

La Crosse Regional Airport Comparable Rent Analysis



December 5, 2023

Table of Contents

| | Page |
|---|-----------|
| Introduction - Comparable Rent Analysis | 3 |
| Phase I – Aeronautical Land Rent Lease Rates | 3 |
| Metropolitan Statistical Area | 4 |
| Runway Characteristics | 5 |
| Based Aircraft | 5 |
| Aircraft Operations | 6 |
| Aircraft Rescue and Firefighting & Air Traffic Control Capabilities | 6 |
| Scheduled Airline Commercial Service | 7 |
| Peer Airport Land Lease Rate & Escalation Comparisons | 9 |
| Synopsis | 10 |
| Observations | 10 |
| Recommendations | 11 |
| <u>Tables</u> | |
| Table 1 - Proximity of Peer Airports | 4 |
| Table 2 - Metropolitan Statistical Area | 4 |
| Table 3 - Runway Characteristics | 5 |
| Table 4 - Based Aircraft | 5 |
| Table 5 - Airport Operations (Itinerant & Local) | 6 |
| Table 6 - ARFF Index & ATC | 7 |
| Table 7 - Scheduled Commercial Service | 8 |
| Table 8 - Departures, Capacity, Enplanements, Load Factor | 8 |
| Table 9 - Peer Airport Land Lease Rate & Escalation Comparison | 10 |
| Table 10 - Observations | 11 |
| <u>Figure</u> | |
| Figure 1 - Proximity of Peer Airports | 3 |
| Phase II – T-Hangar Lease Rates | 12 |
| Runway Characteristics | 13 |
| Based Aircraft | 14 |
| Air Traffic Control Capabilities | 14 |
| Peer Airport Land Lease Rate & Escalation Comparisons | 15 |
| Observations | 19 |
| Recommendations | 22 |
| <u>Tables</u> | |
| Table 12 - Proximity of Peer Airports | 13 |
| Table 13 - Runway Characteristics | 13 |
| Table 14 - Based Aircraft | 14 |
| Table 15 - Air Traffic Control Capabilities | 15 |
| Table 16 - La Crosse Regional Airport | 15 |
| Table 17 - Sparta/Fort McCoy Airport | 16 |
| Table 18 - Decorah Municipal Airport | 16 |
| Table 19 - Chippewa Valley Regional Airport | 16 |
| Table 20 - Dane County Regional Airport – Truax Field | 17 |
| Table 21 - Winona Municipal Airport – Max Conrad Field | 17 |

| | |
|--|----|
| Table 22 - Boscobel Airport | 17 |
| Table 23 - Rochester International Airport | 18 |
| Table 24 - Viroqua Municipal Airport | 18 |
| Table 25 - Bloyer Field | 18 |
| Table 26 – Group 1 (Built Prior to 1970) | 19 |
| Table 27 – Group 2 (1971 – 1999) | 20 |
| Table 28 – Group 3 (2000 – Present) | 21 |
| Table 29 – Group 4 – Comparable to 1,466 Square Feet | 21 |

Figure

| | |
|---------------------------------------|----|
| Figure 2 - Proximity of Peer Airports | 12 |
|---------------------------------------|----|

Introduction - Comparable Rent Analysis

A Comparable Rent Analysis contrasts rental rates for similar land and improvements at similarly situated airports (i.e., comparable, and competitive) to derive a supported market-based rental rate for the subject land and/or improvement.

La Crosse Regional Airport (LSE) commissioned Crawford, Murphy & Tilly (CMT) to perform a Comparative Rent Analysis in two distinct Phases:

- Phase I: analyze peer comparable regional airport aeronautical land rent lease rates; and
- Phase II: analyze peer comparable regional airport T-Hangar rent lease rates.

For each phase, peer airports would then be contrasted with LSEs current values.

PHASE I – AERONAUTICAL LAND RENT LEASE RATES

The comparable peer airports to be explored, in alphabetical order based upon its three letter International Air Transport Association (IATA) airport code, are:

1. Central Wisconsin Airport (CWA)
2. Dubuque Regional Airport (DBQ)
3. Chippewa Valley Regional Airport (EAU)
4. Southern Wisconsin Regional Airport (JVL)
5. Dane County Regional Airport – Truax Field (MSN)
6. Winona Municipal Airport – Max Conrad Field (ONA)
7. Rochester International Airport (RST)

Figure 1 – Proximity of Peer Airports



Source: Google Earth

These airports were chosen because they best represent similar airports to LSE within a geographical area. Real estate valuation tends to be “regionalized.” Most of the chosen peer airports also have regularly scheduled passenger commercial service.

The following table provides the miles (straight line) to LSE from its respective peer.

Table 1 – Proximity of Peer Airports

| Miles to LSE | |
|--------------|-----|
| CWA | 100 |
| DBQ | 105 |
| EAU | 69 |
| JVL | 142 |
| MSN | 109 |
| ONA | 26 |
| RST | 62 |

Source: Google Earth

This Comparable Rent Analysis will not provide analysis of local conditions that may influence the overall valuation of property at a particular airport. In analyzing peer airports, however, it is important to fully understand the similarities and differences each peer airport delivers.

Therefore, the Comparable Rent Analysis will provide:

1. Metropolitan Statistical Area
2. Runway Characteristics
3. Based Aircraft
4. Aircraft Operations
5. Aircraft Rescue and Firefighting & Air Traffic Control Capabilities
6. Scheduled Airline Commercial Service
7. Peer Airport Land Lease Rate & Escalation Comparison

1. Metropolitan Statistical Area

A Metropolitan Statistical Area (MSA) is a geographic region that includes a core city with a large population and its surrounding region, which may include several adjacent counties. The general concept of a MSA is that of a core area containing a substantial population nucleus, together with adjacent communities having a high degree of economic and social integration with that core.

Table 2 – Metropolitan Statistical Area

| Metropolitan Statistical Area | | | | |
|-------------------------------|------|---------------|-------------|----------|
| | Rank | 2022 Estimate | 2020 Census | % Change |
| LSE | 256 | 170,154 | 170,341 | -0.11% |
| CWA | 301 | 137,958 | 138,013 | -0.04% |
| DBQ | 365 | 98,677 | 99,266 | -0.59% |
| EAU | 252 | 173,644 | 172,007 | 0.95% |
| JVL | 264 | 164,060 | 163,687 | 0.23% |
| MSN | 87 | 687,077 | 680,796 | 0.92% |
| ONA | 207 | 228,073 | 226,329 | 0.77% |
| RST | 207 | 228,073 | 226,329 | 0.77% |

Source: MSA 2020 Census

LSE ranks 256th. ONA and RST are considered facilities within the same MSA. MSN ranks 87th with DBQ 365th. Others range between 207th and 301st.

