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DEPARTMENT OF TRANSPORTATION

REVOLVING HANGAR LOAN PROGRAM
Commission Approved May 8, 2026

Nebraska Department of Transportation (NDOT)
Division of Aeronautics

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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 Hangar Loan Program** to assist municipalities install, improve, or increase the available hangar space at their public-use airports. Assistance is provided through 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. 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 constructed 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 hangar 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 hangar location must be consistent with what is shown on the currently approved Airport Layout Plan (ALP).
5. The hangar building must meet Aeronautics' minimum standards (Aeronautics Specification H-40).

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. T-Hangars
2. Box hangars
3. Ramps – from the hangar door to the edge of the existing taxilane or ramp.
4. Moving an existing hangar, that violates state or federal safety or design standards, to another location at the same airport.
5. Rehabilitation of existing hangar - 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. Acquiring a private hangar 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.
7. Other - finished end units, floors, electrical systems, heating systems, stubbed-in utilities, insulation, other necessary items within 27.5' of the building, and engineering fees.

D. NOT ELIGIBLE UNDER THIS PROGRAM:

1. Finished interior spaces, such as bathrooms and offices, in non-public areas of the hangar.

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: $1,000,000 per project.

C. REPAYMENT PERIOD. The hangar loan repayment period is 20 years.

D. PAYMENTS. Monthly payments 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.

Payment is calculated as:

Payment Amount = Loan Amount ÷ 20 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 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

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

A. APPLICATION. A loan application form entitled ‘Request for Revolving Hangar 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.
- JUSTIFICATION for the project, including the demand for more or improved hangar space.

Attachments:

- SKETCH of the proposed or existing hangar’s location and details of the proposed construction.
- 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.
- 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.
- ESTIMATED 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.

A complete application consists of the form, sketches, cost estimate, funding assurance, existing hangar inventory, and waiting list, if applicable. 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 hangar loans are **due by July 15**. 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 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. The airport sponsor can reduce their requested amount by asking for less than 80%; or
3. The airport sponsor currently has an active hangar 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 **on or before July 15**. 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. The Commission can take any of the following actions:

1. APPROVE THE LOAN REQUEST AND ALLOCATE FUNDS. The project then moves on to Section E.
2. DISAPPROVE THE LOAN 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 eleven (11) months of the Commission's approval action or of notification that funds are available.

The eleven-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 eleven-month period ended.

E. PLANS & SPECIFICATIONS. T-hangars, box hangars, and rehabilitated existing hangar and/or door replacement. The airport 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. The plans and specifications must be approved by Aeronautics or FAA before advertisement. Engineering costs are eligible under this program.

F. PLAN REVIEW. Aeronautics must receive one copy of the project plans and specifications stamped by a Nebraska registered professional engineer. The airport sponsor must obtain all applicable permits and code reviews.

G. BIDDING. The airport sponsor opens the bids and then awards the contract subject to Aeronautics' concurrence.

H. HANGAR PROGRAM AGREEMENT. After Aeronautics concurs with the award and the airport sponsor submits 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 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.

I. 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 below.

J. 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 airport sponsor accepts the building and advises Aeronautics in writing.
4. The airport sponsor must insure the hangar, 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.
5. If applicable, provide a copy of the cancellation of the insurance policy.
6. The State Fire Marshal has accepted the building, if appropriate.

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

K. 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.