

# MARKET RENT ANALYSIS

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**Miscellaneous Aeronautical  
Land and Improvements  
63136 Powell Butte Road  
Bend Municipal Airport (BDN)  
Bend, Oregon**



## **Prepared for:**

Mr. Matt Stuart  
Real Estate & Facilities Director  
City of Bend Real Estate Department  
710 NW Wall Street  
P.O. Box 1458  
Bend, Oregon 97703

Date of Report: May 1, 2025  
Date of Analysis: January 7, 2025



## ***Airport Business Solutions***

*"Valuation and Consulting Services to the Aviation Industry"*

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May 1, 2025

Mr. Matt Stuart  
Real Estate & Facilities Director  
City of Bend Real Estate Department  
710 NW Wall Street  
P.O. Box 1458  
Bend, Oregon 97703

RE:    Market Rent Analysis  
         Miscellaneous Aeronautical Land and Improvements  
         63136 Powell Butte Road  
         Bend Municipal Airport (BDN)  
         Bend, Oregon

Dear Mr. Stuart:

In accordance with your request, ***Airport Business Solutions (ABS)*** has inspected the Airport and completed our comprehensive study of the local and regional aviation market for the purpose of providing an updated estimate of the Market Rent for miscellaneous aeronautical land and improvements at the Bend Municipal Airport (FAA Identifier BDN) in Bend, Oregon.

The primary purpose of the assignment is to provide an estimate of the Market Rent for aeronautical land and various improvements and facilities within the Airport complex. Leasehold areas to be analyzed include the following:

- Unimproved Aeronautical Land
- Paved Ramp/Apron
- T-Hangars
- Box Hangars
- Hangar Storage Areas
- FBO Development Area (Land Only)
- Tiedowns
- FBO Terminal/Office Area
- Restaurant/Café Space
- Fuel Farm Area

After careful analysis of the subject development and its competitive environment, as well as the local and regional general aviation market, it is our opinion that the current annual Market Rents of the various land and improvement areas, as of January 7, 2025, are as follows:

***Solutions as Unique as the Problems . . .***

<b>BEND MUNICIPAL AIRPORT RENT CONCLUSIONS</b>	
<b>Property Type</b>	<b>Rent Conclusion</b>
<b>Aeronautical Land</b>	\$0.45/S.F./Year
<b>Paved Ramp/Apron</b>	\$0.65/S.F./Year
<b>T-Hangars</b>	Per Month
A1, A3-A8, A10	\$275
A2 & A9	\$350
B1, B3-B8, B10	\$275
B2 & B9	\$350
D1 - D6	\$400
E1	\$350
E2 - E3	\$400
F1, F3 & F5	\$400
F2 & F4	\$600
G1 - G6	\$400
H1 - H4	\$400
I1	\$500
I2 - I9	\$425
I10	\$500
JA - JE	\$500
JG - JK	\$500
TB1	\$325
<b>Box Hangars</b>	Per S.F. Per Year
63004	\$6.00
63006	\$6.00
63008	\$6.00
63330-A	\$6.00
63330-B	\$6.00
63120	\$4.00
<b>Hangar Storage Areas</b>	Per Month
E4 - E5	\$200
I11 - I12	\$200
JF	\$200
JL	\$200
<b>FBO Development Area (Land)</b>	\$0.45/S.F./Year
<b>Fuel Farm Area</b>	\$0.45/S.F./Year
<b>Tiedowns</b>	\$60.00 Per Month
<b>FBO Terminal Space</b>	\$8.00/S.F./Year
<b>Café/Restaurant</b>	\$7.00/S.F./Year
<b>Office Areas</b>	\$15.00/S.F./Year

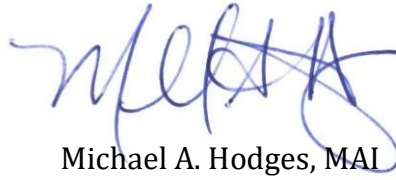
As discussed herein, the FBO development area and fuel farm area are recognized within the airport industry as unimproved aeronautical land. As such, the concluded rate for these two areas are assigned the aeronautical land rate concluded herein. Moreover, it should be noted that all of the aircraft ramp/apron at BDN, whether for fixed wing or helicopter aircraft, reflects the same weight bearing capacity and are therefore deemed to warrant the same rent per square foot, regardless of use.

Mr. Matt Stuart  
May 1, 2025  
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The aforementioned rent conclusions are based upon standard lease terms for the Bend Municipal Airport. *The City/Airport is advised to utilize the rates prescribed herein as guidelines for rate-setting, with prospective adjustments being warranted for specific lease terms and conditions and/or larger land areas or capital investment associated with a project.*

The following report contains pertinent data assembled during our investigation, along with our analyses and conclusions. We appreciate this opportunity to be of service to you, City of Bend, and the Bend Municipal Airport on this project. If you should have any further questions, or request additional information or clarification, please advise.

Sincerely,

A handwritten signature in blue ink, appearing to read 'M. Hodges', with a stylized flourish at the end.

Michael A. Hodges, MAI  
State of Oregon  
State Certified General Appraiser  
License No. C001674

## PROJECT SCOPE

The scope of the assignment is to estimate the Market Rent for miscellaneous aeronautical land and improvements at the Bend Municipal Airport (FAA Identifier BDN) in Bend, Oregon to assist the City of Bend and Airport with current and future lease negotiations. *The City/Airport is advised to utilize the rates prescribed herein as guidelines for rate-setting, with prospective adjustments being warranted for specific lease terms and conditions and/or larger land areas or capital investment associated with a project.*

The primary purpose of the assignment is to provide an estimate of the Market Rent for aeronautical land and miscellaneous improvements within the Airport complex, in many cases without regard to property size or use. The consultant inspected the subject Airport and pertinent land, improvements, and facilities. All available information on comparable airport rental data was gathered and analyzed. Our final conclusions are based on a comprehensive study of market trends observed in the region.