2. Runway Characteristics

LSE has the third longest runway (8,742 ft) in the state of Wisconsin with General Mitchell international Airport having the longest (9,990 ft) and MSN the second longest runway (9,006 ft).

Table 3 – Runway Characteristics

| | Runway #1 | Instrument Approach | Runway #2 | Instrument Approach | Runway #3 | Instrument Approach |
|------------|-------------|---------------------|-------------|---------------------|-------------|---------------------|
| LSE | 8,742 x 150 | ILS | 6,050 x 150 | - | 5,199 x 150 | - |
| CWA | 7,723 x 150 | ILS/DME | 6,501 x 150 | ILS/DME | | |
| DBQ | 6,502 x 100 | LOC/DME | 6,327 x 150 | ILS/DME | | |
| EAU | 8,101 x 150 | ILS/DME | 5,000 x 100 | - | | |
| JVL | 7,302 x 150 | ILS/DME | 6,701 x 150 | ILS | 5,004 x 75 | - |
| MSN | 9,006 x 150 | ILS/DME | 7,200 x 150 | ILS/DME | 5,846 x 150 | - |
| ONA | 5,679 x 100 | ILS/DME | | | | |
| RST | 9,034 x 150 | ILS | 7,301 x 150 | - | | |

Source: AirNav

LSE has three runways, each over 5,000 ft, and are 150' wide, only Runway 18/36 has an ILS although the other two runways have non-precision approaches. Only MSN has three comparable runways in length and width. Although peer airport runway characteristics vary, runway length and instrument approach systems analyzed can accommodate a wide range of aircraft in similar types of weather conditions. Although overall capacity of LSE's runway system capabilities is a premium and comparable only with MSN.

3. Based Aircraft

Based aircraft is an indication as to the number of tenants and local operations per year. For those airports, whose commercial service is a dominant configuration to the community in which it serves, based aircraft is inclined to migrate to nearby general aviation only airports, rather than mingle and interact with commercial service aircraft.

Table 4 – Based Aircraft

| Based Aircraft | |
|----------------|-----|
| LSE | 73 |
| CWA | 27 |
| DBQ | 83 |
| EAU | 88 |
| JVL | 92 |
| MSN | 143 |
| ONA | 29 |
| RST | 70 |

Source: AirNav

However, in this case each airport has a considerable number of general aviation operations (see below) and the fact that Air Carriers (commercial passenger airlines) are operating within

this environment one can conclude that based aircraft are not relocating to nearby general aviation only airports.

MSN has the largest number of based aircraft at 143 with CWA and ONA with the least at 27 and 29 respectfully. The remaining airport-based aircraft including LSE are relatively equivalent ranging between 70 and 92 with LSE having seventy-three based aircraft.

4. Airport Operations (Itinerant and Local)

The following depicts the number of Itinerant and Local operations for each airport for Calander Year (CY) 2022. Itinerant operations are performed by an aircraft that lands at an airport, arriving from outside the airport area, or departs an airport and leaves the airport area.

Local operations are operations performed by aircraft which operate in the local traffic pattern or within sight of the airport or are known to be departing for or arriving from flight in local practice areas located within a 20-mile radius of the airport.

Table 5 – Airport Operations (Itinerant & Local)

| | Itinerant | | | | | Local | | | Total Operations |
|------------|-------------|----------|------------------|----------|--------|--------|----------|--------|------------------|
| | Air Carrier | Air Taxi | General Aviation | Military | Total | Civil | Military | Total | |
| LSE | 326 | 4,504 | 8,738 | 285 | 13,853 | 3,783 | 368 | 4,151 | 18,004 |
| CWA | 68 | 5,977 | 4,235 | 60 | 10,340 | 2,324 | 36 | 2,360 | 12,700 |
| DBQ | 37 | 2,125 | 30,637 | 177 | 32,976 | 40,680 | 190 | 40,870 | 73,846 |
| EAU | 62 | 1,926 | 12,693 | 454 | 15,135 | 4,248 | 112 | 4,360 | 19,495 |
| JVL | 8 | 5,824 | 22,268 | 59 | 28,159 | 27,753 | 42 | 27,795 | 55,954 |
| MSN | 20,505 | 8,614 | 27,694 | 3,624 | 60,437 | 15,523 | 258 | 15,781 | 76,218 |
| ONA | | | | | | | | | |
| RST | 2,399 | 10,183 | 19,499 | 929 | 33,010 | 19,119 | 1,928 | 21,047 | 54,057 |

Source: FAA OPSNET

There are three “groups” of Total Operations. (1) DBQ and MSN, (2) JVL and RST, and (3) LSE, CWA, EAU having similar totals. Information is unavailable for ONA because, as will be detailed later in this analysis, ONA does not have an Air Traffic Control facility and therefore the number and type of operations are not accurately tabulated and therefore unreliable.

Air Taxi operators conduct operations in an aircraft with thirty or fewer passengers. MSN and RST have the most Air Taxi operations with LSE, CWA and JVL having similar Air Taxi activity.

Clearly MSN has the greatest number of Air Carrier operations, followed by RST and LSE. The remaining airports Air Carrier operations are not significant.

With respect to Itinerant General Aviation activity, DBQ leads with JVL, MSN and RST within range. LSE at 8,738 Itinerant General Aviation Operations only leads CWA (4,235).

All airports have Itinerant and Local Military operations.

5. Aircraft Rescue and Firefighting Index & Air Traffic Control Capabilities

Aircraft rescue and firefighting (ARFF) is a type of firefighting that involves the emergency response, mitigation, evacuation, and rescue of passengers and crew of aircraft involved

in aviation accidents and incidents. Airports with scheduled passenger flights are obliged to have firefighters and firefighting apparatus on location ready for duty any time aircraft operate.

An index is assigned to each airport based on a combination of the air carrier aircraft length and the average number of daily departures. If the longest air carrier aircraft at the airport has five or more average daily departures, the matching index is used. For Index determination, air carrier aircraft lengths are grouped as follows:

1. Index A includes aircraft less than 90 feet in length.
2. Index B includes aircraft at least 90 feet but less than 126 feet in length.
3. Index C includes aircraft at least 126 feet but less than 159 feet in length.
4. Index D includes aircraft at least 159 feet but less than 200 feet in length.
5. Index E includes aircraft at least 200 feet in length.

Table 6 – ARFF Index & ATC

| | ARFF Index & ATC | | |
|------------|-----------------------------|------------|-----------------------|
| | ARFF Index | ATC | 24/7 Operation |
| LSE | B | Yes | 0600 - 2100 |
| CWA | A | Yes | Yes |
| DBQ | B | Yes | 0600 - 2200 |
| EAU | B | Yes | 0700 - 2100 |
| JVL | A | Yes | 0700 - 1530 |
| MSN | C | Yes | Yes |
| ONA | - | No | No |
| RST | B | Yes | Yes |

Source: AirNav

Air Traffic Control (ATC) is a service provided by ground-based air traffic controllers who direct aircraft on the ground and through a given section of controlled airspace, and can provide advisory services to aircraft in non-controlled airspace. The primary purpose of ATC is to prevent collisions, organize and expedite the flow of air traffic, and provide information and other support for pilots.

