

St. George Regional Airport Non-Commercial Hangar Lease Policy

Effective Date: December 18, 2025

1. **Purpose and Applicability.** This Non-Commercial Hangar Leasing Policy (this “Policy”) establishes certain policies and procedures through which the City of St. George (the “City”) shall make available property and facilities at the St. George Regional Airport (the “Airport”) for the construction and/or maintenance of aircraft storage hangars for Non-Commercial, General Aviation use (“Hangars”). This Policy shall apply to any new Hangar lease and to the renewal or material amendment of any existing Hangar lease. This Policy does *not* apply to the use of property or facilities by an Entity seeking to conduct Commercial Aeronautical Activity. Entities seeking to conduct Commercial Aeronautical Activity must submit an application in accordance with Section II of the Airport Minimum Standards.
2. **Definitions.** Capitalized terms used in this Policy and not defined herein shall have the meanings assigned to them in the Airport Minimum Standards and/or Rules and Regulations. All other words or phrases shall be construed in a manner consistent with common meaning or as generally understood throughout the aviation industry.
3. **General Leasing Policies.** Each lease of City-owned property for the construction or maintenance of Hangars shall be subject to the following non-exhaustive list of terms and conditions, as further detailed in the written lease agreement, hereafter, (“Agreement”):
 - 3.1 **Leased Premises.** All land at the Airport is owned by the City. The City maintains an Airport Layout Plan (“ALP”) which specifically designates those areas on which Hangars may be constructed and maintained, as revised from time to time by the City in its discretion, and as may be subject to the FAA’s approval. No Hangar may be constructed in any area not specifically designated for that purpose on the ALP. The Leased Premises shall be clearly defined, including the total square footage of each Hangar pad and any existing improvements.
 - 3.2 **Not a Ground Lease.** The lease of City-owned property at the Airport is not a ground lease of land to which any lessee has a secured real property interest.
 - 3.3 **Term and Renewal.** The City will lease existing City-owned Hangars (if any) for a one-year Term. This Term may be renewable. If a private Hangar is to be constructed on City-owned property, the Term of the lease shall be thirty (30) years (“Initial Term”). The lessee shall have the right to extend the Initial Term for no more than two successive ten (10) year terms (together, the “Term”), provided (i) the City finds the Leased Premises suitable for continued use as a Hangar, (ii) the lessee has remained in good standing with all monetary and non-monetary obligations throughout the Term, and (iii) the Hangar is in good repair and suitable for continued occupancy throughout the extended Term, each as determined by the City and further detailed in the Agreement. At the expiration of the Term, the lessee shall have a right-of-first refusal to lease the City-owned property on the Leased

Premises, on the terms and conditions then offered by the City, subject to 3.7 hereof.