Consideration is given to all pertinent factors affecting the properties and the rental rates concluded herein. It is assumed that **Airport Business Solutions (ABS)** and their representatives were provided all available information and that it is current and accurate. **ABS** reserves the right to modify its conclusions if it is discovered that pertinent information was not made available.



## IDENTIFICATION OF PROPERTIES ANALYZED

The subjects of this analysis include miscellaneous aeronautical land and improvements at the Bend Municipal Airport (FAA Identifier BDN) in Bend, Oregon. The majority of the aeronautical sites lie on the west side of the airfield, although there are three defined aeronautical development areas on the east side as well. The +/-420-acre Airport includes a single 5,260-foot runway with dual, full-length parallel taxiways, a 5.3-acre FBO development with first floor space in the Airport terminal, paved ramp area, vehicle parking area, and fuel farm, a café/restaurant, an 8-acre helicopter operations area with an additional 500,000 square feet of developable land for dedicated rotor wing operators and service companies, 6 box hangars, 66 T-hangars, 6 hangar storage areas, all of which are City-owned (totaling 139,000 square feet of leased space), 58,000 square feet of lease space for plane and vehicle parking, 2.8 million square feet of leased ground space developed with privately owned hangars, and +/-2.6 million square feet of leasable ground area. There is an Air Traffic Control Tower under development with an early 2026 completion date.



## DATE OF RENT ESTIMATE

The date of this update is May 1, 2025, which corresponds to our written composition. An on-site review and personal inspection were performed on January 7, 2025.

## DEFINITION OF MARKET RENT

The primary value estimate herein conforms with the definition of "Market Rent" per **The Dictionary of Real Estate Appraisal** specifically defined as "The most probable rent that a property should bring in a competitive and open market under all conditions requisite to a fair lease transaction, the lessee and lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus. Implicit in this definition is the execution of a lease as of a specified date under conditions whereby:

- Lessee and lessor are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interest;
- Payment is made in terms of cash or in terms of financial arrangements comparable thereto; and
- The rent reflects specified terms and conditions, such as permitted uses, use restrictions, expense obligations, duration, concessions, rental adjustments and revaluations, renewal and purchase options, and tenant improvements (TIs)."

## NEIGHBORHOOD/COMMUNITY ANALYSIS

Given the scope of this analysis, a detailed area assessment has been omitted herein. However, the following is a brief overview of the area.



## CITY OF BEND

The Bend Municipal Airport is located in the City of Bend, Oregon, which is situated in the high desert area just east of the Cascade Mountain range, and along the Deschutes River. The City of Bend is the County Seat of Deschutes County, with a population of approximately 104,000 people. The City is also part of the greater Deschutes MSA region which has a total population over 247,000. The community surrounding the Airport has the highest population of all the cities within the central Oregon region.

The primary economic driver of the community is tourism. This sector of the economy includes Mount Bachelor ski resort, and also the nearby Cascade Lakes area. Each of these areas draw tourists from all over the state of Oregon, and the greater northwest region of the U.S., including Washington State, and California. The recreational and associated activities surrounding these areas include downhill and cross country skiing, hiking, biking, rafting, rock climbing and world



class fishing. In addition to tourism, the other significant economic activities in the area also include health care and higher education. Major employers in the area, are the St. Charles Health



Care System, Deschutes County Government, Mount Bachelor Resort, U.S. Forest Service, and the Central Oregon Community College.

The Airport is located east of the metropolitan area and the neighborhood surrounding the field is a mixture of rural, light industrial, and open farmland. The areas to the north, east, and south of the field are mostly open space with area for airport expansion if needed in the future.

## **BEND MUNICIPAL AIRPORT**

The Bend Municipal Airport (FAA Identifier BDN) is located 5 miles northeast of the City of Bend and serves as a business and general aviation airport for the region. The primary commercial service airport for the region is Roberts Field Airport in Redmond, Oregon, approximately 22 miles north of BDN.

There is a single runway that serves BDN. Runway 16/34 extends in a north-south direction and is 5,001 feet in length by 75 feet wide. It offers an asphalt surface in good condition with non-precision markings and runway end identifier lights. There is a 4-light PAPI system on both runway ends, in addition to NAV (GPS) approach procedures on both ends of 16/34. The runway has a weight bearing capacity of 30,000 pounds for aircraft with single wheel configuration. The Airport offers a parallel taxiway system that supports the ground operations for efficient operations. It is significant to note that the City is currently building an air traffic control tower on the field which is programmed for opening in early 2026 that will dramatically improve safety for flight activity at BDN.



Because there is currently no air traffic control tower operating at BDN, there is no verified FAA operational data for flight operations. However, according to the latest data available from the recently completed Airport Master Plan and the FAA’s Terminal Area Forecast, it is estimated that there were over 141,000 flight operations and 251 aircraft based at BDN in 2024. This includes 190 single engine, 19 multi-engine, 21 helicopters, 8 gliders, 3 ultralights, and 10 jets. The operational make-up of the flight activity at BDN is shown below. The Airport has a nearly equal balance of both local and itinerant general aviation operations which bodes well for the Airport and the associated businesses on the field because they do not rely on one predominant segment of the marketplace for flight activity.