ATC operations at airports are not always available on a 24/7/365 basis. Certainly, having ATC located at an airport is favorable in terms of safety but also having these services on a continuous basis is even more favorable.

Only ONA lacks ATC and does not have ARFF. Most of the airports that have ARFF capabilities are Index B (LSE, DBQ, EAU, and RST). Only MSN is at Index C, with CWA and JVL having Index A classification.

6. Scheduled Airline Commercial Service

The following table identifies if commercial service is offered, and which airlines currently serve each airport:

Table 7 – Scheduled Commercial Service

| | Commercial Service | Number of Airlines | Airlines |
|------------|---------------------------|---------------------------|--|
| LSE | Yes | 1 | American |
| CWA | Yes | 3 | American, Avelo, Delta |
| DBQ | Yes | 2 | Avelo, Sun Country |
| EAU | Yes | 1 | Sun Country |
| JVL | No | - | - |
| MSN | Yes | 5 | American, Delta, Frontier, Sun Country, United |
| ONA | No | - | - |
| RST | Yes | 4 | American, Delta, United, Sun Country |

Source: Individual Airport website(s)

All but two of the peer airports have regularly scheduled airline commercial service in one form or another. Some peer airports have several air carriers with more enplanements, but lower load factors as compared to LSE. Using CY 2022 data the table below depicts the number of departures, capacity, enplanements, and load factor.

Table 8 – Departures, Capacity, Enplanements, Load Factor

| | Departures | Capacity | Enplanements | Load Factor |
|------------|-------------------|-----------------|---------------------|--------------------|
| LSE | 1,425 | 72,778 | 64,095 | 88.1% |
| CWA | 1,817 | 90,850 | 78,182 | 86.1% |
| DBQ | 452 | 22,600 | 15,667 | 69.3% |
| EAU | 506 | 27,612 | 17,343 | 62.8% |
| JVL | - | - | - | N/A |
| MSN | 11,934 | 1,139,736 | 916,448 | 80.4% |
| ONA | - | - | - | N/A |
| RST | 1,755 | 111,912 | 84,479 | 75.5% |

It is noted that these figures are based upon CY2022, and that LSE lost Delta Air Lines service on June 4, 2023, which represented two daily flights between Minneapolis-St Paul International Airport and LSE.

Load factors for all airports are between 88.1% and 62.8% with the average being 77.0%. LSE has the highest load factor at 88.1% of all peer airports, with EAU having the least (62.8%). CWA and MSN have similar load factors (86.1% and 80.4%, respectfully) but they are lacking behind LSE.

To group similar airports based solely upon enplanements:

1. MSN
2. LSE, CWA, and RST
3. DBQ, and EAU
4. JVL, and ONA do not have commercial service and therefore no enplanements

7. Peer Airport Land Lease Rate & Escalation Comparison

LSE – Current aeronautical land rent lease rate is \$0.3225 per square foot per annum. LSE escalates rents annually based upon CPI-U effective January 1st. However, every fifth year LSE has an opportunity to fine-tune rates to fair market value and not solely rely on CPI-U annual adjustments to remain at a fair market value.

CWA – CWA has a 2-tier system for aeronautical land rent lease rates. For land in which the hangar and apron encloses their footprint the rent is \$0.5354 per square foot per annum. For “green space” and vehicle parking land area the rent is \$0.2590 per square foot per annum. For CWA, the average land usage is roughly 33% for hangar/apron with 66% being green space/vehicle parking – calculating a blended rate at \$0.3476. CWA escalates the rent annually based upon CPI-U.

DBQ – Current aeronautical land rent lease rate is \$0.40 per square foot per annum. DBQ escalates rents annually based upon CPI-U, however DBQ does not automatically apply the CPI-U annual increase. DBQ analyses the current market and determines if an increase is warranted. The past few years rents have remained constant, however, DBQ did apply a CPI-U increase in 2023.

EAU – EAU has a 3-tier highest and best use approach when establishing aeronautical land lease rates. For Private development the aeronautical land lease rate is \$0.34 per square foot per annum, Corporate development the rate is \$0.45 per square foot per annum and for Commercial, the rate is \$0.58 per square foot per annum. These rates are increased annually by CPI-U and although there is no cap established specifically within the lease, EAU has used discretion over the previous few years and therefore self-imposed a 3% annual cap.

JVL – Aeronautical land rent lease rate is based upon whether there are improvements to the parcel. In the case in which improvements have already been constructed, the aeronautical land rent lease rate is \$0.20 per square foot per annum and for those parcels in which no improvements have been made the aeronautical land lease rate is \$0.13 per square foot per annum. Escalations occur annually based upon CPI-U with a maximum annual escalation of 4%.

MSN – MSN’s current aeronautical land rent lease rate is primarily based upon location. The East Ramp is in high demand, more corporate use and is nearer to the Fixed Based Operator. The rate is \$1.20 per square foot per annum. The South Ramp is more general aviation driven and is not as convenient to the Fixed Based Operator and therefore the current land rent lease rate is \$1.00 - \$1.10 per square foot per annum. Escalation is annually based upon CPI-U.

ONA – ONA currently does not have an aeronautical land lease; however, they do have identified through the master plan process and Airport Layout Plan aeronautical land for such use. Therefore, ONA currently does not have a comparable aeronautical land rent lease rate.

RST – Aeronautical land rent lease rates are either escalated annually through CPI-U (capped at 5%) or RST’s newest methodology is a fixed 1.0% annual increase. Aeronautical land lease rates currently are \$0.2787 per square foot per annum for land whereby CPI-U is utilized for escalation methodology and \$0.2856 for land that is fixed at 1.0% escalated annually.

Synopsis

This section contains a synopsis, description of the current rate, and escalation methodology for LSE and its peer airports.

Table 9 – Peer Airport Land Lease Rate & Escalation Comparison

| | Escalation Method | Aeronautical Rate/SF/Annum |
|------------|--|---|
| LSE | Annual CPI-U Every 5 th year market rate adjustment | \$0.3225 |
| CWA | Annual CPI-U | \$0.5354 - hangar/apron \$0.2590 - green space/POV \$0.3476 - Blended |
| DBQ | Annual CPI-U | \$0.40 |
| EAU | Annual CPI-U | \$0.34 – Private \$0.45 - Corporate \$0.58 - Commercial |
| JVL | Annual CPI-U Max – 4% | \$0.13 – Unimproved \$0.20 - Improved |
| MSN | Annual CPI-U | East Ramp - \$1.20 South Ramp - \$1.00 - \$1.10 |
| ONA | - | - |
| RST | Annual CPI-U – 5% cap OR Annual 1.0% increase | CPI - \$0.2787 Fixed 1% - \$0.2856 |

Observations

In the table below, Green ● signified a near or equal match in comparison of the peer airport to LSE. Yellow ● signified a close or near match and Red ● meant that the characteristics of the peer airport did not match LSE.

