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DEPARTMENT OF TRANSPORTATION

REVOLVING FUEL STORAGE LOAN PROGRAM

Commission Approved May 8, 2026

Nebraska Department of Transportation (NDOT)

Division of Aeronautics

REVOLVING FUEL STORAGE LOAN PROGRAM

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REVOLVING FUEL STORAGE LOAN PROGRAM

I. PROGRAM OVERVIEW AND INTENT

The Nebraska Department of Transportation, Division of Aeronautics (NDOT or Aeronautics) and the Nebraska Aeronautics Commission (Commission) have developed the **Revolving Fuel Storage Loan Program** to assist municipalities install, improve, or increase fuel storage at their public-use airport. Assistance is available through a revolving fund established by the Commission in 1992, which provides interest free loans.

This program is intended to aid and foster aviation interests and activities throughout the state. Fuel storage at public-use airports should be considered public assets. These fuel facilities provide unique capabilities for the community to aid and foster aviation activity. For the benefit of the community, fuel storage equipment installed through this program should remain the property of 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?

1. ANY MUNICIPALITY operating a public-use airport. A municipality (airport sponsor) can be an airport authority, city, county, or village.
2. AIRPORTS must have a current state license in accordance with Title 17, Chapter I of the Nebraska Administrative Code and have no outstanding licensing violations.

B. WHAT IS ELIGIBLE?

To be eligible for the fuel loan program, the following requirements should be met:

1. The project is reasonably consistent with the Nebraska System Plan for the development of the area in which the airport is located.
2. The project can be completed without undue delay on the sponsor's part.
3. The sponsor has sufficient funds to cover their share of the project.
4. The fuel facility location must be consistent with what is shown on the currently approved Airport Layout Plan (ALP).
5. The construction must comply with the State Fire Marshal's regulations, Nebraska Department of Agriculture Weights and Measures program, Aeronautics' minimum standards and all applicable laws, regulations and building codes.

6. The tanks, dispensing equipment, and other items must remain the property of the airport sponsor for the life of the loan agreement. These are the collateral for the loan.

C. ELIGIBLE UNDER THIS PROGRAM

The following are examples of eligible and ineligible projects. This is only a partial listing of projects. For questions on whether a project would be eligible for funding under this program, contact NDOT Division of Aeronautics at 402-471-2371 or ndot.aeroengineering@nebraska.gov

1. Fuel tanks used to store aviation fuels only (100LL avgas, Jet A). Total fuel capacity at the airport must be justified by the volume of fuel sales.
2. Pipes, pumps, dispensing systems, berms, security items, electric power, lighting, monitoring systems, access roads, other necessary appurtenances and removal of existing fuel tanks if done with the installation of new tanks.
3. Engineering and surveying costs are eligible.
4. Systems for metering fuel flowage for different accounts are eligible.

D. NOT ELIGIBLE UNDER THIS PROGRAM

1. Mobile Tanks

III. FUNDING AND PAYMENTS

A. NDOT SHARE: Aeronautics may loan up to 80% of the eligible costs, up to the amount approved by the Commission.

B. MAXIMUM LOAN AMOUNT: $50,000 per project.

C. REPAYMENT PERIOD. The fuel loan repayment period is 10 years, except that the period may be shortened to satisfy the minimum monthly payment of $200

D. PAYMENTS. Monthly payment amount will be paid by the airport sponsor via ACH (Automated Clearing House). The payment amount will be the amount of the new loan agreement divided by the repayment period (in years) divided by 12 months per year. No interest or carrying charges will be charged. Minimum monthly payments will be $200.

Payment is calculated as:

Payment Amount = Loan Amount ÷ 10 years ÷ 12 months

Account statements will be provided on an annual basis or as requested.

E. FUNDING FROM OTHER SOURCES. If federal funds or other funding sources pay for a portion of the project, the loan can include the local share. However, this loan program is not intended to fund the local share of projects that are otherwise fully funded through a grant or other external funding source.

F. TRANSFER OF OWNERSHIP PENALTY. Should the airport sponsor ever transfer ownership of the fuel storage facility to a private party, the airport sponsor shall pay a penalty to the fuel loan fund in the sum of 25% of the total loan amount contributed by the Commission.

G. SPCC PLAN. Aeronautics will withhold 10% or $5,000, whichever is greater, from the loan until the Spill Prevention, Control, and Countermeasure (SPCC) Plan is submitted.

IV. APPLICATION

To request funding through the Revolving Fuel Storage Loan program, the airport sponsor must submit an application to Aeronautics.

A. APPLICATION. A loan application form entitled 'Request for a Revolving Fuel Storage Loan - Application Form' is available for download on the Aeronautics website. Applicants may also request that Aeronautics provide the form via email or by mail.

There are sections in the form where the airport sponsor must include:

- DESCRIPTION of the project, including dimensions.
- REASON for the project. Include information on fuel sales, based aircraft connected with the demand for fuel sales, laws or regulations that require the project and urgency of need.
- JUSTIFICATION for tank size. Information such as current fuel sales, expected fuel sales due to documented aircraft operations or survey of user demand for fuel at the airport.

Attachments:

- SKETCH of the proposed fuel facility's location and details of the proposed construction.
- ESTIMATED COST of the system, including a comparison of underground tanks versus aboveground tanks, and operating and maintenance expenses which include telephone and credit card service charges.

  Fuel tank manufacturers and engineering firms may be sources of information to help the airport sponsor develop the project scope and estimate the cost.

- FUNDING ASSURANCE. A statement from the airport sponsor, their lender or financial agent indicating the airport sponsor has the funds in addition to the loan amount to complete the project.

