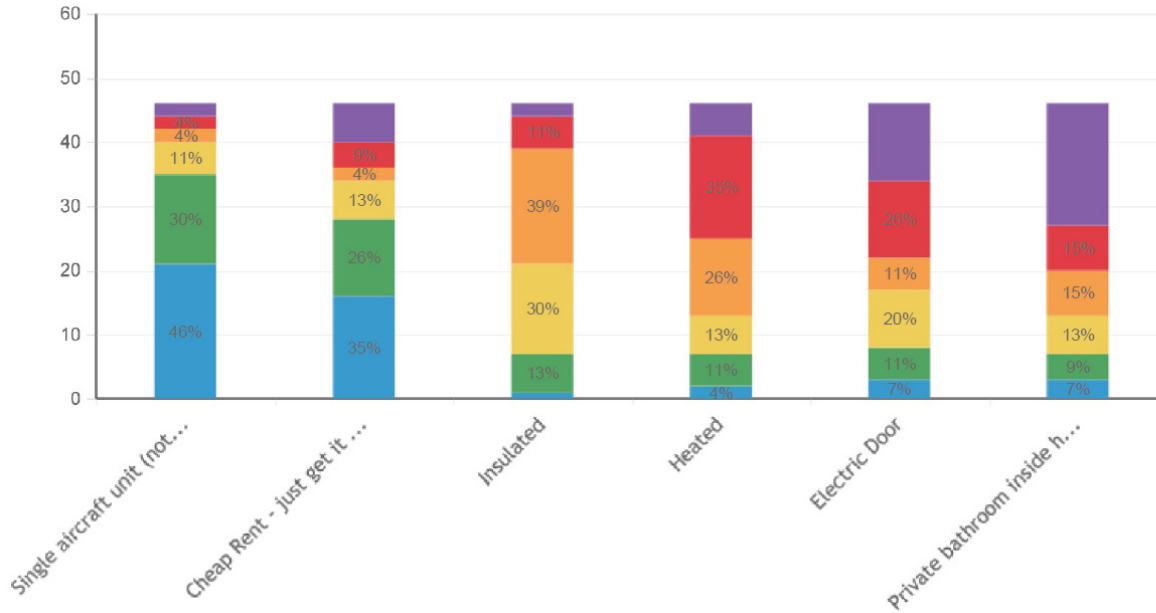


Q: What best describes your current aircraft storage situation?

	Response Percent	Response Count
I have a hangar	43.48%	20
I have a hangar but would like something different	13.04%	6
I have my aircraft stored outside	23.91%	11
I am waiting to buy an airplane until I can get a hangar	4.35%	2
I have my name on an airport's hangar waiting list	13.04%	6
I have my name on more than one airport's waiting list	2.17%	1

	Response Percent	Response Count
Other	17.39%	8

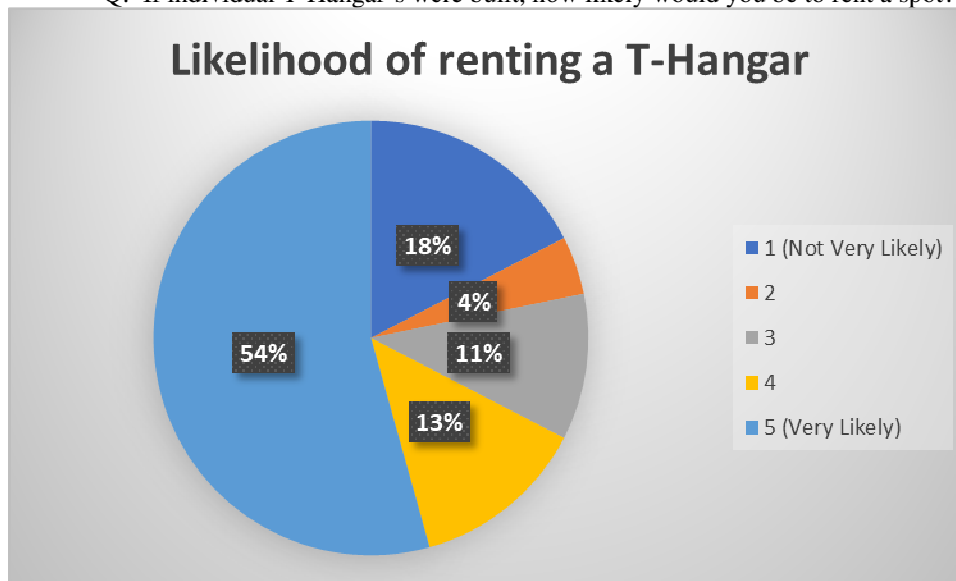
Q: Please rank (1 thru 6) the following hangar amenities as most important (1 being most important) to lease important to you.