<b>BEND MUNICIPAL AIRPORT – AIRCRAFT OPERATIONS &amp; BASED AIRCRAFT (FAA-TAF)</b>						
<b>Year</b>	<b>Air Taxi</b>	<b>GA Local</b>	<b>GA Itinerant</b>	<b>Military</b>	<b>Total</b>	<b>Based Aircraft</b>
2020	1,000	70,338	69,737	100	141,175	249
2021	1,000	70,338	69,737	100	141,175	243
2022	1,000	72,027	71,431	100	144,558	234
2023	1,000	72,026	71,433	100	144,559	238
2024*	1,000	70,338	69,737	100	141,175	251

\*Estimated

BDN is currently served by one Fixed Base Operation (FBO) identified as *Skyservice Bend*. This operator offers such services as aircraft refueling, oxygen, parking, aircraft hangar storage, passenger terminal services, and aircraft ground handling.

In summary, the Bend Municipal Airport reflects a typical public use “national” general aviation airport found in similar size communities in the U.S. The runways and infrastructure offered provides it with many opportunities to diversify revenues through marketing to a variety of business and general aviation activities.

## **PROPERTY DESCRIPTIONS**

The subjects of this analysis include miscellaneous aeronautical land and improvements at the Bend Municipal Airport (FAA Identifier BDN) in Bend, Oregon. The majority of the aeronautical sites lie on the west side of the airfield, although there are three defined aeronautical development areas on the east side as well. The +/-420-acre Airport offers an approximate 5.3-acre FBO development with an executive terminal area on the first floor of the Airport's terminal building, paved ramp area, vehicle parking area, and fuel farm, a café/restaurant, an 8-acre helicopter operations area with an additional 500,000 square feet of developable land for dedicated rotor wing operators and service companies, 6 box hangars, 66 T-hangars, 6 hangar storage areas, all of which are City-owned (totaling 139,000 square feet of leased space), 58,000 square feet of leased space for plane (38 tiedowns) and vehicle parking, 2.8 million square feet of leased ground space developed with privately-owned and developed hangars, and +/-2.6 million square feet of leasable ground area.

The primary purpose of the assignment is to analyze the aeronautical land and miscellaneous improvements within the Airport complex. All aeronautical land and ramp/apron at BDN are assessed a uniform annual per square foot rate without regard to property size or use, while improvement rates vary depending upon their size, age, condition, use. Within this analysis, the FBO development area (111,525 square feet) and fuel farm area (120,000 square feet) are recognized as unimproved aeronautical land. This is consistent with the industry's recognition of such land areas in terms of their utilization and consistency within the airport environs as aeronautical land. The following is a brief summary of the various improvements.

### **T-HANGARS (CITY-OWNED)**

There are several groups of T-hangars scattered throughout BDN distinguished by differing vintages and construction. In addition, it is significant to note that there are both City-owned and privately developed hangars situated on ground lease parcels. This focus of this analysis is the City-owned hangars only, with the private hangars subject to the market rate conclusions for the

aeronautical land only. Hangars range in size from 963 to 1,400 square feet. Clear heights are typically about 15 feet with the hangar offering electrical service but no water or sewer.

*A & B (63160 - 63170 Powell Butte Highway)*

These hangars represent older vintage (1970s) wood hangars with metal siding in fair condition. The flooring is a mix of gravel or asphalt pavement. Many of the hangars have issues with door sliders due to maintenance challenges due to age and condition.

*D - H (63054 - 63070 Powell Butte Highway)*

These are metal frame and siding hangars with concrete flooring constructed in the late 1990s. Overall quality, condition and utility are rated average.

*I - J (63290 – 63316 Powell Butte Highway)*

These are also metal frame and siding hangars with concrete flooring. They were constructed in the late 1990s and reflect average condition. The hangar doors of these units are electrically operated bi-fold type.

*T-Hangar (63088 Powell Butte Highway)*

This is a metal frame and sided hangar with asphalt flooring constructed in the late 1990s. The structure offers an electric hangar door and is in fair condition.



## **BOX HANGARS (CITY-OWNED)**

### *63004, 63006 and 63008 Powell Butte Highway*

These metal hangars were built in the early 1990s with each unit encompassing approximately 3,000 square feet with a clear height of about 15 feet. Each unit includes an office area and bathroom with water, sewer and electricity available.

### *A & B Hangars (63330 Powell Butte Highway)*

These insulated and heated metal hangars were built in the early 2000s with each unit containing approximately 3,770 square feet. Clear height is +/-15 feet and each unit includes an office area and bathroom with water, sewer and electricity.

### *63120 Powell Butte Highway*

This masonry Quonset-style hangar was built during World War II and encompasses approximately 3,800 square feet. Clear height in the hangar is approximately 15 feet with an interior office area and bathroom. Water, sewer and electricity are available.

## **FBO TERMINAL, CAFÉ & OFFICE SPACE (63136 POWELL BUTTE HIGHWAY)**

The FBO, café, and leasable office areas are located in the two-story Airport terminal building along the east side of Powell Butte Highway and west side of the airfield. The FBO terminal occupies the main level (+/-3,300 square feet) with the restaurant/café, as well as some leasable office space, on the upper level. The café contains 2,200 square feet with typical restaurant improvements including a display case, a commercial kitchen and seating area. The leasable office space is demised into several 110 square foot units. Finishes are typical commercial grade carpeting, painted drywall and acoustic tile ceilings with fluorescent lighting, all in good condition.

## **TIEDOWNS**

There are about 38 tie-downs scattered along the west side of the runway. These are leased on a monthly basis.

## **MARKET RENT ANALYSIS**

The primary purpose of the assignment is to provide an estimate of the Market Rent for aeronautical land and miscellaneous improvements within the Bend Municipal Airport complex. All aeronautical land and ramp/apron at BDN are assessed a uniform annual per square foot rate. With regard to the ramp/apron, this includes two areas on the west side of the Airport utilized by the FBO and other tenants, as well as the helicopter parking ramp/apron area on the east side of the field. It is the consultant's understanding that all of the ramp/apron on the Airport reflects the same weight bearing capacity.