  The funding assurance of the system shall include a comparison of underground tanks versus aboveground tanks and operating and maintenance expenses which include telephone and credit card service charges.

A completed application consists of the form, sketches, cost estimate, and funding assurance. Photos, supporting information, and letters of support are optional.

The Aeronautics Engineering Division will respond with recommendations and requirements. Additional information may be requested from the airport sponsor.

B. DEADLINES AND ALLOCATION DATES

- Applications for fuel storage loans are **due no less than two (2) weeks prior to the next Commission meeting**. Submission can be electronic or by mail.

V. HOW THE PROGRAM WORKS

A. APPLICATION is made to Aeronautics on the form referenced in Section IV.A.

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

Note: Primary airports will be considered against the following prioritization criteria after all general aviation airport applications have been considered.

Priority No. 1: Build new fuel storage system

Priority No. 2: Rehabilitate existing fuel storage system

Priority No. 3: Acquire existing fuel storage system

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

1. Airports that have the most pressing need; or
2. The airport sponsor can reduce their requested amount by asking for less than 80%, or
3. The airport sponsor currently has an active fuel storage loan.

C. COMMISSION APPROVAL. The Nebraska Aeronautics Commission must approve all projects. Sponsors must generally present their request for aid to the Commission. If a Sponsor is unable to attend, either in-person or virtually, Aeronautics staff, or the Sponsor's consultant may present a project on behalf of a sponsor.

Applications must be submitted to Aeronautics **a minimum of two (2) weeks prior to any scheduled meeting date**. The Commission may only award loans in the total amount not to exceed the fuel storage loan account balance on the date of the allocation meeting. The Commission can take one of the following actions:

1. APPROVE THE LOAN REQUEST AND ALLOCATE FUNDS. The project then moves on to Section E.
2. DISAPPROVE THE REQUEST. Projects that do not receive funds may re-apply the following year.

D. FUND ALLOCATION AND TIME REQUIREMENTS.

Allocated funds will be withdrawn, without prejudice, if the airport sponsor has not signed a construction contract within six (6) months of the Commission's approval action or of notification that funds are available.

The six-month requirement may be extended by the Chairperson of the Commission at the recommendation of Aeronautics, for circumstances beyond the airport sponsor's control, including, but not limited to, the award of an FAA grant. A granted extension will expire no later than September 30th of the year in which the original six-month period ended.

E. SOLICITING BIDS. The airport sponsor may either use the formal bid process or solicit informal proposals.

1. FORMAL BIDS. The airport sponsor must hire an engineer to prepare the plans and specifications. The State Fire Marshal's office and Aeronautics must accept the plans and specifications before bids are advertised. The airport sponsor must advertise for bids in the local paper. Aeronautics recommends that the project be advertised 3 times. The airport sponsor opens the bids, then sends the bid tabulation and indication of contract award to Aeronautics.
2. INFORMAL PROPOSALS. The airport sponsor must obtain two or more written proposals or quotes and submit these to Aeronautics with an indication of the airport sponsor's preference. The proposals should include a detailed list of materials and services. After Aeronautics conditionally concurs in the contract award, the contractor or airport sponsor must provide evidence of the State Fire Marshal's approval.

F. FUEL PROGRAM AGREEMENT. After Aeronautics concurs with the award and the airport sponsor submits a signed construction contract, Aeronautics will prepare a loan agreement providing for the transfer of funds to the airport sponsor. The agreement may include the exact amount of money that will be advanced, the repayment schedule and the items to be used as collateral. An amortization schedule will be provided once the project is complete and all the costs have been determined.

G. CONSTRUCTION PAYMENTS AND REIMBURSEMENT. As construction progresses, the consultant shall submit progress estimates to Aeronautics for review. Aeronautics will review and approve the estimates, then authorize the airport sponsor to proceed with payment. The airport sponsor will pay the contractor based on the approved progress and submit copies of paid invoices to Aeronautics for reimbursement. Aeronautics will reimburse the airport sponsor for 80% of eligible costs incurred, as approved by the Commission. Aeronautics will retain 10% from each reimbursement until the airport sponsor has completed the “Project Close Out” list described in Section I.

H. CONSTRUCTION REQUIREMENTS & INSPECTIONS. The airport sponsor must obtain the necessary permits from the State Fire Marshal's office and comply with their regulations. If the project includes any electrical work, the State Electrical Division also must inspect the construction, and the airport sponsor should contact the State Electrical Division. Copies of the permits, inspection reports, etc. must be sent to Aeronautics.

I. PROJECT CLOSE OUT. The following steps are required.

1. The construction is completed, and final bills have been submitted.
2. The airport sponsor accepts the construction and advises Aeronautics in writing.
3. The airport sponsor must insure the facility, at replacement value, for the duration of the loan agreement, against fire, hail, windstorms, and tornados including extended coverage. The policy must list Aeronautics and the airport sponsor as loss payees, as their interests may appear. The insured amount must be no less than the balance of the loan. The insurer must agree to advise Aeronautics of any changes, including cancellation, to the insurance policy. A copy of the Certificate of Insurance (COI) must be sent to Aeronautics annually.
4. If applicable, provide a copy of the cancellation of the insurance policy.
5. The State Fire Marshal has accepted the installation, if appropriate.
6. The State Electrical Division has accepted the installation if the project includes any electrical work.
7. Submit SPCC Plan.

When all steps are completed, Aeronautics will forward the final amount due.

J. REPAYMENT. The agreement will include the amortization schedule, which will be revised after project closeout documents have been submitted and approved. Aeronautics shall begin invoicing the airport sponsor upon project closeout or when the facility is placed into aviation service, whichever occurs first.