	1	2	3	4	5	6	Score	Rank	Response Count
Single aircraft unit (not shared)	45.65% (21)	30.43% (14)	10.87% (5)	4.35% (2)	4.35% (2)	4.35% (2)	4.96	1	46
Cheap Rent - just get it inside	34.78% (16)	26.09% (12)	13.04% (6)	4.35% (2)	8.7% (4)	13.04% (6)	4.35	2	46
Insulated	2.17% (1)	13.04% (6)	30.43% (14)	39.13% (18)	10.87% (5)	4.35% (2)	3.43	3	46
Heated	4.35% (2)	10.87% (5)	13.04% (6)	26.09% (12)	34.78% (16)	10.87% (5)	2.91	4	46

Electric Door	6.52% (3)	10.87% (5)	19.57% (9)	10.87% (5)	26.09% (12)	26.09% (12)	2.83	5	46
Private bathroom inside hangar	6.52% (3)	8.7% (4)	13.04% (6)	15.22% (7)	15.22% (7)	41.3% (19)	2.52	6	46

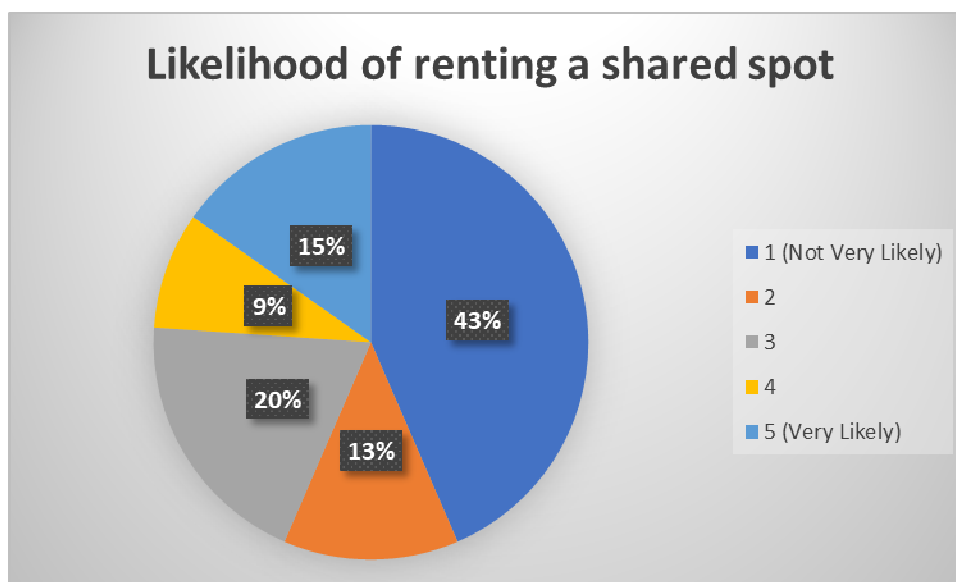
Q: If individual T-Hangar's were built, how likely would you be to rent a spot?



Q: For a 40'x40' newly constructed private T-Hangar, what is the monthly rental rate you would be willing to pay?

Answers ranged from a high of \$500 per month to a low of \$50 per month. The median answer to this question was \$250 per month.