The improvements analyzed herein reflect rates predicated upon such conditions as size, age, quality, condition and utility. Within this analysis, the FBO development area and fuel farm area are both recognized as unimproved aeronautical land. This is consistent with the industry's recognition of such land areas in terms of their utilization and consistency within the airport environs as aeronautical land.

In this analysis, the market rent estimates at BDN reflect the amount of rent that the Airport can expect to receive from a tenant for the right to lease, use and develop a defined aeronautical property at the Airport. (The City/Airport is advised to utilize the rates prescribed herein as guidelines for rate-setting, with prospective adjustments being warranted for specific lease terms and conditions and/or larger land areas or substantial capital investment.)

While one methodology would be to evaluate sales of similar land and facilities and apply a rate of return to arrive at a market rent, airports are unique in that the properties cannot readily be sold and are reliant on a complex and expensive infrastructure base. In addition, they are highly regulated, not only a local level, but also a State and Federal level. In the case of airport properties, a combination of local zoning, operational restrictions, safety and security guidelines, and Federal mandates, all govern issues such as the type, size and location of improvements on an airport parcel. Based upon the aforementioned factors, as well as numerous others, it is the consultants' opinion that the employment of a sales analysis is inappropriate in this analysis for the aeronautical land and improvements.

The most accurate and effective methodology for aeronautical rate-setting is the assessment of rental rates of similar aeronautical land and facilities at similar and competing airports, which is consistent with the FAA's Rates and Charges Policy for fair and reasonable rates and fees for aeronautical land at airports. As such, the estimation of market-based rental rates for the subject aeronautical land and improvements is completed through an analysis of unimproved aeronautical land and facilities throughout the region.

In the selection of market rents for the subject land and facilities, the consultant surveyed numerous airports throughout the region, attempting to focus on airports offering similar physical and economic characteristics to the Bend Municipal Airport. Said data was utilized for the determination of prevailing market rent conclusions for aeronautical land and improvements at the Airport.

Detailed comparable data and analyses have been retained in the consultants' files. All comparable lease data utilized in this analysis reflects information on land leased directly from the owner of the airport. Based upon the consultant's research, there was sufficient data to derive reasonable conclusions of market rent for the various subject sites and facilities. The selection of market-based rental rates is based upon the information analyzed by the consultant, with consideration to the location and amenities of BDN compared to the airports surveyed. The following is a summary of available market information on aeronautical land leases.

BEND MUNICIPAL AIRPORT COMPARABLE RENTS							
Airport	Tiedowns	Unimproved Land	T-HANGARS			BOX HANGARS	
			Storage Units	Size (SF)	Monthly Rent	Size	Rent/SF/Year
Crater Lake-Klamath (LMT), Klamath Falls, OR	FBO	\$0.269-\$0.372	NA	1,010-1,617	\$335 - \$650	2,500-9,260	\$4.05 - \$5.71
Mahlon Field (EUG) Eugene, OR	\$10-\$75/Day	\$0.43-\$0.47	NA	NA	NA	5,500	\$12.00 - \$18.00
McNary Field (SLE) Salem, OR	\$5/Day \$35-\$60/Mo	\$0.34	NA	NA	NA	NA	NA
Aurora State (UAO) Aurora, OR	\$3/Day \$15-\$20/Mo	\$0.4076	NA	1,000	\$450 - \$500	NA	NA
Corvallis Muni. (CVO) Corvallis, OR	NA	\$0.377	NA	1,000	\$170 - \$216	NA	NA
Roberts Field (RDM) Redmond, OR	\$15-\$35/Day	\$0.45	NA	1,062-1,246	\$275 - \$350	3,120-4,125	\$5.00-\$6.00
Prineville (S39) Prineville, OR	\$25-\$35/Mo	\$0.26	NA	1,320	\$350	2,500	\$4.80
Hillsboro (HIO) Hillsboro, OR	\$35/Mo	\$0.41	NA	1,073-1,230	\$350 - \$550	NA	NA
Troutdale (TTD) Troutdale, OR	\$35/Mo	\$0.29	NA	1,050	\$267 - \$390	NA	NA
Walla Walla (ALW) Walla Walla, WA	NA	\$0.115-\$0.233	NA	1,020 - 1,060	\$115 - \$210	4,800-11,000	\$1.71 - \$3.84
Roseburg Reg. (RBG) Roseburg, OR	\$3/Day \$73/Mo	\$0.32	\$65-\$100	NA	NA	NA	NA
Fresno Yosemite (FAT) Fresno, CA	\$3/Day \$60/Mo	\$0.40	\$100	NA	\$200 - \$300	NA	NA
Sacramento Exec. (SAC) Sacramento, CA	\$72/Mo	\$0.54	NA	630-1,200	\$227 - \$955	2,051	\$4.68
Oroville Muni. (OVE) Oroville, CA	NA	NA	NA	1,050	\$275 - \$310	NA	NA
Modesto (MOD) Modesto, CA	\$54/Mo	\$0.066	\$58-\$151	NA	\$208 - \$466	2,500-3,600	\$2.76
Sonoma County (STS) Sonoma, CA	\$55/Mo	\$0.40 - \$075	NA	NA	\$170 - \$483 \$392 - \$932	3,600	\$9.00
Concord (CCR) Concord, CA	\$48/Mo-\$90/Mo	NA	\$196	NA	\$372 - \$681	NA	NA
Nut Tree (VCB) Vacaville, CA	\$65/Mo-\$125/Mo	NA	\$193	MA	\$400 - \$713	NA	NA
Eastern Oregon (PDT) Pendleton, OR	NA	NA	NA	NA	\$110 - \$125	NA	\$6.00 - \$15.00
Napa County (APC) Napa, CA	\$80/Mo	\$0.42	\$93	NA	\$226 - \$495	NA	\$5.00



The surveyed data offers a wide range of market information, although all of the data is within a reasonable and expected range. At those airports demonstrating a range of rates, the lower rates are generally reflective of sites offering lesser development potential or land requiring greater infrastructure development.