A score was established based upon each color having a certain value as follows:

- = +3
- = +1
- = -3

Based upon the identified criteria analyzed EAU (18), DBQ (12) and CWA (10) best matches in the most categories as compared to LSE. Those aeronautical land lease rates for the peer airports who have the highest Compared Sums have aeronautical land lease rates ranging from \$0.2590 - \$0.58.

Table 10 – Observations

| | MSA | Runway | Based Aircraft | Operations | ARFF Index | ATC | Airlines | Enplane-ments | Compared Sum |
|-----|-------------------|--------------------------|----------------|------------|------------|-----------|----------|---------------|--------------|
| LSE | 256 th | 3 Rwy/ILS 8,742 x 150 | 73 | 18,004 | B | 0600-2100 | 1 | 64,095 | |
| CWA | ● | ● | ● | ● | ● | ● | ● | ● | 10 |
| DBQ | ● | ● | ● | ● | ● | ● | ● | ● | 12 |
| EAU | ● | ● | ● | ● | ● | ● | ● | ● | 18 |
| JVL | ● | ● | ● | ● | ● | ● | ● | ● | 6 |
| MSN | ● | ● | ● | ● | ● | ● | ● | ● | (6) |
| ONA | ● | ● | ● | - | ● | ● | ● | ● | (17) |
| RST | ● | ● | ● | ● | ● | ● | ● | ● | 8 |

LSE is currently at \$0.3225. EAU with its 3-tier rent system regardless of tier all exceed LSE. DBQ is \$0.40. The Blended Rate at CWA is also higher than LSE.

Recommendations

A Comparable Rent Analysis contrasts rental rates for similar land and improvements at similarly situated airports (i.e., comparable, and competitive) to derive a supported market-based rental rate for the subject land and/or improvement.

LSE escalates rents annually based upon CPI-U effective January 1st. However, every fifth year LSE has an opportunity to fine-tune rates to fair market value and not solely rely on CPI-U annual adjustments to remain at a fair market value. No other peer airport performs a periodic review. Although having such a review process is encouraged so that fair market value is ensured, it is recommended to do so every ten years rather than five. Because LSE does not apply a cap to the annual CPI-U adjustment, the ten-year review is sufficient.

Based upon information contained within this Comparable Rent Analysis Study, the current LSE aeronautical land rental rate is lagging compared to its peer airports that most align with the analyzed criteria.

It would be reasonable and defensible for LSE to increase its aeronautical land rent lease rates to \$0.35 - \$0.40 per square foot per annum and continue to annually escalate these rates by CPI-U.

PHASE II – T-HANGAR LEASE RATES

A Comparable Rent Analysis contrasts rental rates for similar improvements (T-Hangars) at similarly situated airports (i.e., comparable, and competitive) to derive a supported market-based rental rate for the subject improvement.

The comparable peer airports to be explored to achieve a Comparable Rent Analysis, in alphabetical order based upon its three letter IATA airport code, are:

1. Middleton Municipal Airport – Morey Field (C29)
2. Sparta/Fort McCoy Airport (CMY)
3. Decorah Municipal Airport (DEH)
4. Chippewa Valley Regional Airport (EAU)
5. Dane County Regional Airport – Truax Field (MSN)
6. Winona Municipal Airport – Max Conrad Field (ONA)
7. Boscobel Airport (OVS)
8. Rochester International Airport (RST)
9. Viroqua Municipal Airport (Y51)
10. Bloyer Field (Y72)

Figure 2 – Proximity of Peer Airports



Source: Google Earth

The following table provides the miles (straight line) to LSE from its respective peer.

Table 12 – Proximity of Peer Airports

| Miles to LSE | |
|--------------|-----|
| C29 | 102 |
| CMY | 26 |
| DEH | 48 |
| EAU | 69 |
| MSN | 109 |
| ONA | 26 |
| OVS | 58 |
| RST | 62 |
| Y51 | 27 |
| Y72 | 39 |

Source: Google Earth

This Comparable Rent Analysis will not provide analysis of local conditions that may influence the overall valuation of property at a particular airport. In analyzing peer airports, however, it is important to fully understand the similarities and differences each peer airport delivers. Therefore, the Comparable Rent Analysis will provide:

1. Runway Characteristics
2. Based Aircraft
3. Air Traffic Control Capabilities

1. Runway Characteristics

Table 13 – Runway Characteristics

| | Runway #1 | Instrument Approach | Runway #2 | Instrument Approach | Runway #3 | Instrument Approach |
|------------|-------------|---------------------|-----------------------|---------------------|-------------|---------------------|
| LSE | 8,742 x 150 | ILS | 6,050 x 150 | - | 5,199 x 150 | - |
| C29 | 4,001 x 100 | LOC/DME | 1,780 x 120 (Turf) | - | | |
| CMY | 4,697 x 100 | - | 3,032 x 95 | - | | |
| DEH | 4,001 x 75 | - | | | | |
| EAU | 8,101 x 150 | ILS/DME | 5,000 x 100 | - | | |
| MSN | 9,006 x 150 | ILS/DME | 7,200 x 150 | ILS/DME | 5,846 x 150 | - |
| ONA | 5,679 x 100 | ILS/DME | | | | |
| OVS | 5,000 x 75 | - | 3,656 x 58 | - | | |
| RST | 9,034 x 150 | ILS | 7,301 x 150 | - | | |
| Y51 | 4,000 x 60 | - | 2,424 x 90 (Turf) | - | | |
| Y72 | 3,900 x 75 | - | | | | |

Source: AirNav

LSE has the 3rd longest runway (8,742 ft) in the state of Wisconsin. LSE has three runways, each over 5,000 ft, and are 150' wide, only Runway 18/36 has an ILS although the other two runways have non-precision approaches. Only MSN has three comparable runways in length and width. Having runway length below 5,000 ft and under 100 ft in width does limit the type of

aircraft that can utilize the facility in all types of weather. Also turf landing services will limit certain aircraft and operations.

2. Based Aircraft

Based aircraft is an indication as to the number of tenants and local operations per year. For

Table 14 – Based Aircraft

| Based Aircraft | |
|-----------------------|-----|
| LSE | 73 |
| C29 | 91 |
| CMY | 23 |
| DEH | 28 |
| EAU | 88 |
| MSN | 143 |
| ONA | 29 |
| OVS | 25 |
| RST | 70 |
| Y51 | 18 |
| Y72 | 7 |

Source: AirNav

those airports, whose commercial service is a dominant configuration to the community in which it serves, based aircraft is inclined to migrate to nearby general aviation only airports, rather than mingle and interact with commercial service aircraft.