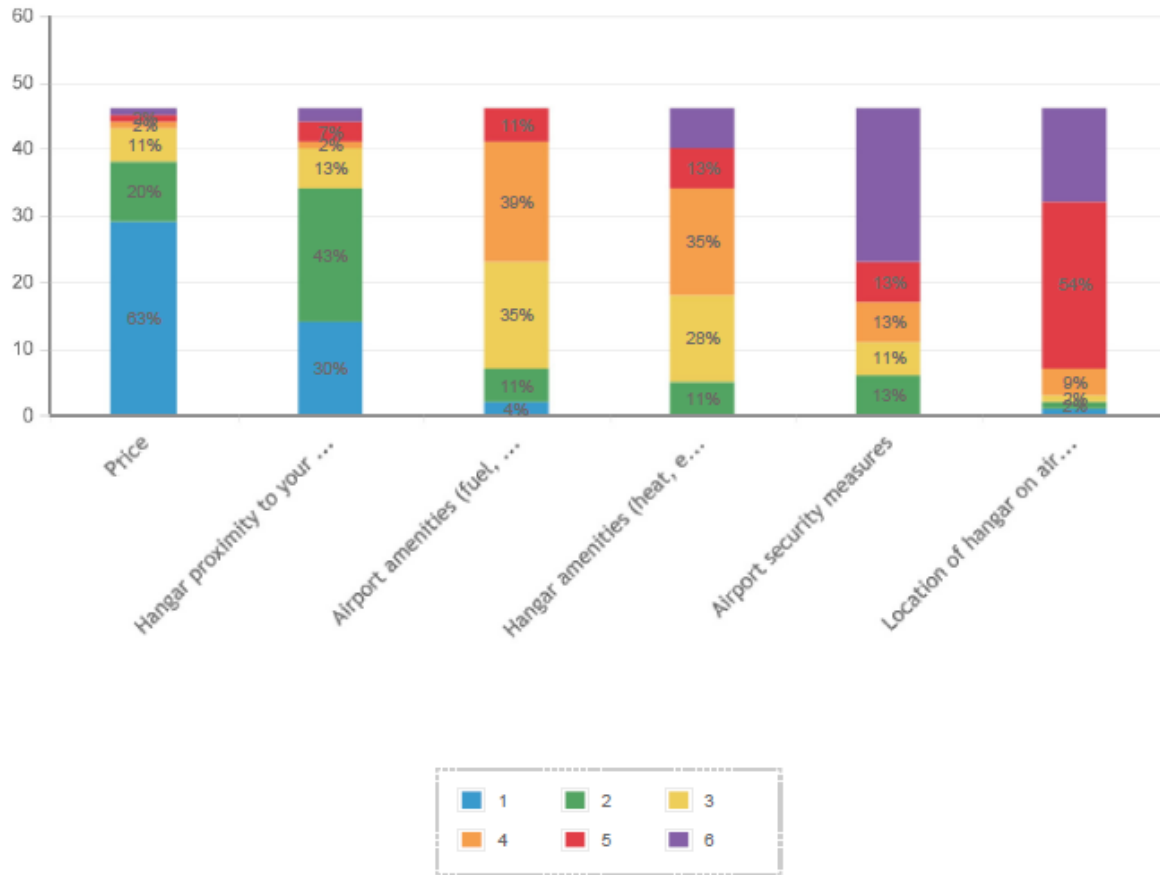
Q: If larger box hangar's were built, how likely would you be to rent a shared spot in a large hangar?



Q: How much would you be willing to pay per month for a shared space in a group hangar?

Answers ranged from a high of \$500 per month to a low of \$50 per month. The median answer to this question was \$195 per month.

Q: Please rank the following hangar attributes (1 being most important, 6 being least important)



	1	2	3	4	5	6	Score	Rank	Response Count
Price	63.04% (29)	19.57% (9)	10.87% (5)	2.17% (1)	2.17% (1)	2.17% (1)	5.33	1	46
Hangar proximity to your home	30.43% (14)	43.48% (20)	13.04% (6)	2.17% (1)	6.52% (3)	4.35% (2)	4.76	2	46

Airport amenities (fuel, maintenance, operating hours, instrument approaches)	4.35% (2)	10.87% (5)	34.78% (16)	39.13% (18)	10.87% (5)	0.0% (0)	3.59	3	46
Hangar amenities (heat, electric, bathroom, etc)	0.0% (0)	10.87% (5)	28.26% (13)	34.78% (16)	13.04% (6)	13.04% (6)	3.11	4	46
Airport security measures	0.0% (0)	13.04% (6)	10.87% (5)	13.04% (6)	13.04% (6)	50.0% (23)	2.24	5	46
Location of hangar on airport (close to ramp or taxiway)	2.17% (1)	2.17% (1)	2.17% (1)	8.7% (4)	54.35% (25)	30.43% (14)	1.98	6	46

Q: Would you be interested in a covered shade-port (covered roof, no wall) type of storage space?