## **AERONAUTICAL LAND**

Similar to tiedown rates, aeronautical land rents are somewhat erratic at airports throughout the region. However, this is deemed to be predominately related to the varying levels of supply and demand at the various airports surveyed. Based upon the current and historic demand at BDN, with consideration to the pending air traffic control tower completion, it is the consultant's opinion that an annual rental rate at the higher end of the range of **\$0.45 per square foot per year** is appropriate for aeronautical land leases at BDN.

Within this analysis, the FBO development area and fuel farm area are both recognized as unimproved aeronautical land. This is consistent with the industry's recognition of such land areas in terms of their utilization and consistency within the airport environs as aeronautical land. As such, the concluded rate for these two areas is assigned the aeronautical land rate concluded herein. (The City/Airport is advised to utilize the rates prescribed herein as a guideline for rate-setting, with prospective adjustments being warranted for specific lease terms and conditions and/or larger land or significant capital investment associated with facility development.)

## **RAMP/APRON**

The next component analyzed is paved ramp/apron at BDN. At most airports, the rent applicable to paved ramp/apron is effectively comprised of the unimproved land rent component, with a premium applied to reflect the additional value attributed to the surface improvements of the pavement. The distinguishing characteristic of the pavement addressed herein is its capability to support an aircraft (fixed wing or rotor). The difference between aircraft ramp/apron and automobile parking is the structural components that impact the ramp's ability to support an aircraft, which requires a significant greater amount of substructure improvements than a typical

automobile parking lot. As previously noted, it is the consultant's understanding that all of the ramp/apron at BDN reflects the same weight bearing capacity, regardless of whether it is attributed to fixed wing or helicopter aircraft support.

As noted above, the rental rate applied to ramp/apron is generally a function of the underlying unimproved land rate, as the aircraft-specific pavement improvements generate a need to apply a premium. In this instance, given the underlying concluded rate of \$0.45 per square foot market rate for the underlying aeronautical land and the quality and condition of the various ramp/apron areas around the Airport, an aircraft ramp/apron premium of \$0.20 per square foot per year, or a total of **\$0.65 per square foot per year** for all Airport areas improved with aircraft ramp/apron.

## **T-HANGARS**

As discussed earlier, the T-hangars at BDN reflect a variety of age, quality, condition and utility. Moreover, although there is consistency in hangar sizes within certain complexes, there are wide varieties in unit sizes in others. While the assessment of "rent per square foot" represents the industry standard for many types of hangars, this approach does not always correspond to the marketplace when it comes to T-hangars. This is because the utility of a traditional T-hangar containing 1,000 square feet does not offer notably different utility for aircraft storage than the same basic hangar that contains 950 or 1,050 square feet. Nevertheless, the rent could vary widely if analyzed on a per square foot basis. With the foregoing in mind, the following reflects our recommended monthly rental rates for the various T-hangars at BDN.

<b>BEND MUNICIPAL AIRPORT T-HANGARS</b>		
<b>A &amp; B (63160-63170 Powell Butte Highway)</b>		
<b>Unit Nos.</b>	<b>Unit Area (S.F.)</b>	<b>Monthly Rent</b>
A1, A3-A8, A10	1,250	\$275
A2 & A9	1,410	\$350
B1, B3-B8, B10	1,250	\$275
B2 & B9	1,410	\$350
<b>D - H (63054 - 63070 Powell Butte Highway)</b>		
D1 - D6	1,400	\$400
E1	1,080	\$350
E2 - E3	1,400	\$400
E4 - E5 (Storage)	500	\$200
F1, F3, F5	1,400	\$400
F2 & F4	1,900	\$600
G1 - G6	1,400	\$400
H1 - H4	1,400	\$400
<b>I - J (63290 - 63316 Powell Butte Highway)</b>		
I1	1,221	\$500
I2 - I9	1,056	\$425
I10	1,221	\$500
I11 - I12 (Storage)	378	\$200
JA - JE	1,300	\$500
JF (Storage)	378	\$200
JG - JK	1,300	\$500
JL (Storage)	378	\$200
<b>TB (63088 Powell Butte Highway)</b>		
TB1	963	\$325

## BOX HANGARS

The Airport also includes a number of City-owned box hangars leased to individuals. Unit sizes are general consistent, with the exception of two World War II Quonset style hangars. Due to the consistency in unit sizes and utility, rents for box hangars are assessed on a per square foot basis. The following represents our market rent conclusions for the BDN box hangars based upon the surveyed data.

Box hangar rents reflected a wide range from \$1.71 to \$18.00 per square foot. However, excluding the extreme upper and lower end of the range exhibited by Mahon Field in Eugene and the Eastern Oregon Regional Airport in Pendleton (upper end), and the Walla Walla Regional Airport in Washington and Modesto Airport in California (lower), a much tighter range from \$4.05 to \$9.00 per square foot is reflected. All of these rates represent net rents with the tenant responsible for utilities. Based upon the foregoing, the following reflects our market rent conclusion for the box hangars at BDN.

BEND MUNICIPAL AIRPORT BOX HANGARS		
Unit Nos.	Unit Area (S.F.)	Annual Rent Per S.F.
63004	3,000	\$6.00
63006	3,000	\$6.00
63008	3,000	\$6.00
63330-A	3,770	\$6.00
63330-B	3,770	\$6.00
63120	3,800	\$4.00

## TIEDOWNS

At BDN, there are approximately 38 tie-down spaces leased on a monthly basis. In addition, there are 28 tiedowns utilized by Leading Edge Aviation located just south of the FBO leasehold and terminal building. Comparable airports surveyed offer a general range between \$20 to \$125 per month for tie-down rent. Tiedown rates at surveyed airports are highly inconsistent, and in many

cases, appear to reflect somewhat dated and/or highly subsidized rates. Considering all factors, market-based tiedown rents at BDN estimated at \$60.00 per month.