MSN has the most based aircraft (143). CMY, DEH, ONA, OVS, Y51, and Y7 have fewer than twenty-nine based aircraft each. C29, EAU, RST based aircraft span between 70 – 91 aircraft with LSE having seventy-three.

3. Air Traffic Control Capabilities

ATC is a service provided by ground-based air traffic controllers who direct aircraft on the ground and through a given section of controlled airspace, and can provide advisory services to aircraft in non-controlled airspace. The primary purpose of ATC is to prevent collisions, organize and expedite the flow of air traffic, and provide information and other support for pilots.

Some ATC operations at airports are not available on a 24/7/365 basis. Certainly, having ATC located at the airport is favorable in terms of safety but also having these services on a continuous basis is even more favorable.

LSE has ATC services but for 15 hours per day. EAU is like LSE. CMY has ATC but only Monday – Friday from 0900 – 1700. MSN and RST are open on a 24/7 basis. With C29, DEH, ONA, OVS having no ATC facilities.

Table 15 – Air Traffic Control Capabilities

| | ATC | 24/7 Operation |
|------------|-----|--------------------------|
| LSE | Yes | 0600 - 2100 |
| C29 | No | - |
| CMY | Yes | 0900 – 1700 Mon - Fri |
| DEH | No | - |
| EAU | Yes | 0700 – 2100 |
| MSN | Yes | Yes |
| ONA | No | - |
| OVS | No | - |
| RST | Yes | Yes |
| Y51 | No | - |
| Y72 | No | - |

Source: AirNav

Peer Airport Land Lease Rate & Escalation Comparisons

This section contains a synopsis, description of the T-Hangar, current rate, and escalation methodology for LSE and its peer airports.

LSE – There are fifty-eight T-Hangars at LSE built between 1961 and 2017. LSE distinguishes their T-Hangar pricing by size, age, and door type. The older T-Hangars, being smaller with manual sliding doors, are the least expensive. The newer, larger T-Hangars are the most expensive. Electricity is included in the monthly rate. LSE escalates their rents annually on January 1st based upon the CPI-U for October and the previous 12-month period. LSE has a Wait List of ten individuals who have paid a nonrefundable \$100 fee (Waiting List Fee). If the tenant rents a hangar the Waiting List Fee is applied to the first months’ rent.

Table 16 – La Crosse Regional Airport

| Hangar Name | Year Built | Number of Units | Square Footage | Height | Door Width | Manual or Electric | Type of Door | Electricity | Monthly Rate |
|-------------|------------|-----------------|----------------|--------|------------|--------------------|--------------|-------------|--------------|
| I | 1961 | 8 | 891 | 11'8" | 39'7" | Manual | Sliding | Included | \$114.17 |
| C | 1968 | 8 | 891 | 11'8" | 40'3" | Manual | Sliding | Included | \$118.40 |
| A | 1970 | 8 | 1,049 | 11'3" | 41'9" | Electric | Bi-Fold | Included | \$152.23 |
| D | 1970 | 8 | 1,049 | 11'3" | 41'9" | Electric | Bi-Fold | Included | \$158.87 |
| E | 1970 | 8 | 1,049 | 11'3" | 41'9" | Electric | Bi-Fold | Included | \$158.87 |
| F | 1988 | 8 | 1,049 | 11'3" | 41'9" | Electric | Bi-Fold | Included | \$164.31 |
| B | 2017 | 10 | 1,466 | 14' | 48'0" | Electric | Bi-Fold | Included | \$276.42 |

C29 – Each hangar at C29 has been constructed by the “owner” of the hangar at their own expense. The City of Middleton does not own any individual hangar; however, the City receives land rent. If the owner is leasing out their individual hangar, the City has no knowledge of this subtenant relationship nor its current rents. There is no known Waiting List.

CMY – There are twenty-two T-Hangars at CMY. Twelve were built in 1987 and ten in 2014. All twenty-two hangars have electric bi-fold doors, 1,053 square feet, 13-foot door clearance heights, and 40-foot door opening. The T-Hangars built in 1987 monthly rental rate is \$75.00

plus an additional charge of \$10.50 for electricity. The T-Hangars built in 2014 monthly rental rate is \$90.00. The 2014 T-Hangars are individually metered, and it is the tenant's responsibility to secure and pay electric directly to the utility provider. CMY has a Waiting List to which there is no required Waiting List Fee. There are currently three on the Waiting List.

Table 17 – Sparta/Fort McCoy Airport

| Year Built | Number of Units | Square Footage | Height | Door Width | Manual or Electric | Type of Door | Electricity | Monthly Rate |
|------------|-----------------|----------------|--------|------------|--------------------|--------------|--------------|--------------|
| 1987 | 12 | 1,053 | 13' | 40' | Electric | Bi-Fold | Included | \$85.50 |
| 2014 | 10 | 1,053 | 13' | 40' | Electric | Bi-Fold | Not Included | \$90.00 |

DEH – DEH has two separate T-Hangar facilities, built in 1998 and 2016. DEH also has two community hangars. The monthly rate in the community hangars is based upon each spot having the ability to have two airplanes. In other words, to be consistent with peer airports a \$140 monthly rate would enable two aircraft, or \$70 per aircraft per month. DEH does not have a Waiting List.

Table 18 – Decorah Municipal Airport

| Year Built | Number of Units | Square Footage | Height | Door Width | Manual or Electric | Type of Door | Electricity | Monthly Rate |
|------------|----------------------------------|----------------|--------|------------|--------------------|--------------|-------------|----------------------|
| 1968 | 4 | 891 | 11' | 41' | Electric | Bi-Fold | Included | \$65.00 |
| 1997 | 42' x 305' 7 bays/14 aircraft | - | 11' | N/A | Electric | Bi-Fold | Included | \$70.00 per aircraft |
| 2010 | 42' x 130 6 bays/12 aircraft | - | 11' | N/A | Electric | Bi-Fold | Included | \$70.00 per aircraft |
| 2016 | 7 | 1,050 | 11' | 41' | Electric | Bi-Fold | Included | \$150.00 |

EAU – EAU has fifty T-Hangar bi-fold electric door units with forty units built in the 1970-1980 circa and ten units built in 2017. EAU charges a premium for South facing T-Hangars and less for North facing T-Hangars. For the group of forty T-Hangars, EAU charges a base monthly rate