	Response Percent	Response Count
Yes	35.56%	16
No	64.44%	29

Q: Optional: If the airport was to have a public scoping meeting to discuss in greater details aircraft hangar development plans, market needs, and value projections and you would like to be included on the email invite for further updates or meeting information, please provide a valid email address.

A total of 29 respondents provided their email address or 63% of respondents.

Q: Any additional comments you would like to add regarding hangar space, need or design?

A total of 15 respondents left additional comments.

Four responders expressed a dislike for their present airport hangar situation, four expressed a “build it and they will come” ideology, three expressed an affordability first desire and four others were miscellaneous comments including that growth is in the corporate market, a dislike for electric bi-fold doors, a suggestion to allow land leases, and one request to be added to our hangar waiting list.

Market Conclusions

Several conclusions can be made about the marketplace for hangar space based on the survey results and market information.

- Nearly half (48%) of the respondents were from the Blacksburg/Christiansburg area. Meanwhile, nearly 74% (73.91%) ranked hangar proximity to their home as either their first or second choice with regards to importance of hangar attributes. A conclusion drawn from this is that the long-term market viability and potential tenant interest of hangar space at the New River Valley Airport is also dependent on hangar availability at nearby airport’s, particularly the Virginia Tech/Montgomery Executive airport. The Virginia Tech/Montgomery Executive airport is a straight-line distance of 14 nautical miles east of the New River

Valley Airport. The two airports have a history of a complementary and healthy relationship, and while both airport managers would agree they from time to time “share” tenants, they are not engaged in competition with one another. Instead, the airport’s complement each other in helping to provide air service and fill the aviation demands of the region’s economies and each airport has its own niche in filling those demands. In broad generalization, the New River Valley Airport serves an air cargo niche for the area in loading and offloading on-demand freight traffic while also being a destination for Radford and Pulaski County businesses. The Virginia Tech/Montgomery Executive Airport serves as a destination airport with close, almost literally doorstep access to the hotbed of activities on the Virginia Tech Campus and Corporate Research Center. Recently, the Virginia Tech/Montgomery Executive Airport completed the construction of two new corporate hangars and has begun the process of earthwork for the construction of new general aviation T-Hangars.

- Price was considered by survey respondents as being the most important attribute to hangar space. Over 82% (82.61%) of respondents listed price as their first (63.04%) or second (19.57%) most important attribute for a hangar. When asked about the price respondents were willing to pay, the median price of respondents for T-Hangars was \$250 per month (highs of \$500 per month, lows of \$50 per month) while the price for a shared space in a group hangar was \$195 per month. In the comments section, many respondents stated that with Virginia Tech/Montgomery County’s plan to construction T-Hangars, the planned rental rates were anticipated to be nearly \$600 per month. Several comments reflected that \$600 per month was unreasonable and they were unwilling to pay that amount. Those same responders felt a cheaper alternative should be provided in the area. One responder even went so far as to say they would sell their airplane before they pay that much.
- Hangar amenities, airport security measures, and hangar location on the airfield ranked among the lowest of importance of hangar attributes. Electric doors and private bathrooms ranked the lowest among hangar amenities, while non-shared space at a cheap price ranked the highest in desired amenities. Most respondents were looking for basic and inexpensive space they did not have to share with another airplane. However, when asked about their interest in a covered shade-port (covered roof, no walls); 64.44% of respondents stated they would NOT be interested in a shade-port. A difficulty exists in balancing a simple fully enclosed structure that offers single airplane storage convenience at a low cost with a quality construction that will last long enough to cover construction costs and even generate future revenue.
- There is opportunity at the New River Valley Airport for a larger corporate facility that could also include some type of manufacturing or business component. The airport has been involved in requests for such space in the past. Most requests have been economic development prospects with leads developed through state or local economic development channels with the potential for employment and other economic benefits. Other times, these have been direct discussion with the airport manager from companies or individuals that have an aviation need such as housing their corporate aircraft, flying parts or support personnel to jobsites, or final assembly of an aviation component or aircraft. In most circumstances, something greater or equal to 10,000 square feet is desirable. Often an existing facility, rather than a build to suit, is needed as other airport’s competing for the same business already have available facilities (such as North Carolina, South Carolina and Tennessee airports.)
- An increase in the amount of hangar space is desirable to any airport as this also increases the amount of revenue not only from hangar rental but also fuel sales and support of ancillary businesses such as the flight school and aircraft mechanic. An increase in based aircraft also offers the potential for increased tax revenue for the taxing jurisdiction (Pulaski County) through personal property tax and sales tax. A larger