## FBO TERMINAL SPACE

FBO executive terminal facilities are often part of an office/hangar complex, whereby the rent is inclusive in an overall rate applied to the entire complex. Moreover, in many situations, terminal facilities are constructed by the lessee under a long-term ground lease, and the facilities have not yet reverted. When they do re-lease, they are often heavily discounted due to the tenant's offer to provide significant investment in the facility to bring it up to current industry standards. In other situations, a new replacement terminal is built that is more commensurate with current industry expectations and needs. The following is a summary of FBO terminal rates derived from our survey.

FBO TERMINAL COMPARABLES	
Airport	FBO Terminal/Office Rate (Per S.F. Per Year)
Jacksonville International (JAX)	\$5.84
Wilmington International (ILM)	\$6.90
Kinston Regional (ISO)	\$8.00
Tampa International (TPA)	\$8.00
DeKalb Peachtree (PDK)	\$8.05
Northeast Florida Regional (SGJ)	\$9.00
Wichita Dwight D. Eisenhower National (ICT)	\$9.18

Based upon the above data, and with consideration to the quality, condition and utility of the BDN FBO terminal space, a market-based rental rate of **\$8.00 per square foot** is concluded.



## CAFÉ/RESTAURANT

The City has also requested an assessment of traditional restaurant lease terms at general aviation airports that would be applicable to the Café/Restaurant space in the Airport terminal building. Restaurant leases at general aviation airports have a long history, primarily built around the concept of the ‘hundred dollar hamburger’ whereby pilots would use lunch as an excuse to fly to an on-airport restaurant/café, and the airport restaurant/café being the hangout for an airport’s local pilot community. Unfortunately, while often seen as an attraction to the airport to facilitate additional traffic and fuel sales, in many cases, on-airport restaurants are generally less than successful and exhibit significant turnover (although there are some examples of successful restaurants). Many airports have resorted to subsidizing restaurant operations in order to help them either start-up or continue to exist. The following is a summary of restaurant leases at general aviation airports.

AIRPORT RESTAURANT/CAFÉ LEASES					
Airport/Location	Restaurant	Leased Area (S.F.)	Annual Rent	Base Rent Per S.F.	Additional Rent
Lake Tahoe Airport (TVL), South Lake Tahoe, CA	Flight Deck Bar & Grill	2,700	\$10,392	\$3.85	No
Dallas Executive Airport (RBD), Dallas, TX	Delta Charlie’s	2,533	\$8,400	\$3.32	Additional rent of 14% of Gross
Colorado Air and Space Port (CFO), Watkins, CO	Mi Tierra	1,900	\$12,600	\$6.63	3% annual increase
Bowman Field (LOU), Louisville, KY	Le Relais	5,542	\$36,000 (MAG)	\$6.50	5% of Gross
San Luis Obispo Regional (SBP) San Luis Obispo, CA	Spirit of San Luis	3,700	\$36,000 (MAG)	\$9.72	4% of gross revenues up to \$100K/month, 6% above \$100K/month
Albert Whitted Airport (SPG), St. Petersburg, FL	The Hangar Restaurant	6,048	\$65,364 (MAG)	\$10.80	Sliding scale from 6% to 2% of Gross

Based upon the foregoing, it appears that a base rent of **\$7.00 per square foot per year** would be appropriate for the café/restaurant space in the BDN terminal. It is suggested that the base rent be reflective of annual CPI increase to the base rent and/or a minimum annual guarantee predicated upon at least 3% of gross revenues.

## OFFICE SPACE

As noted herein, the terminal building at BDN also includes some leasable office areas in addition to the FBO terminal and Café/Restaurant. To assess the prevailing market rent for these office areas, a survey was completed of terminal office areas at airports throughout the region. The adjacent chart reflects a brief summary of available market data.

<b>AIRPORT OFFICE LEASES</b>	
<b>Airport/Location</b>	<b>Base Rent Per S.F.</b>
Crater Lake/Klamath Regional, Klamath Falls, OR	\$13.50 - \$22.65
McNary Field, Salem, OR	\$4.92
Walla Walla Regional, Walla Walla, WA	\$8.00 - \$15.00
Roberts Field, Redmond, OR	\$14.50

Based upon the available market data, a rental rate of **\$15.00 per square foot per annum** is deemed appropriate for the leasable office suites within the terminal building at BDN.

## **FINAL MARKET RENT SUMMARY**

As discussed herein, the primary purpose of the assignment was to provide an estimate of the Market Rent for aeronautical land and miscellaneous improvements within the Bend Municipal Airport. All aeronautical land and paved ramp/apron at BDN is assessed a uniform annual per square foot rate. Improvement areas reflect rates commensurate with the size, age, quality, condition, and utility. Within this analysis, the FBO development area and fuel farm area are recognized as unimproved aeronautical land. This is consistent with the industry's recognition of such land areas in terms of their utilization and consistency within the airport environs as aeronautical land.

In this analysis, the market rent conclusions reflect the amount of rent that the Bend Municipal Airport can expect to receive from a tenant for the right to lease, use and development a defined parcel of land or improvement at the Airport. Based upon the foregoing, the following is a summary of the lease rate conclusions for the aeronautical land and miscellaneous improvements analyzed at the Bend Municipal Airport, as of January 7, 2025, our date of inspection and analysis.

