

Aviation Management Consulting Group (AMCG) received comments regarding the *Airport Rent Study* documents for Los Angeles County airports. The following outlines the comments received and AMCG's response.

Comment #1	Current rent for Row G hangars (\$695/mo) is 10% higher than the competitive rate and 13% higher than the comparable rate.
Response #1	AMCG understands the current rental rate for Row G Executive Hangar is \$695 pu/mo. The current rate is 8.4% higher than the mean competitive rate (\$5.09 psf/yr or \$641.34 pu/mo) which is based on difference between current rate and the mean competitive rate (\$53.66) divided by the mean competitive rate. The current rate is 9.2% higher than the mean comparable rate (\$5.05 psf/yr or \$636.30 pu/mo) which is based on the difference between the current rate and the mean comparable rate (\$58.70) divided by the mean comparable rate. It is important to recognize this is based on an analysis of the mean rates. As stated on Page 20, "the rental rates for Executive Hangar range from \$3.86 psf/yr to \$6.99 psf/yr at competitive airports." AMCG's base rental rate (\$6.50 psf/yr) is within the competitive range.
Comment #2	Some explanation needs to be provided by the appraiser as to why the recommended rate should be 28% higher than Current rates and nearly 30% higher than the comparable and competitive comps derived in its survey.
Response #2	As stated in Response #1, AMCG understands the current rental rate for Row G Executive Hangar is \$695 pu/mo. AMCG's market rent opinion (\$819 pu/mo) is 17.8% higher than the current rental rate, 28.7% higher than the mean comparable rate, and 27.7% higher than the mean competitive rental rate. It is important to recognize a portion of this is based on an analysis of the mean rates. As stated on Page 20, "the rental rates for Executive Hangar range from \$3.86 psf/yr to \$6.99 psf/yr at competitive airports." Utilizing the information received from the research airports and AMCG's professional opinion, a base rental rate (\$6.50 psf/yr) was derived and is within the competitive range. Based on information received from the County, AMCG understands the current rental rate for Row G Executive Hangar (\$695 pu/mo) has remained unchanged since at least FY 2018/2019.
Comment #3	MSA (Reference on page 20). Not defined
Response #3	As identified by the United States Census Bureau, the second largest Metropolitan Statistical Area in the United States during 2020 was the Los Angeles-Long Beach-Anaheim metro area. A figure conveying the State of California Metropolitan Statistical Areas has been added to the document.

Comment #4	MSA would affect local comparable and competitive airports the same.
Response #4	As stated in the comment, the MSA rental rates impact the comparable and competitive airports. Since these categories of airports are already impacted by an MSA, an adjustment is not necessary. Conversely, an analysis of AMCG's database reflects an average adjustment between the national mean rental rates and the largest MSAs in the United States. As such, an adjustment was only applicable to the national mean rental rate. It is not appropriate or reasonable to apply this same adjustment to the comparable or competitive airport mean rental rates.
Comment #5	The Large T-Hangars (1,687 sf) in Rows V, L, and M are larger than the Row E and G hangars. Why discriminate?
Response #5	The classification between Executive Hangar and T-Hangar is based on the shape of the structure which is consistent with industry practices. Consistent with the definitions, an Executive Hangar is "a square or rectangular-shaped Hangar" while a T-Hangar "derives its name from its shape (in the form of a 'T')".
Comment #6	Why are Row E and G hangars classified as Executive Hangars? The 2020 Study indicates that an Executive Hangar has restrooms and other items. Those items are not included in the 2024 description. Also, my Row G hangar does not have that. The "lexicon" says that Executive Hangars have bathrooms, office, etc. and Row E and G hangars do not.
Response #6	As stated in Response #5, the classification between Executive Hangar and T-Hangar is based on the shape of the structure which is consistent with industry practices. Consistent with the definitions, an Executive Hangar is "a square or rectangular-shaped Hangar" while a T-Hangar "derives its name from its shape (in the form of a 'T')". Based on a historical review of the 2020 Study and related drafts, a "restroom" was not referenced in the definition of Executive Hangar. The definition utilized in the 2020 Study (dated 10/09/2020) states "A square or rectangular-shaped hangar designed to accommodate the proprietary aircraft operations of a single company or individual. Executive Hangars (ranging in size from 50 feet by 50 feet to upwards of 100 feet by 100 feet) are typically larger than T-Hangars, smaller than Community Hangars, and may have associated shop, office, and storage areas." Consistent with the Subject Properties Overview related to Executive Hangars (Page 13 of the 2024 Study), AMCG understands Row E and Row G do not have restrooms, shop, office, or designated storage areas. This basis is consistent with the <i>AMCG Comment Response – Comparable and Competitive Airports</i> dated 10/21/2022.
Comment #7	Why using triple net? Shouldn't apply to Row E and G hangars.
Response #7	Triple net lease rates are the most common rental basis for Executive Hangars in the market while modified gross lease rates are the most common for T-hangars, portable hangars, and tiedowns. Effectively, the difference is responsibility for maintenance, utilities, insurance, and taxes. For example, the rental rates for Executive Hangar Row G are based on triple net lease rates in that the tenant would be responsible for maintenance, utilities, insurance, and taxes consistent with the footnote on Page 6. If tenants in Row G are not responsible for any or all of these items, it may be appropriate to add an additional fee to recover these costs. For example, Truckee Tahoe Airport has certain hangars that are not individually metered so a flat rate for electricity of \$25 - \$35/month is added to the monthly rental rate, depending on type (T-hangar or Executive Hangar).