corporation or manufacturing business offers even more revenue potential is income taxes from jobs and machinery and tools tax.

- It is realistic to conclude that a based corporate flight department offers more revenue potential than a typical personal single engine aircraft. In November 2017, the New River Valley Airport began providing hangar space in a shared hangar to a corporately owned and flown Cessna Citation Jet. In the month of December, more than 2,580 gallons of jet fuel was purchased by that tenant. However, that alone is not justification to only market and construct facilities for a corporate user. That corporate flight operation has grown out a long-time use and history of aviation that included flights on a personally owned aircraft including single-engine aircraft, experimental aircraft, and now a multi-engine airplane. The first-hand use and long-time relationship with the airport from their personal aircraft was a contributing factor in the decision to base the corporation's jet at the New River Valley Airport. The value of smaller general aviation aircraft should never be overlooked just simply because their revenue or fuel sales do not compare to a corporate jet.
- The availability of land provides the New River Valley Airport with a great deal of development potential. The fact that several lots are available and identified as hangar facilities is a tremendous asset. Exploring private, public, or private-public partnership for the development of the lots is entirely up to and within the purview of the Airport Commission. It is up to the Commission to decide how and when to proceed and what makes the best financial sense for the airport.
- The Airport Commission's previous willingness to enter into a number of ground leases for the development of hangars has been overall very beneficial. The development of these hangars likely would not have been constructed with public funding alone. This permitted the structures to be built and the benefits of the hangars realized in real time rather than a speculative "if you build it they will come" mentality. Likewise, the Airport Commission's purchase and acquisition of a significant number of those hangars has been beneficial, both short term and long term, with regards to increased revenue, long-term revenue potential, and flexibility to move aircraft to other hangars to maximize available space.
- There is a desire among local pilots to discuss options, review plans or collaborate on hangar construction options. A total of 29 responders provided their email contact information with a willingness to participate in some type of public scoping meeting.

Next Steps

- The Airport Commission should issue and advertise a Request for Proposals (RFP) for privately developed hangar space. The RFP should stipulate broad guidelines for ground lease terms and building types. The proposer should be expected to submit acceptable ground lease term and hangar design details. In issuing an RFP, the Airport Commission is not bound to accept any proposals and could negotiate favorable terms. In accordance with all applicable Virginia laws, the leasing of public-land should be open and available for competition. In issuing the RFP the Commission can better gauge the private market interests.
- The Airport Commission should work with entities such as the Industrial Development Authority and Pulaski County to assess if there is value in development of a shell building at the airport. If the building is not immediately used for commercial development, the building could on an interim basis be used for aircraft storage in order to repay the investment or interest on the investment. Concurrently, there should also be discussion with regards to potential property tax rebates for private financial investment in hangar space or for based turboprop and jet aircraft.
- The Airport Commission should hold a scoping meeting with interested pilots and groups to better determine hangar need and interest. If designs are received from an RFP process, those designs could be presented and discussed.