Table 19 – Chippewa Valley Regional Airport

| Year Built | Number of Units | Square Footage | Height | Door Width | Manual or Electric | Type of Door | Electricity | Monthly Rate |
|-------------|-----------------|----------------|--------|------------|--------------------|--------------|-------------|---------------------|
| 1970 - 1980 | 5 North | 1,000 | 13' | 40' | Electric | Bi-Fold | Included | \$152.44 |
| 1970 - 1980 | 5 South | 1,000 | 13' | 40' | Electric | Bi-Fold | Included | \$160.26 |
| 1970 - 1980 | 10 North | 1,075 | 13' | 40' | Electric | Bi-Fold | Included | \$163.88 |
| 1970 - 1980 | 10 South | 1,075 | 13' | 40' | Electric | Bi-Fold | Included | \$172.28 |
| 1970 - 1980 | 5 North | 1,200 – 1,900 | 13' | 40' | Electric | Bi-Fold | Included | \$182.93 – \$289.64 |
| 1970 - 1980 | 5 South | 1,200 – 1,900 | 13' | 40' | Electric | Bi-Fold | Included | \$192.31 – \$304.49 |
| 2017 | 5 | 1,170 | 13' | 40' | Electric | Bi-Fold | Included | \$201.22 |
| 2017 | 5 | 1,395 | 13' | 40' | Electric | Bi-Fold | Included | \$239.92 |

of \$1.8762 per square foot per annum. For South facing T-Hangars EAU charges 102.5% premium (\$1.9231 per square foot per annum). For North facing T-Hangars EAU charges 97.5% discount (\$1.8293 per square foot per annum). For the ten T-Hangars built in 2017 these are East/West facing and because of their newer age command a higher rate of 10% above the then current base rate (\$2.0638 per square foot per annum).

Electricity is included in the Base Rate for all T-Hangars. For the forty-unit group, twenty of them are 1,075 square feet, ten at 1,000 square feet and ten ranging between 1,200 and 1,900 square feet. Of the ten new units, five are 1,170 square feet and five are 1,395 square feet. For comparing monthly rates with peer airports, the table below shows the monthly rates based upon the process described above. The Base Rate increases annually based upon CPI-U and although EAU does not have a cap on the percentage increase permitted within its lease, they have recently used discretion in increasing the Base Rate. In practice they have self-imposed a 3% increase during the last few years rather than apply the actual CPI-U. EAU has a Waiting List of approximately six folks but there is no Waiting List Fee.

MSN – MSN directly leases ten units, built in 1993. All T-Hangars are generally identical in size (1,000 square feet), 40’ Bi-Fold electric doors with 11’ clearance. The monthly rate is \$200 and has been such for several years. Electricity is included. MSN has an established Waiting List of seventeen and there is no required Waiting List Fee.

Table 20 – Dane County Regional Airport – Truax Field

| Year Built | Number of Units | Square Footage | Height | Door Width | Manual or Electric | Type of Door | Electricity | Monthly Rate |
|------------|-----------------|----------------|--------|------------|--------------------|--------------|-------------|--------------|
| 1993 | 10 | 1,000 | 11’ | 40’ | Electric | B-Fold | Included | \$200 |

ONA – ONA has thirty-two T-Hangars build between 1980 and 2015. All hangars are generally identical in terms of size (891 square feet), 40’ Bi-Fold electric doors with 11’ clearance. However, the distinction in monthly rent is age of the T-Hangar and if electricity is included or if the tenant is responsible to secure electricity directly from the utility provider. The floors of all T-Hangars are asphalt except for E which is concrete. There is no Waiting List.

Table 21 – Winona Municipal Airport – Max Conrad Field

| Hangar Name | Year Built | Number of Units | Square Footage | Height | Door Width | Manual or Electric | Type of Door | Electricity | Monthly Rate |
|-------------|------------|-----------------|----------------|--------|------------|--------------------|--------------|--------------|--------------|
| C | 1980 | 6 | 891 | 11’ | 40’ | Electric | Bi-Fold | Included | \$110.53 |
| A | 1987 | 6 | 891 | 11’ | 40’ | Electric | Bi-Fold | Included | \$110.53 |
| B | 2003 | 8 | 891 | 11’ | 40’ | Electric | Bi-Fold | Not Included | \$140.00 |
| D | 2013 | 6 | 891 | 11’ | 40’ | Electric | Bi-Fold | Not Included | \$140.00 |
| E | 2015 | 6 | 891 | 11’ | 40’ | Electric | Bi-Fold | Not Included | \$180.00 |

OVS – OVS has seven identical 891 square feet units, built in 1960. There is no Waiting List. Electricity is included in the monthly rent.

Table 22 – Boscobel Airport

| Year Built | Number of Units | Square Footage | Height | Door Width | Manual or Electric | Type of Door | Electricity | Monthly Rate |
|------------|-----------------|----------------|--------|------------|--------------------|--------------|-------------|--------------|
| 1960 | 7 | 891 | 11’ | 40’ | Manual | Sliding | Included | \$60.00 |

RST – RST has five T-Hangar facilities, each having ten units for a total of fifty. These fifty T-Hangar units were built between 1994 and 2005. Four of the facilities are identical with the facility built in 2000 having a variety of square footage ranging from 1,000 to 1,400 square feet. The monthly rates have not been increased since 2021, however, beginning January 1st, the rent will increase \$10.00 per month for all categories. T-Hangars are individually metered, and it is the tenant’s responsibility to secure and pay electric directly to the electric provider. RST has a Waiting List with thirteen folks. There is no Waiting List Fee required, however, if you are selected and you refuse, you must reapply to be on the Waiting List and you are then posted at the bottom as a new applicant.

Table 23 – Rochester International Airport

| Year Built | # of Units | Square Footage | Height | Door Width | Manual or Electric | Type of Door | Electricity | Monthly Rate |
|------------|------------|----------------|--------|------------|--------------------|--------------|--------------|---------------------|
| 1994 | 10 | 891 | 11’ | 40’ | Electric | Bi-Fold | Not Included | \$185.00 |
| 1997 | 10 | 891 | 11’ | 40’ | Electric | Bi-Fold | Not Included | \$185.00 |
| 1999 | 10 | 891 | 11’ | 40’ | Electric | Bi-Fold | Not Included | \$185.00 |
| 2005 | 10 | 891 | 11’ | 40’ | Electric | Bi-Fold | Not Included | \$185.00 |
| 2000 | 10 | 1,000 – 1,400 | 11’ | 40’ | Electric | Bi-Fold | Not Included | \$225.00 - \$270.00 |

Y51 – Y51 has a ten stall T-Hangar complex built in 2000. Y51 retains one unit for their own use for ground and snow removal equipment. The remaining nine units vary in size from 875 - 1,100 square feet and contain 40’ electric bi-fold doors with 11’6’ clearance. All rates provided will be increased by \$10.00 beginning January 1, 2024.