<b>BEND MUNICIPAL AIRPORT RENT CONCLUSIONS</b>	
<b>Property Type</b>	<b>Rent Conclusion</b>
<b>Aeronautical Land</b>	\$0.45/S.F./Year
<b>Paved Ramp/Apron</b>	\$0.65/S.F./Year
<b>T-Hangars</b>	Per Month
A1, A3-A8, A10	\$275
A2 & A9	\$350
B1, B3-B8, B10	\$275
B2 & B9	\$350
D1 - D6	\$400
E1	\$350
E2 - E3	\$400
F1, F3 & F5	\$400
F2 & F4	\$600
G1 - G6	\$400
H1 - H4	\$400
I1	\$500
I2 - I9	\$425
I10	\$500
JA - JE	\$500
JG - JK	\$500
TB1	\$325
<b>Box Hangars</b>	Per S.F. Per Year
63004	\$6.00
63006	\$6.00
63008	\$6.00
63330-A	\$6.00
63330-B	\$6.00
63120	\$4.00
<b>Hangar Storage Areas</b>	Per Month
E4 - E5	\$200
I11 - I12	\$200
JF	\$200
JL	\$200
<b>FBO Development Area (Land)</b>	\$0.45/S.F./Year
<b>Fuel Farm Area</b>	\$0.45/S.F./Year
<b>Tiedowns</b>	\$60.00 Per Month
<b>FBO Terminal Space</b>	\$8.00/S.F./Year
<b>Café/Restaurant</b>	\$7.00/S.F./Year
<b>Office Areas</b>	\$15.00/S.F./Year

As discussed herein, the FBO development area and fuel farm area are recognized within the airport industry as unimproved aeronautical land. As such, the concluded rate for these two areas is assigned the aeronautical land rate concluded herein. Moreover, it should be noted that all of the aircraft ramp/apron at BDN, whether for fixed wing or helicopter aircraft, reflects the same weight bearing capacity and are therefore deemed to warrant the same rent per square foot, regardless of use.

The aforementioned rent conclusions are based upon standard lease terms for the Bend Municipal Airport. *The City/Airport is advised to utilize the rates prescribed herein as guidelines for rate-setting, with prospective adjustments being warranted for specific lease terms and conditions and/or larger land areas or capital investment associated with a project.*



## CERTIFICATION

I certify that, to the best of my knowledge and belief:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.

I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.

I have not performed services as an appraiser or consultant on the properties that are the subjects of this report within the three-year period immediately preceding acceptance of this assignment.

I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

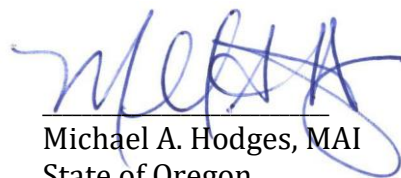
My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this analysis.

My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives, and I am currently certified under the voluntary continuing education program of the Appraisal Institute.

On January 7, 2025, Michael A. Hodges, MAI made an inspection of the properties that are the subject of this report.

In preparation of this report, no one provided significant professional assistance to the person signing this report.

A handwritten signature in blue ink, appearing to read "Michael A. Hodges", is written over a horizontal line.

Michael A. Hodges, MAI  
State of Oregon  
State Certified General Appraiser  
License No. C001674

Market Rent Analysis Update  
Miscellaneous Aeronautical Land & Improvements  
Bend Municipal Airport (BDN)  
May 1, 2025



## **ADDENDA**

Market Rent Analysis Update  
Miscellaneous Aeronautical Land & Improvements  
Bend Municipal Airport (BDN)  
May 1, 2025



## **GENERAL ASSUMPTIONS AND LIMITING CONDITIONS**

## **GENERAL ASSUMPTIONS AND LIMITING CONDITIONS**

1. The legal and/or metes and bounds as pointed out by the client are assumed to be correct.
2. No survey of the property has been made by the consultant and no responsibility is assumed in connection with such matters.
3. No responsibility is assumed for matters of a legal nature affecting title to the property nor is an opinion of title rendered. The title is assumed to be good and merchantable but not necessarily owned in fee by the client as of the date of this opinion.
4. Information furnished by others is assumed to be true, correct and reliable. A reasonable effort has been made to verify such information; however, no responsibility for its accuracy is assumed by the consultants.
5. It is assumed that there are no hidden or unapparent conditions of the property, sub-soil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.
6. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated.
7. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless non-conformity has been stated. All values stated herein are contingent upon the proper zoning, existing or proposed, being granted by the local zoning authorities and adhered to regardless of the proposed use.
8. It is assumed that all required licenses and consents have been obtained from legislative or administrative authority for any use on which the value contained in this analysis is based.
9. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted within this analysis.
10. The consultant will not be required to give testimony or appear in court because of having made this analysis, with reference to the property in question, unless arrangements have been previously made.
11. Possession of this analysis, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the consultants, and in any event, only with proper written qualification and only in its entirety.

12. If there are any improvements of value, the distribution of the total valuation in this analysis between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other analysis and are invalid if so used.

13. No environmental impact studies were either requested or made in conjunction with this analysis and the consultants hereby reserve the right to alter, amend, revise or rescind any of the value opinions based upon any subsequent environmental impact studies, research or investigation.

14. Neither all nor any part of the contents of this analysis, or copy thereof, shall be conveyed to the public through advertising, public relations, news, sales or any other media without written consent and approval of the consultants. Nor shall the consultants, firm or professional organization of which the consultants are a member be identified without written consent of the consultant.

15. Unless otherwise stated in this analysis, the existence of hazardous material, which may or may not be present on the property, was not observed by the consultants. The consultant has no knowledge of the existence of such materials on or in the property. The consultant, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there are no such materials on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

16. Current and historical market conditions have been analyzed in anticipating trends pertinent to the date of valuation. It should be noted, however, that unforeseeable changes in economic and market factors could dramatically affect the value estimate and conclusions herein.

17. The consultant has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since the consultant has no direct evidence relating to this issue, the consultant did not consider a possible noncompliance with the requirements of ADA in estimating value.