- The Airport Commission should market the newly developed 4-acre site on-line and with local economic development agencies.
- The Airport Commission should explore permitting or encouraging a hangar co-op to form. A co-op of aircraft owners that construct, maintain, and own a group of hangars has potential to succeed. A co-op member would have a greater sense of ownership in the hangar and thus less likely to vacate the hangar if other similar space came available at another potentially closer to their home airport. In addition, the co-op ownership could hold some value in the event the member chose to sell their share.
- The Airport Manager should research and present to the Airport Commission a variety of “lower cost” hangar options that could be constructed.
- The Airport Manager should research other funding mechanisms to fund hangar construction. In general, grant funding from the Division of Aviation can be used for site preparation, however not hangar construction. The Federal Aviation Administration’s grant programs have limitations on hangar construction because it is viewed as “revenue generating.” Other airport’s have utilized programs by USDA or other agencies in rare circumstances for hangar construction, but most of these have been loan programs.
- The Airport Commission should re-evaluate and establish new policy on the hangar waiting list. Some ideas include requiring individuals to re-new their contact information annually to remain on the list, some airports hold a deposit for having your name on the list, while other airports have a policy that once a spot comes available if the individual does not have the need for the hangar at that time, the name is placed at the bottom of the list.

Survey

New River Valley Airport - Hangar Space Survey

Which of the following best describes your aircraft ownership situation?*

- ☐ Presently own an aircraft
- ☐ Plan to purchase an aircraft in the next 6 months
- ☐ Plan to purchase an aircraft in 6-12 months
- ☐ Plan to purchase an aircraft in 12 months or greater
- ☐ Looking to enter into a co-ownership or multi-ownership of an aircraft
- ☐ Have no desire to purchase an aircraft

What make and model of airplane do you own or are most likely to purchase?

What is your home zip code?*

How Likely are you (or your business) to upgrade to a turbo-prop or jet aircraft in the next 5 years?

	1	2	3	4	5	
Likely to upgrade	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Not likely to upgrade

What best describes your current aircraft storage situation?

- ☐ I have a hangar
- ☐ I have a hangar but would like something different
- ☐ I have my aircraft stored outside
- ☐ I am waiting to buy an airplane until I can get a hangar
- ☐ I have my name on an airport's hangar waiting list
- ☐ I have my name on more than one airport's waiting list

☐ Other (Please Specify)

Please rank (1 thru 6) the following hangar amenities as most important (1 being most important) to least important to you.

- Private bathroom inside hangar
- Single aircraft unit (not shared)
- Heated
- Insulated
- Electric Door
- Cheap Rent - just get it inside

If individual T-Hangar's were built, how likely would you be to rent a spot?

	1	2	3	4	5	
Not Very Likely	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Very Likely

For a 40' x 40' newly constructed private T-Hangar, what is the monthly rental rate you would be willing to pay?

If larger box hangar's were built, how likely would you to rent a shared spot in a large hangar?

	1	2	3	4	5	
Not Very Likely	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Very Likely

How much would you be willing to pay per month for a shared space in a group hangar?

Please rank the following hangar attributes (1 being most important, 6 being least important)

- Hangar proximity to your home
- Price
- Hangar amenities (heat, electric, bathroom, etc)
- Airport amenities (fuel, maintenance, operating hours, instrument approaches)
- Location of hangar on airport (close to ramp or taxiway)

-  Airport security measures

Would you be interested in a covered shade-port (covered roof, no walls) type of storage space?

- ☐ Yes
- ☐ No

Optional: If the airport was to have a public scoping meeting to discuss in greater details aircraft hangar development plans, market needs, and value projections and you would like to be included on the email invite for further updates or meeting information, please provide a valid email address.

Any additional comments you would like to add regarding hangar space, need or design?

Postcard mailer

Front



CONCERNED ABOUT THE LACK OF
AIRCRAFT HANGAR SPACE IN THE NEW
RIVER VALLEY?

Participate in our hangar market survey

www.hangarstudy.com

Scan the
QR code
on your
mobile
device



New River Valley Airport (KPSK) - Dublin, Virginia

Back

The New River Valley Airport is conducting an analysis to determine the market needs and viability for future hangar construction. Your participation in our survey will help us determine the needs of aircraft owners and market viability for hangar space in the New River Valley. This anonymous survey will help us decide what types of hangars are in demand and may result in a future public scoping meeting to discuss hangar options.

Please take a moment to participate in our hangar market survey at:
www.hangarstudy.com
or scan the QR Code below to link directly to the survey on your mobile device.



www.nrvairport.com
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Attachment 2

Location Map of Available Parcels



Potential Site Locations
Buildable lots according to the Airport Layout Plan

Legend
New River Valley Airport
Site Location

New River Valley Airport - PSK

Google Earth
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900 ft