Comment #8	Why did the appraiser use two different methods (Exec/Others)? Discriminatory??
Response #8	AMCG does not understand the reference "two different methods". As stated on Page 1 (and throughout the document), "An opinion of aeronautical market rent for certain Subject Properties was developed based on an analysis of information and data for similar properties at national, regional, comparable, and competitive airports." If the conclusions basis is the intent of this comments (psf/yr vs. pu/mo), that is a direct result of common industry practice.
Comment #9	(WHP) Page 9, Figure 2 – GA Aircraft Operations •The green bar for 2022 is not correct. The total ops were 106,478 which is not depicted.
Response #9	General Aviation Aircraft Operations table has been updated accordingly.
Comment #10	(WHP) Page 11, Table 4 – GA Fuel Volumes •Why does the table not include volumes for 2020?
Response #10	Table 4 has been updated.
Comment #11	(WHP) Page 16, A. National Data •Why using per square feet per year for Executive Hangars and per unit per month for others?
Response #11	Per unit per month is a common industry practice as it relates to T-hangars since T-hangars are normally categorized as small (less than 1,000 sf), medium (1,000 – 1,300 sf) and large (1,300 – 2,000 sf). Per square foot per year is a common industry practice for other "square or rectangular shaped" hangars as these hangars are not strictly categorized according to size. The per square foot per year rate utilized for other hangars can be converted to a per unit per month rate.
Comment #12	(WHP) Page 6 •States that "the analysis was based on an evaluation of triple net lease rates." •There are no triple net leases at the County airports. All hangars are treated the same at the County airports. County provides utilities and maintains the facilities and tenant pays possessory interest tax.
Response #12	See Response #7.
Comment #13	(WHP) Page 16, Table 12 – National Airport Data Summary •Small tiedown are similar to what we have at the County airports. •The range was \$25 to \$75. •How is this relevant to the rates ultimately recommended for the airport?
Response #13	While the national range for small tiedown is \$25 to \$75, AMCG relied more heavily on relevant and useable data from the competitive airports which presented a range of \$60.00 pu/mo to \$153.00 pu/mo.
Comment #14	(WHP) Page 17, Comparable Airports •What specifically makes these airports comparable to WHP? •Doubts the underlying information that makes them comparable.
Response #14	Comparable airports are based numerous factors including activity levels, total based aircraft, the presence or absence of a control tower, runway length, total airport acreage, FAA NPIAS classification and FAA General Aviation Airport Asset Study classification. Parameters were then established in each of these areas to facilitate the selection process.

Comment #15	(WHP) Page 17, Table 14 – Comparable Airports •Why is TOA only comparable to WHP and not EMT or POC?
Response #15	See Response #15. Comparable Airports are determined based on the parameters set for each individual airport. While TOA falls in the parameters for WHP, TOA did not fall within the parameters for EMT or POC. TOA has 506 acres which is outside of the acreage parameter for EMT (50 to 475 acres). TOA also has 63,040 general aviation itinerant operations which is outside of the parameters for POC which is 20,000 to 62,500 general aviation itinerant operations.
Comment #16	(WHP) Page 17, Table 15 – Comparable Airport Data Summary •Small tiedown \$18 to \$160 – this is higher than the national and regional top of the range. Aren't comparables included in the national and regional? If so, this range shouldn't be higher than national or regional.
Response #16	The comparable and competitive data was gathered and confirmed from airport sponsors during this analysis. The national and regional data summary was originally exported from AMCG's database prior to the completion of the research phase and prior to integrating the final data gathered for this analysis into AMCG's database. The national and regional tables have been updated to incorporate comparable and competitive data gathered during this analysis.
Comment #17	(WHP) Page 18, Table 17 – Competitive Airport Data Summary •Small tiedown \$8 to \$10. How \$10? Has to be an error. •So many errors it undermines trust in the data.
Response #17	Table 17 has been updated to reflect a monthly rate range of \$102 to \$139 per month.
Comment #18	(WHP) Page 19, Table 18 – Rental Rate Conclusions •HH-1 \$810 for 1,386sf = \$7/yr. – this is the maximum for Executive Hangars on Table 17. What is the justification for choosing the maximum rate for competitive airports? •Tiedown recommended rate is \$140/mo. from the current rate of \$96/mo. Why so high? Again, the maximum of \$160 for the comparable airports data (Table 15) is problematic/inaccurate.
Response #18	AMCG's opinion of market rent is based on analysis of all available data including the minimum, mean, and maximum as well as each datapoint gathered. Upon analysis of all available data, AMCG provided our professional opinion as to the most appropriate rental rate, for the specific component, under an aeronautical use. This process considers the size, access, amenities, and condition and what AMCG believes is reflective of a market-based rental rate.