

Tullahoma Airport Authority Policy	Document No: Policy 006	Page: 1 of 1
Sale of Privately Owned Hangars / Facilities		
Sale of Privately Owned Hangars / Facilities	Effective Date: 14 June 2005	Revision: New

1.0 Purpose

To define the Tullahoma Airport Authority (TAA) policy for approving the sale of a privately owned hangar or facility from one individual / company to another.

2.0 Scope of Application

This applies to any privately owned hangars / facilities located on TAA managed property, covered by an existing ground lease agreement, and where one party desires to sell their hangar / facility to another.

3.0 References

None.

4.0 Definitions

4.1 Aircraft – an FAA recognized vehicle designed for air travel, which has wings and one or more engines. This includes airplanes, sail planes, rotor craft and lighter than air craft.

4.2 Aircraft hangar – a building designed to house one or more aircraft.

4.3 Aviation related business – a business whose main purpose is directly tied to aviation. Such businesses include aircraft maintenance / overhaul facilities, aircraft parts suppliers, aircraft upgrade activities (avionics, interiors, etc), engine repair facilities, etc.

4.4 Construction lease agreement – lease agreement with an individual or commercial entity for a lot(s) where either an aircraft hangar or aviation related business operation is to be constructed.

4.5 Ground lease agreement – lease agreement that specifies a designated piece of ground that is owned by the TAA and already has a privately owned hangar / facility sitting on top of it. It may include a designated area immediately adjacent to the building that is used for building owner vehicle parking. The TAA collects rent based upon the square footage of the designated area.

4.6 Privately owned hangar / facility – privately owned hangar of facility that rests on TAA owned land.

5.0 Policy

5.1 Hangars / facilities owned by individuals but located on TAA managed property shall be used exclusively for the storage of aircraft or for an aviation related business.

5.2 The sale of a privately owned hangar / facility must be approved in advance by the TAA Board of Directors.

5.3 Individuals or corporate entities desiring to sell their privately owned hangar / facility to another party shall submit a written request to the TAA Executive Director. The Executive Director shall present the request to the TAA Board of Directors for approval at the next scheduled meeting.

5.4 At the next scheduled TAA Board meeting, the proposed seller and buyer shall present their proposed sale to the TAA Board for approval.

5.5 Upon approval by the TAA Board, a new ground lease agreement shall be completed between the TAA and the new leesor.

5.6 Initial lease payment is due at lease signing, with subsequent payments in accordance with the applicable lease agreement.

5.7 The new lease agreement shall include an annual inflation rate adjustment clause that is the same rate as the official U.S. Government's Consumer Price Index inflation rate index for the previous calendar year.

5.8 Prior to the end of each calendar year, the TAA Executive Director shall do a competitive market survey (per square foot) for ground lease pricing for airports within a 100 mile radius of Tullahoma. This information shall be presented to the TAA Board of Directors at the January meeting, at which time a revised ground lease pricing rate for new ground lease agreements will be set for the remainder of the calendar year. This rate may vary by location on the Airport based on availability of utilities and other infrastructure.

6.0 Description of Revisions

None – original issue