Table 24 – Viroqua Municipal Airport

| Year Built | # of Units | Square Footage | Height | Door Width | Manual or Electric | Type of Door | Electricity | Monthly Rate |
|------------|------------|----------------|--------|------------|--------------------|--------------|-------------|--------------|
| 2000 | 1 | 875 | 11’6” | 40’ | Electric | Bi-Fold | Included | \$225.00 |
| 2000 | 6 | 900 | 11’6” | 40’ | Electric | Bi-Fold | Included | \$235.00 |
| 2000 | 1 | 1,000 | 11’6” | 40’ | Electric | Bi-Fold | Included | \$250.00 |
| 2000 | 1 | 1,100 | 11’6” | 40’ | Electric | Bi-Fold | Included | \$270.00 |

Y72 – Y72 has a six stall T-Hangar unit build in the 1990’s. There is no set escalation timeline or no set increment. Y72 also has additional distinct hangars (8) that are City or tenant owned but are not comparable to LSE T-Hangars.

Table 25 – Bloyer Field

| Year Built | Number of Units | Square Footage | Height | Door Width | Manual or Electric | Type of Door | Electricity | Monthly Rate |
|------------|-----------------|----------------|--------|------------|--------------------|--------------|-------------|--------------|
| 1990s | 6 | 891 | 11’ | 40’ | Electric | Bi-Fold | Included | \$120.00 |

Observations

LSE and its peer airports distinguish T-Hangars by the following traits:

1. Age
2. Type of Doors
3. Electric provided to the T-Hangar
4. Square footage
5. Door width
6. Door height
7. North/South facing
8. Proximity to amenities (Fixed Based Operator)
9. Type of flooring (asphalt/concrete)
10. Electric included in the rent or provided directly by the utility provider

The dominant attributes that influence the rental rate are age and square footage. However, although door width and height are a derivative of the overall square footage, this characteristic can be a differentiator and therefore command a premium.

LSE T-Hangars were built in 1961, 1968, 1970, 1988, and 2017. Grouping these hangars into three categories will assist us in distinguishing comparable qualities:

- Group 1 - built prior to 1970 (53 years and older)
- Group 2 - built between 1971 and 1999 (52 to 24 years old)
- Group 3 - built between 2000 and present (23 years old to newly constructed)

As you will see in the following analysis, an additional Group was added, Group 4 - Comparable to 1,466 Square Feet.

For simplicity and ease of comparison, the Monthly Rate in the following tables has been rounded to the nearest dollar.

Group 1 – (Built Prior to 1970) - DEH and OVS have equivalent size and age of T-Hangars as compared to LSE. Only DEH has Bi-Folding electric doors. Electricity for all is included in its monthly rate.

Table 26 – Group 1 (Build Prior to 1970)

| Airport | Year Built | Square Footage | Height | Door Width | Manual or Electric | Type of Door | Electricity | Monthly Rate |
|---------|------------|----------------|--------|------------|--------------------|--------------|-------------|--------------|
| LSE | 1961 | 891 | 11'8" | 39'7" | Manual | Sliding | Included | \$114 |
| LSE | 1968 | 891 | 11'8" | 40'3" | Manual | Sliding | Included | \$118 |
| DEH | 1968 | 891 | 11' | 41' | Electric | Bi-Fold | Included | \$65 |
| OVS | 1960 | 891 | 11' | 40' | Manual | Sliding | Included | \$60 |

Group 2 – (1971 - 1999) – T-Hangars of this vintage all have electric bi-fold doors. Electricity to some is included in the monthly rental rate. Although square footage varies between 891 and 1,900 square feet the door width is consistent 40’ – 41’9”.

Table 27 – Group 2 (1971 - 1999)

| Airport | Year Built | Square Footage | Height | Door Width | Manual or Electric | Type of Door | Electricity | Monthly Rate |
|---------|-------------|----------------|--------|------------|--------------------|--------------|--------------|---------------|
| LSE | 1970 | 1,049 | 11'3" | 41'9" | Electric | Bi-Fold | Included | \$152 |
| LSE | 1970 | 1,049 | 11'3" | 41'9" | Electric | Bi-Fold | Included | \$159 |
| LSE | 1970 | 1,049 | 11'3" | 41'9" | Electric | Bi-Fold | Included | \$159 |
| LSE | 1988 | 1,049 | 11'3" | 41'9" | Electric | Bi-Fold | Included | \$164 |
| CMY | 1987 | 1,053 | 13' | 40' | Electric | Bi-Fold | Included | \$86 |
| DEH | 1997 | N/A | 11' | N/A | Electric | Bi-Fold | Included | \$70 |
| EAU | 1970 - 1980 | 1,000 | 13' | 40' | Electric | Bi-Fold | Included | \$152 |
| EAU | 1970 - 1980 | 1,000 | 13' | 40' | Electric | Bi-Fold | Included | \$160 |
| EAU | 1970 - 1980 | 1,075 | 13' | 40' | Electric | Bi-Fold | Included | \$164 |
| EAU | 1970 - 1980 | 1,075 | 13' | 40' | Electric | Bi-Fold | Included | \$172 |
| EAU | 1970 - 1980 | 1,200 – 1,900 | 13' | 40' | Electric | Bi-Fold | Included | \$183 – \$290 |
| EAU | 1970 - 1980 | 1,200 – 1,900 | 13' | 40' | Electric | Bi-Fold | Included | \$192 – \$304 |
| MSN | 1993 | 1,000 | 11' | 40' | Electric | Bi-Fold | Included | \$200 |
| ONA | 1980 | 891 | 11' | 40' | Electric | Bi-Fold | Included | \$111 |
| ONA | 1987 | 891 | 11' | 40' | Electric | Bi-Fold | Included | \$111 |
| RST | 1994 | 891 | 11' | 40' | Electric | Bi-Fold | Not Included | \$185 |
| RST | 1997 | 891 | 11' | 40' | Electric | Bi-Fold | Not Included | \$185 |
| RST | 1999 | 891 | 11' | 40' | Electric | Bi-Fold | Not Included | \$185 |
| Y72 | 1990s | 891 | 11' | 40' | Electric | Bi-Fold | Included | \$120 |

Group 3 – (2000 – Present) – LSE built ten, 1,466 square foot units in 2017. The door width is 48’ and the clearance height is 14’. Only EAU and RST hangars are somewhat comparable to LSEs square footage but are not equivalent with respect to height (14’ vs 11’) or door width (48’ vs 40’).

