

# Luverne Municipal Airport Quentin Aanenson Field

## Airport Hangar Policy

### Introduction

This policy outlines the policies and procedures governing hangar leases and operations at Luverne Municipal Airport – Quentin Aanenson Field which is owned by the City of Luverne. It incorporates the terms of the standard lease agreement and additional operational policies adopted by the City of Luverne.

### 1. Definitions

#### “Actively Worked On”

Means that the aircraft is subject to ongoing, documented maintenance, repair, restoration, or inspection activities performed consistently and with reasonable frequency by qualified personnel. This includes maintenance tasks such as overhauling, repairing, preserving, or replacing parts in accordance with FAA regulations (e.g., 14 CFR Part 43). Activities must demonstrate continuous progress toward operational or airworthy status, supported by maintenance records or documented work performed within a recent and regular timeframe—such as updated records within the past 90 days or a project plan with milestones showing steady progress. These activities ensure compliance with airworthiness directives, safety guidelines, and proper maintenance standards required for safe flight.

#### “Non-aeronautical”

Non-aeronautical activities are uses of airport hangars that do not involve the storage, maintenance, repair, or operation of aircraft. Such activities include, but are not limited to, storage of personal household items, operation of non-aviation businesses (e.g., car storage, offices unrelated to aircraft), and any other use that displaces or impedes aeronautical activities. Limited incidental storage of non-aeronautical items that do not interfere with aircraft storage may be permitted at the airport sponsor's discretion but must not create unfair advantage or safety hazards.

#### “Project Planes”

Project planes are aircraft that are under construction, restoration, or extensive maintenance and may not be currently operational. Project planes must be actively worked on and maintained in a manner consistent with FAA safety guidelines; indefinite storage of non-airworthy aircraft without progress may result in lease restrictions or termination.

#### “Unsightly Maintenance”

Unsightly maintenance refers to activities within the hangar that result in conditions adversely affecting the appearance, safety, or efficient use of the premises or adjacent airport property. Examples include excessive accumulation of parts or debris, leaking fluids, improper disposal of materials, or prolonged disassembly/storage of derelict aircraft. Maintenance must be conducted in a clean, organized, and safe manner consistent with FAA and airport standards to preserve operational efficiency and aesthetics.

## 2. Lessee Contact Information Requirements

Lessees are required to maintain accurate and up-to-date contact information with the City of Luverne at all times. This includes:

- Full legal name or business name
- Current mailing address
- Primary phone number
- Active email address

Any changes to this information must be reported to the City within 30 days of the change. Failure to maintain current contact details may result in missed communications, which could affect lease compliance and renewal eligibility.

## 3. Minimum Operational Standards

All hangar tenants must meet the following minimum standards:

- Maintain current insurance coverage meeting City, Minnesota and FAA requirements, including liability and property insurance. Must include the City of Luverne as an additional insured.
- Ensure that all aircraft and equipment stored in the hangar are regularly inspected and maintained in accordance with State and FAA regulations.

- Must hold a current FAA airworthy certificate and have a valid annual inspection documented by the FAA.
- Must hold a current Minnesota aircraft registration.
- Demonstrate the ability to maintain the premises in a clean, safe, and orderly condition at all times.
- Failure to comply may result in suspension or revocation of lease privileges.
- Lessee is responsible for operating Aircraft on the Airport in accordance with applicable Federal and State aviation regulations.

## 4. Rent Charges

Hangar rent is calculated based on the square footage of the leased space. The monthly rate is \$.50 per square foot. Exceptions include Storage Units 2-6, 2-7, 5-6, and 5-7, which may be subject to flat-rate pricing.

## 5. Utilities

Each unit is individually metered for utilities. Lessees must complete utility applications with the City of Luverne and pay monthly for utility availability and actual usage.

## 6. Access and Security

The City of Luverne must retain a master key for emergency access to all hangars. Lessees shall not change out locks; the City of Luverne shall only change out locks. Parking is permitted only in designated, marked areas.

## 7. Inspections

Lessor may at any reasonable time enter and inspect the Leased Premises for the purposes of ensuring Lessee's compliance with the obligations under this Agreement. Lessor agrees to notify Lessee of any such inspection and/or entry. Lessor will be held responsible for any theft or damages to Lessee's property should Lessor fail to properly lock the doors of the Leased Premises upon completion of the inspection. At minimum, hangars will be inspected twice per year by the Airport Manager and the City Administrator or designee. Inspections ensure compliance with lease terms, safety standards, and maintenance requirements.

## 8. Project Planes

Hangars used for project aircraft are only eligible for month-to-month leases at a higher rate (\$.25/per square foot differential). These leases may not exceed one year.

## 9. Wait List Policy

Applicants seeking hangar space must complete a Hangar Lease Application and provide Minnesota aircraft registration. Applicants are evaluated using a weighted readiness point system:

- Current insured aircraft
- Current FAA airworthy certificate with annual inspection
- Current Minnesota aircraft registration
- Licensed and qualified pilot, FAA private pilot certificate
- Aircraft currently tied down at LYV

Each criterion earns one point. In the event of equal scores, priority is given on a first-come, first-served basis.

## 10. Lease Term

All airport hangar leases are issued for a one-year term beginning on January 1 and ending on December 31 of the same calendar year. Lessees wishing to renew their lease must submit a completed renewal application to the City of Luverne no later than sixty (60) days prior to the expiration date of the current lease. Failure to submit a renewal application by the deadline may result in the hangar space being offered to other applicants on the waiting list.