- 3.4 **Rent Adjustments.** The initial rental rates shall be established as of the date of the Agreement and shall be increased effective January 1 of each calendar year ending in one (1) and six (6). For example, if party A leases City-owned Property in 2021 and party B leases City-Owned Property in 2024 both parties will receive a rate increase effective January 1 of 2026 and 2031, regardless of the date each party entered into their respective Agreements Notice of the rate increase shall be provided on the City's published Master Fee schedule.
- 3.5 **Termination.** The City may terminate an Agreement in the event of a default by lessee, after notice has been given and an opportunity to cure has been provided. The City may also terminate an Agreement as to all or a portion of the Leased Premises upon terms and conditions set forth in the lease Agreement.
- 3.6 **Aeronautical Use Required.** The demand for Hangars at the Airport regularly exceeds available supply. Accordingly, the City will strictly require that all Hangars be used for aeronautical purposes, as set forth below:
- 3.6.1 Lessee or a corporate entity under common control with lessee must own or lease one or more aircraft (the "Based Aircraft") which is properly registered and insured and in an airworthy condition. Licensees may own a fractional interest in Based Aircraft, provided that such interest is not less than twenty percent (20%). The City will temporarily waive this requirement if lessee intends to utilize the Hangar for the construction of an amateur-built or kit-built aircraft, provided that lessee shall be required to complete such construction and deliver a copy of the airworthiness certificate to the City within a reasonable time frame that shall be detailed in the Agreement.
- 3.6.2 Based Aircraft shall be stored in the Hangar at least fourteen (14) days out of any twelve (12) month period, and the Hangar shall not remain vacant for a period exceeding six (6) months without written notification to the City with detailed explanation as to the reason. The City may, in its discretion, permit longer compliance periods than those identified in this subsection based on reasonable delays in performing required maintenance on Based Aircraft.
- 3.6.3 Lessee shall comply at all times with the FAA's policy on the Non-Aeronautical Use of Airport Hangars and the Airport Rules and Regulations.
- 3.7 **Hangar Construction.** If a Hangar is to be constructed on the City-owned property, licensee shall complete construction of the Hangar within two (2) years of the effective date of the Agreement. Licensee may be permitted to assign or otherwise encumber the Hangar for the purpose of obtaining financing on a limited basis, with the City's prior written consent, which shall not be unreasonably denied. Persons requiring financing for the construction of a Hangar are strongly advised to consult with the Airport Director regarding the City's financing policies prior to submitting an application in accordance with Section 5 below.
- 3.8 **Disposition of Tenant Improvements.** Upon the expiration (without renewal) or

earlier termination of an Agreement under which the licensee has constructed a Hangar, the lessee may remove the Hangar from the City-owned property, less any mitigation conducted in connection with the Hangar's construction. If the lessee elects not to remove the Hangar, the City shall, in its sole discretion, determine whether to take title to the Hangar or require the lessee, at lessee's expense and in a manner acceptable to the City, to remove the Hangar and restore the City-owned property to its original condition (except for any mitigation conducted in connection with the Hangar's construction that the City requests remain on the City-owned property).

3.9 Subleasing and Assignments.

3.9.1 Subletting or assignment of City-owned Hangar leases is prohibited.

3.9.2 Lessee may sublease all or a portion of a Hangar constructed by lessee on City-owned property only after obtaining the City's prior written consent.

3.9.3 Lessee may only assign its interest in an Agreement in connection with the permanent sale of the Hangar constructed by lessee on City-owned property, after obtaining the City's prior written consent. Lessee shall be required to pay a transfer fee equal to one percent (1%) of the assessed value of the Hangar (personal property) at the time of sale, as determined by the Washington County Assessor's most recent assessment of the Hangar. The City shall use all fees associated with any Agreement for asphalt improvements, taxi-way improvements and Airport construction. An assignment shall abide by the terms and conditions (including the length of the term) of the lease agreement being assigned.

3.10 **Required FAA Provisions.** The Hangar Agreement shall include all provisions required by the FAA which shall, at a minimum, include subordination of the Hangar licensee to the terms of the City's grant agreements with the United States and State of Utah, and applicable non-discrimination clauses.

4. **Commercial Use.** Persons or entities wishing to use a Hangar for Commercial Aeronautical Activities shall be required to apply for and obtain a permit in conformity with the Airport Minimum Standards for Commercial Aeronautical Activities. The use of Based Aircraft in connection with non-aeronautical commercial activities (i.e., corporate aircraft) is not considered a prohibited commercial use of a Hangar.

5. **Hangar Wait List.** Demand for Hangars at the Airport is greater than the availability. As a result, the City maintains an active waiting list for prospective Hangar lessees (the "Wait List") in accordance with the following policies and procedures.

5.1 **Application Required.** All Hangar applicants must complete and submit a completed hangar application form found at the [airport page](#). The application must be accompanied by all supporting information and documentation requested below, including the application fee, (1) by e-mail to sguadminpro@sgcityutah.gov; (2) in person at 4508 S. Airport Parkway, St. George, Utah 84790; or (3) by US mail to the address on the application form.