Table 28 – Group 3 (2000 - Present)

| Airport | Year Built | Square Footage | Height | Door Width | Manual or Electric | Type of Door | Electricity | Monthly Rate |
|------------|-------------|----------------|------------|------------|--------------------|----------------|-----------------|---------------|
| LSE | 2017 | 1,466 | 14' | 48' | Electric | Bi-Fold | Included | \$276 |
| CMY | 2014 | 1,053 | 13' | 40' | Electric | Bi-Fold | Not Included | \$90 |
| DEH | 2010 | N/A | 11' | N/A | Electric | Bi-Fold | Included | \$70 |
| DEH | 2016 | 1,050 | 11' | 41' | Electric | Bi-Fold | Included | \$150 |
| EAU | 2017 | 1,170 | 13' | 40' | Electric | Bi-Fold | Included | \$201 |
| EAU | 2017 | 1,395 | 13' | 40' | Electric | Bi-Fold | Included | \$240 |
| ONA | 2003 | 891 | 11' | 40' | Electric | Bi-Fold | Not Included | \$140 |
| ONA | 2013 | 891 | 11' | 40' | Electric | Bi-Fold | Not Included | \$140 |
| ONA | 2015 | 891 | 11' | 40' | Electric | Bi-Fold | Not Included | \$180 |
| RST | 2005 | 891 | 11' | 40' | Electric | Bi-Fold | Not Included | \$185 |
| RST | 2000 | 1,000 – 1,400 | 11' | 40' | Electric | Bi-Fold | Not Included | \$225 – \$270 |
| Y51 | 2000 | 875 | 11'6" | 40' | Electric | Bi-Fold | Included | \$225 |
| Y51 | 2000 | 900 | 11'6" | 40' | Electric | Bi-Fold | Included | \$235 |
| Y51 | 2000 | 1,000 | 11'6" | 40' | Electric | Bi-Fold | Included | \$250 |
| Y51 | 2000 | 1,100 | 11'6" | 40' | Electric | Bi-Fold | Included | \$270 |

LSE has only one set of T-Hangars constructed within Group 3 – (2000 – Present) and this set of hangars are larger in square footage as well as height and door width. Table 29 compares equivalent square footage, height, and door width regardless of year constructed.

Table 29 – Group 4 - Comparable to 1,466 Square Feet

| Airport | Year Built | Square Footage | Height | Door Width | Manual or Electric | Type of Door | Electricity | Monthly Rate |
|------------|-------------|----------------|------------|------------|--------------------|----------------|-----------------|---------------|
| LSE | 2017 | 1,466 | 14' | 48' | Electric | Bi-Fold | Included | \$276 |
| EAU | 1970 - 1980 | 1,200 – 1,900 | 13' | 40' | Electric | Bi-Fold | Included | \$182 - \$290 |
| EAU | 1970 - 1980 | 1,200 – 1,900 | 13' | 40' | Electric | Bi-Fold | Included | \$192 – \$304 |
| EAU | 2017 | 1,170 | 13' | 40' | Electric | Bi-Fold | Included | \$201 |
| EAU | 2017 | 1,395 | 13' | 40' | Electric | Bi-Fold | Included | \$240 |
| RST | 2000 | 1,000 – 1,400 | 11' | 40' | Electric | Bi-Fold | Not Included | \$225 - \$270 |

Recommendations

Based upon the analysis grouping of the T-Hangars per age and square footage is appropriate.

Group 1 – (Built Prior to 1970) – In the ten peer airports analyzed, only DEH and OVS have T-Hangars over 50 years of age. With those who have similar square footage, height, and door width, LSEs current monthly rental rate (\$114 - \$118) exceeds the monthly rental rates of similar facilities (\$60 - \$65) within its peer airports.

However, when compared to LSEs other T-Hangar monthly rental rates for newer facilities with similar square footage, door height and width, LSE does appropriately discounted Group 1.

Group 2 – (1971 – 1999) – LSE has thirty-two units at 1,049 square feet built between 1970 and 1988. Door height is 11'3" and door width is 41'9". LSEs current monthly rental rates range from \$152 - \$164, with the newer units commanding a higher monthly rate.

Seven of the ten peer airports have T-Hangars of this vintage, but comparing square footage as the dominate characteristic, EAU contains similar units with electricity included at 1,000 square feet, 1,075 square feet, and 1,200 square feet. The 1,000 square feet units range from \$152 - \$160, 1,075 square feet units range from \$164 - \$172, and the 1,200 square feet units range from \$183 - \$192.

MSN has ten units at 1,000 square feet commanding \$200 per month with electricity included. RST with smaller but newer T-Hangars at 891 square feet receives \$185 per month without electricity.

Given the information above, it is recommended that LSE consider increasing its monthly rental rates by \$10 - \$15 per month for T-Hangars within Group 2.

Group 3 – (2000 – Present) – Six of the ten peer airports-built T-Hangar facilities since 2000. LSE built ten, 1,466 square foot units in 2017. These units are 48' wide and 14' in height. All other comparable peer airports do not have similar square footage, height, and door width with Group 3. The wider doors and taller heights enable the hangar to be utilized by a broader variety of aircraft. Given this information it was concluded that Group 4 – Comparable to 1,466 Square Feet be analyzed.

Group 4 – Comparable to 1,466 Square Feet – LSE finds itself in a unique position for other peer airports may have similar square footage, but none offer 1,466 square feet, 14' height and 48' door width. Only EAU and RST offer comparable square footage, age, and perhaps height (13').

EAUs ten units built between 1970 and 1980 differentiate themselves based upon a South facing door versus a North facing door with a premium on the South facing. The average size for these units is 1,550 square feet with an average monthly rental for the average 1,550 square feet between \$236 - \$248 or the equivalent of \$0.15 - \$0.16 per square foot. EAUs newer ten units, built in the same year as LSE (2017), average monthly per square footage rate of \$0.17 per square foot. Meaning the newer units command a higher rate.

LSEs average per square foot per month rental rate is \$0.188.

RST across the board dominates in its T-Hangar rentals regardless of size and year built. RSTs 1,400 square foot unit rents for \$270 per month (\$0.192 per square foot) and this rate does not

include utilities. Nor do these units have the height or door width of LSE. It should also be noted that beginning January 1st RST rates will increase \$10 per month for all categories.

Given LSEs unique T-Hangar size, height, and door width, It is therefore recommended that LSE consider increasing the 2017 units by \$10 - \$15 per month for T-Hangars within Group 3/4. If increased to \$291 per month, the per square foot rental rate would be \$0.198, slightly higher than RST, however RST does not include electricity within its monthly rate.

The \$291 recommended monthly rate, if adopted, would also distinguish a premium for LSEs unique size, height and door width as compared to its peer airports. As compared to the peer airports, only LSE can offer ten 1,466 square feet units, 14' high, 48' electric bi-fold doors with electricity included in the monthly rate.

It is also recommended that LSE continue to annually escalate the monthly rate based upon CPI-U. Only five airports, including LSE, have a formal Waiting List but LSE is the sole airport that mandates a Waiting List Fee. Having a formal Waiting List Policy and Procedures that includes a Waiting List Fee is beneficial to LSE as well as the prospective T-Hangar tenant.