

REVOLVING HANGAR LOAN PROGRAM

Nebraska DOT Division of Aeronautics
Approved by the Aeronautics Commission on 04 August, 2023

I. Program Intent. The Nebraska DOT / Division of Aeronautics (NDOT or “Aeronautics”) 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 built 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? 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.
- B. What is eligible?
1. T-hangars.
 2. Box hangars.
 3. Ramps - from the hangar door to the edge of the taxiway.
 4. Moving an existing hangar, that violates state or federal safety or design standards, to another location on the same airport.
 5. Existing hangar rehabilitation which may include re-sheeting building and door replacement. Rehabilitation is eligible if the supporting structure has been determined to be structurally sound and serviceable by a licensed structural engineer for 20 years after the rehabilitation.

6. Other - finished end units, floors, electrical systems, stubbed-in utilities, insulation, other necessary items within 27.5' of the building, and engineering fees. Must meet eligibility requirements for any applied federal funding programs being utilized.
 7. Acquiring private hangars is eligible for state funds if no state funds were previously expended for the hangar and the structure has been determined to be structurally sound and serviceable by a licensed structural engineer for at least 20 years.
 8. **Not Eligible** – Finished interior spaces, such as bathrooms and offices, in non-public areas of the hangar.
- C. Other conditions that must be met.
1. The hangar location must be consistent with what is shown on the currently approved Airport Layout Plan.
 2. The hangar building must meet the department's minimum standards (Aeronautics Specification H-40).
 3. The sponsor must insure the hangar, at replacement value, 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. NDOT Share. Aeronautics may loan up to 80% of the eligible costs, up to the amount approved by the Commission.
- B. Maximum. \$1,000,000 per project.
- C. Repayment Period. The hangar loan repayment period is 20 years.
- D. Payments. Monthly payments will be paid via EFT (Electronic Funds Transfer). 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. 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.

- F. Transfer of Ownership Penalty. Should the airport sponsor transfer ownership of the hangar within 20 years of the loan allocation date, the airport sponsor shall pay the balance of the loan and a penalty to the hangar loan fund for the accrued simple interest over the entire time of the loan at a rate of 5% or as set at the time of the loan.

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

- A. Description of the project.
- B. Inventory of existing hangars, number of hangar spaces on the airport, number of based aircraft, and 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 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 sponsor has the funds in addition to the loan amount to complete the project.
- F. Sketch of the proposed or existing hangar's location.

V. How the Program Works.

- A. Commission Approval. The airport sponsor or their representative 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 Aeronautics Lincoln office on or before July 15. The Commission can take one of the following actions:
 - 1. Approve the loan request and allocate (reserve) funds.
 - 2. Disapprove the loan request.

The Commission may only award loans in the total amount not to exceed the hangar loan account balance on the date of the allocation meeting.

Allocated funds will be withdrawn, without prejudice, if the airport sponsor has not signed a construction contract within eleven (11) months of the Commission's loan award. The eleven-month requirement may be extended by the Chairperson of the Aeronautics Commission at the recommendation of the Division of Aeronautics, for circumstances beyond the airport sponsor's control, such as the award of an FAA grant. A granted extension will expire no later than September 30th of the year that the original 11 month period ended.

- 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 buildings

Priority No. 2: Rehabilitate existing buildings

Priority No. 3: Acquire existing buildings.

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; or
2. An airport can reduce their requested amount by asking for less than 80%.

- C. Plans & Specifications. T-Hangars, Box Hangars and rehabilitate existing hangar and/or door replacement. The sponsor must hire a qualified consulting firm, acceptable to Aeronautics, to prepare the plans and specifications, bid the project, and provide on-site inspection at critical construction events. Consultants will use the Sample Consultant Agreement provided by Aeronautics. Aeronautics must approve the plans and specifications before advertisement. Engineering costs are eligible under this program.

- D. Plan Review. Aeronautics must receive one copy of the project plans and specifications stamped by a Nebraska registered professional engineer. The sponsor must obtain all applicable permits and code reviews.

- E. Bidding. The sponsor opens the bids and then awards the contract subject to Aeronautics' concurrence.

- F. Hangar Program Agreement. After the sponsor sends in the bid package,

Aeronautics will prepare the loan agreement. The bid package will include the recommendation of award, performance bonds, proof of liability, workers' compensation, and builder's risk. 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 paid invoices to Aeronautics. Aeronautics will reimburse the sponsor for 80% of eligible incurred costs. Aeronautics 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. A set of as-built plans have been submitted to Aeronautics.
3. The sponsor accepts the building and advises Aeronautics in writing.
4. The sponsor insures the building against fire, hail, and windstorms including extended coverage with loss payable to Aeronautics and the sponsor as their interests may appear. A copy of the insurance certificate must be sent to Aeronautics annually.

When all four items have been done, Aeronautics will forward the final 10% due.

HANGAR LOAN APPLICATION

NEBRASKA DOT / DIVISION OF AERONAUTICS
Due to Aeronautics Prior to July 15

Airport _____ **Location** _____

Description of Project (Enter Project Type from List in Paragraph II B): _____

Justification: _____

Cost Estimate:

Construction _____

Engineering _____

Total _____

Attachments:

- **Existing hangar inventory.**
- **Waiting list attached.**
- **Sketch of hangar location.**
- **Statement of financial assurance**

The sponsor of this airport has or will have sufficient funds in addition to the loan amount to complete the project.

Signature

Printed Name

Date

HANGAR LOAN APPLICATION
Waiting List

<u>Aircraft Make/Model</u>	<u>N number</u>	<u>Current Location Of Aircraft</u>	<u>Owner Address</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

FBO Potential Tenant (if applicable): _____