18. Acceptance of and/or use of this analysis constitutes acceptance of the foregoing general assumptions and limiting conditions.

Market Rent Analysis Update  
Miscellaneous Aeronautical Land & Improvements  
Bend Municipal Airport (BDN)  
May 1, 2025



## **QUALIFICATIONS OF CONSULTANT**



# CURRICULUM VITAE

*NAME:* Michael A. Hodges, MAI

*TITLE:* President/CEO

*FIRM NAME:* *ABS Aviation Consultancy, Inc. dba*  
***Airport Business Solutions***

*ADDRESS:* 90 Fort Wade Road, Suite 100  
Ponte Vedra, Florida 32081-5114

*PHONE:* Office (813) 813-3170  
Cell (904) 307-2434

## *EDUCATION*

Graduate of the University of Tennessee with a Bachelor of Arts Degree - Major in Philosophy.

## *PROFESSIONAL AND TECHNICAL COURSES*

Currently certified in the program of continuing education as required by the Appraisal Institute.

Completed requirements for MAI member designation of the Appraisal Institute to include peer review of appraisal assignments, completion of a demonstration appraisal report on an income-producing property, experience rating, and educational courses.

## *BACKGROUND AND EXPERIENCE*

President and CEO of *ABS Aviation Consultancy, Inc. dba Airport Business Solutions (ABS)*, a diverse aviation valuation and consulting firm which specializes in the analysis of airports, fixed base operations, and other aviation-related properties for lease negotiation, acquisition, litigation, leasehold and going-concern valuation, and bankruptcy, as well as providing specialized airport management consulting, to include policy development, to airports of all sizes. Additional expertise offered in the area of financial self-sufficiency analysis for general aviation airports and through-the-fence access agreements and operations.

***ABS*** has provided a myriad of services to airports throughout North and South America, Asia, and Europe. Using our extensive and diverse experience, ***ABS*** has assisted airports throughout the world in such areas as business plan development and implementation, concessions planning and management, air cargo assessments, facility/operating agreement



## *BACKGROUND AND EXPERIENCE (Continued)*

negotiations, terminal design, parking assessment, rental car analysis, general aviation operations and management, non-aeronautical land development, financial modeling, and full or partial airport privatization assessments.

President and CEO of **ABS Aviation Management, Inc. dba ABS Aviation**, an airport and FBO management services entity currently providing comprehensive FBO management of the Big Island Jet Center FBO at the Ellison Onizuka Kona International Airport in Kailua-Kona, Hawaii.

Aviation President of Kompass Partners from 2005 through 2013. Kompass Partners was a Hong Kong-headquartered company specializing in creating successful partnerships between U.S. and Chinese aviation businesses.

Vice President and Part Owner in the firm of Hodges, McArthur, & Dunn, P.C. Real Estate Appraisers and Consultants from 1990 through 1995. Hodges, McArthur and Dunn, P.C. was a full-service real estate appraisal and consulting firm with offices in Knoxville, Nashville, and Memphis, Tennessee, and Atlanta, Georgia. Responsibilities included appraisals, general feasibility studies, and market analyses on a variety of property types involved in financing, acquisition, condemnation, bankruptcy, litigation, and estate valuation.

Founder and President of HMD Aviation Appraisal Group in 1994, a division of Hodges, McArthur & Dunn, P.C. HMD Aviation Appraisal Group was a real estate appraisal and consulting firm which specialized in the valuation of the real estate aspect of fixed base operations and other aviation-related properties for lease negotiation, acquisition, litigation, leasehold valuation, and bankruptcy.

Staff Appraiser with Hodges and Wallace Appraisal Associates from 1982 through 1990. Responsibilities included research, appraisals, general feasibility studies and market analyses on a variety of property types involved in financing, acquisition, condemnation, bankruptcy, litigation, and estate valuation.

## *COURT EXPERIENCE*

Qualified as an expert witness in various courts in Florida, Georgia, Tennessee, Kentucky, Arizona, Colorado, and California on various valuation, management, financial and operational issues on airports, aviation businesses and aviation-related properties.

## *TERRITORY*

**Airport Business Solutions** is based in Ponte Vedra, Florida with satellite offices in Asheville, North Carolina, Denver, Colorado, and Minden, Nevada. The firm has completed a variety of assignments throughout the United States, Asia, Europe and Latin America, to include valuation, consultation, and miscellaneous advisory services.



## *AFFILIATIONS AND DESIGNATIONS*

Elected to Membership in the Appraisal Institute with an MAI designation on April 20, 1994 - Member No. 10,333.

State of North Carolina – Certified General Real Estate Appraiser – Certificate No. A8162

State of Florida - Certified General Appraiser - License No. RZ2770

Commonwealth of Pennsylvania - Certified General Appraiser - Certificate No. GA-001626-R

State of Georgia - Certified General Real Property Appraiser - License No. CG004018

State of Texas – Certified General Real Estate Appraiser – License No. TX 1338569 G

State of Tennessee - Certified General Real Estate Appraiser – License No. 5506

State of South Carolina – Certified General Appraiser – License No. AB 3026 CG

State of Oregon – Certified General Appraiser - License No. C001674

State of Colorado – Certified General Appraiser - License No. CG.200003989

Commonwealth of Kentucky – Certified General Real Property Appraiser – License No. 297898

Member of the Appraisal Institute's Young Advisory Council in 1994-1996

Corporate Member of the National Air Transportation Association (NATA)

Corporate Member of the American Association of Airport Executives (AAAE)

Corporate Member of the National Business Aviation Association (NBAA)

Member of AAAE's General Aviation Airports Committee

Member of NATA's Airport Business Committee

Member of NATA's FBO Subcommittee

Member of AAAE's Airport Sponsor FBO Committee