- 5.1.1 Applicants must be 18 years of age or older.
 - 5.1.2 Applicants must provide a current physical address, mailing address (if different), telephone number, and email address where the applicant may be contacted during business hours. It is the responsibility of the applicant to keep this information current with the City. Failure to keep this information current may result in removal from the Wait List.
 - 5.1.3 Applicants must identify the make, model and registration number of the Based Aircraft. The applicant may be required to make such Based Aircraft available for inspection by airport operations personnel prior to the execution of any Hangar lease. Applications may be received without identification of the Based Aircraft if accompanied by evidence that the applicant is in the process of purchasing, leasing, repairing, or constructing a Based Aircraft.
 - 5.1.4 Applicants shall identify whether they seek to lease an existing City-owned Hangar, are willing to construct a Hangar, or would accept either of the first available opportunities.
 - 5.1.5 Each applicant will receive an application identification number upon the City's acceptance of a complete application. The City will maintain the Wait List on the airport website listing the position of each identification number as assigned.
- 5.2 **Wait List Fees.** There is a one-time fee of five hundred dollars (\$500) which is non-refundable and represents the administrative costs of processing each application and maintaining the Wait List.
- 5.2.1 Deposit: In addition to the application fee a refundable deposit of one thousand dollars (\$1,000) shall be required before any application shall be deemed completed. The deposit shall be held by the City Treasurer during the Wait List period until such time as the applicant executes an Agreement with the City at which time the deposit may be applied to the license or may be refunded, at the licensee's option. In the event an applicant wishes to remove their name from the Wait List, the deposit shall be refunded to the applicant in a manner consistent with the City's administrative practices.
- 5.3 **Wait List Placement.** Applicants will generally be added to the Wait List in the order a complete application is received; however, applicants which do not currently lease one or more parcels of City-owned property at the Airport shall receive priority over any applicant which already leases one or more parcels of City-owned property for the use of Hangars at the time of their application. A person or entity under common control may have only one position on the Wait List at a time.
- 5.4 **Notification.** Applicants will be notified via email and telephone of the availability of a Hangar or suitable site for Hangar development in the order they appear on the Wait List. If the City is unable to reach the applicant within fourteen (14) calendar days, the applicant shall forfeit the opportunity and the

City shall contact the next applicant on the Wait List. If such forfeiture occurs on two consecutive occasions, the applicant will be automatically removed from the Wait List.

5.5 Acceptance and Rejection.

5.5.1 **Acceptance.** An applicant electing to accept the opportunity to lease must make the Based Aircraft available for the City's inspection and execute a Hangar lease no later than thirty (30) calendar days after the City's notification.

5.5.2 **Unsuitability for Based Aircraft.** An applicant may reject an opportunity to lease if the Based Aircraft's dimensional requirements are larger than the available Hangar opportunity (i.e., Hangar size or taxiway limitations for the available Hangar lot). An applicant who rejects an opportunity under this paragraph will not lose their place on the Wait List. The City reserves the right to verify applicants' ownership or control of the Based Aircraft.

5.5.3 **Other Rejections.** If an applicant does not accept the opportunity to lease as provided in Section 5.5.1, and Section 5.5.2 does not apply, then, at the applicant's election, the applicant will either be moved to the end of the Wait List or removed from the Wait List. After two such rejections, the applicant will be automatically removed from the Wait List.

5.6 **Non-Transferability.** Positions on the Wait List are not fungible and may not be sold, gifted, assigned, or otherwise transferred.

5.7 **Violations.** Applicants on the Wait List who have an existing Agreement at the Airport will be removed from the Wait List in the event of a default by the applicant under the existing Agreement which continues beyond notice and an opportunity to cure pursuant to the existing Agreement. The City may refuse to add a current lessee to the Wait List unless and until any existing event of default is cured.