## 11. Default and Termination

A lessee is in default if they fail to pay rent, violate lease terms, allow unsafe conditions, or breach airport policies. Upon default, the City will notify the lessee in writing. The lessee has 15 calendar days from notice to cure the default. If uncured, the City may terminate the lease and require vacating the premises. Either party may terminate the lease with 60 days' written notice (unless in default). The lessee may appeal a termination decision in writing to the City Administrator within 15 days of notice.

## 12. Subleasing/Assignment

Subleasing or assignment of hangar leases is prohibited without prior written approval from the City. Lessee requests for assignment or sublease must be submitted in writing and will be evaluated at the City's discretion. Unauthorized subleasing or assignment is grounds for lease termination.

## 13. Hangar Use Restrictions

Hangars must only be used for approved aeronautical activities, aircraft storage, and maintenance. Commercial activity is not permitted except with explicit written approval from the City. The storage of hazardous materials, flammable liquids, or explosives is strictly prohibited, unless they are stored in accordance with the State of Minnesota MPCA rules and regulations and applicable fire codes. Overnight living or residential use of hangars is not allowed. Non-aeronautical activities may result in lease termination.

## 14. Maintenance and Repairs to the Leased Premises (Hangar).

Lessor shall be responsible for all ordinary maintenance/repairs to the Leased Premises, including the hangar doors. Lessee shall be responsible for any maintenance/repairs to the Leased Premises necessitated by the negligent acts or omissions of Lessee, its agents, employees, or guests. If Lessor or Lessee fails to promptly maintain/repair the Leased Premises after written notice and without a reasonable objection/explanation, the other party may undertake such repairs as may be minimally necessary to maintain/repair the Leased Premises to a basic usable condition at the expense of the responsible party. In the event that the Leased Premises or Airport runways, taxiways, or access to the Leased Premises becomes substantially unusable or untenable for any period longer than 14 days, the parties will, if promptly requested by Lessee negotiate in good faith a rental fee adjustment for Leased Premises covering such time as aforementioned areas were unusable.

## 15. Liability and Indemnification

Lessee assumes all liability for personal injury or property damage arising from their use of the hangar. Lessee shall indemnify, defend, and hold harmless the City, its officials, and its employees from any claims, losses, or damages resulting from the lessee's activities,

except to the extent caused by the City's own negligence or misconduct. Proof of insurance in required minimum amounts must be provided annually.

## 16. Emergency Procedures

During emergencies, severe weather, or declared disaster, hangar access and airport operations may be restricted or closed at the City's discretion. Lessees must comply with airport staff instructions and vacate or secure hangars as directed. The City is not liable for damages resulting from emergency closures beyond its control.

## 17. Notice

All notices that are requested, required, or authorized under this Agreement shall be in writing and sent by first class mail to the address for that party as stated in the beginning of this Agreement. The next mail delivery day after the date on which any such notice is mailed shall be deemed the date such notice was received by the addressee. Should either party change addresses or contact telephone numbers, that party shall notify the other party within 30 days after such change.

## 18. Surrender and Possession

On the expiration or other termination of this Agreement, Lessee's right to use of the Leased Premises shall cease and Lessee shall promptly vacate the Leased Premises. Except as otherwise provided in this Agreement, all fixtures, improvements, equipment, and other property bought, installed, erected, or placed in the Leased Premises by Lessee shall become the property of the Lessor. All installations must be done by a licensed contractor. Lessor may charge Lessee for the reasonable cost of cleaning and /or removing any garbage, debris, parts, or other similar personal property left behind by Lessee.

## 19. Insurance

Lessee shall be required to maintain the following insurance during the term of this Agreement:

- Commercial general liability insurance; minimum amount of \$1,000,000 per occurrence, \$1,000,000 annual aggregate; city shall be named as an additional insured.

- Aircraft liability insurance; at least \$100,000 for bodily injury to each passenger; \$1,000,000 per occurrence for bodily injury and property damage; city shall be named as an additional insured.
- Automobile liability insurance for automobiles operated on the airport premises; minimum of \$500,000 combined single limit.
- If the Lessee will be storing aircraft for someone else, Lessee shall have “Hangar-keepers insurance” of at least \$250,000 per aircraft and \$500,000 per occurrence; city shall be named as an additional insured.
- Lessor shall maintain property insurance on all personal property maintained in the Leased Premises; city shall be named as an additional insured.

Lessee shall provide Lessor with a certificate of insurance showing proof of such coverage.

Lessee’s policies shall be primary insurance to any other valid and collectible insurance available to the City with respect to any claim arising out of Lessee’s performance under this contract.

Lessee’s policies and Certificate of Insurance shall contain a provision that coverage afforded under the policies shall not be cancelled without at least thirty (30) days advanced written notice to the City.

## 20. Maintenance of Aircraft

Pursuant to FAA Order 5190.6A, Airport Compliance Requirements, Lessee, with its own equipment and employees or agents, shall be allowed to perform maintenance on the Aircraft within/on the Leased Premises, provided that it is not done in a manner that would be unsafe, unsightly, or detrimental to the efficient use of the Airport facilities by others. Lessee will dispose of used oil only in approved receptacles designated by the Airport Manager. At no time shall the Lessee’s aircraft engines be started within the Leased Premises.