

# Experimental Aircraft Association



Chapter 23



Salt Lake City, Utah

## OCTOBER 2009 NEWSLETTER

### Minutes of Last Meeting

19<sup>th</sup> September was the annual Skypark Open House of projects at everyone's Hangars. The numbers were down, but enthusiastic.

### Next Meetings

Saturday, 10<sup>th</sup> October, 10:00 to 11:30am – Women's Presentations, with a Hamburger/Hot Dog lunch after the presentations. To be held at Bill & Dana Letcher's hangar, 1983 Thunderbird Dr. #B, at the Bountiful Skypark Airport. Lunch cost is \$6.00 per person.

### Upcoming Events

- October 22<sup>nd</sup> - 25<sup>th</sup> - Copperstate EAA Regional Fly-In  
For info see [www.copperstate.org](http://www.copperstate.org)

### Articles

#### President's Newsletter

September is over and October is quite cool so far. We are tired of hot weather but not ready for winter. A couple of months of Indian Summer would be nice.

Dave Carberry and I went to Reno for the Air Races, as Dave's guest. Four days of hot noisy fun. I spent most of my time in the pits. The people there were friendly and willing to talk about their birds, where they were based and what their plans were. It was a great time.

EAA Chapter 407 volunteers, from Carson City, staffed the gates. They have a meeting place at Carson City Airport and a hangar at the Air Races. They are a very active chapter. They do a fund-raiser almost every week. For doing their part at the races they receive over \$6000. They do fly in breakfasts, lunches and young eagle's flights for donations. It is allowing them to have their own meeting place and put a lot of improvements into the place.

If anyone has any ideas how we can make more money for the chapter and maybe have a permanent home, bring them up at the next meeting. It would be nice to be able to do projects, like build an airplane or something.

This month is the Lady's Presentation Month. Last year we all had a great time. At this time I don't know who the speakers are but it should be fun. Starts at Ten AM, lunch after. Bill

#### A Primer On Chapter Hangars

By Bill Hanna from the EAA Website

Many EAA Chapters own a hangar or clubhouse that serves as a home-base for the Chapter and its activities. For others this is only a dream; member's homes or other borrowed facilities are used to support the Chapter meetings and programs. Acquiring a Chapter facility can be a daunting task, but it has been accomplished many times. The following thoughts and considerations are intended to help a Chapter plan to make that dream become a reality.

#### WHY BUILD A HANGAR?

Not every EAA Chapter needs a hangar. Depending on the kind of activities a Chapter engages in, the locale it serves, the size of its membership and other factors unique to a Chapter. Owning a building may not be in the Chapter's best interest. The Chapter's mission statements and objectives need to be reviewed thoughtfully to assure that owning a building will be compatible with the Chapter's long-term direction, and it can be designed to support that direction effectively.

This helps validate the need for a Chapter facility and establish some of the basic criteria for its design. It is important to keep this assessment in the proper perspective. A vision to "own a Chapter hangar" is not properly framed. A better question is "how would owning a hangar help meet our vision?" Most Chapters will benefit greatly by owning their own facility.

The need for a building and its general design concepts should support the sum of a Chapter's unique vision and mission. The better this is understood at the beginning of the project, the better the final building will serve the needs of the Chapter when it's completed. What will the building be used for? For a Chapter that is populated with many active pilots with many aircraft, aircraft storage and provisions for flight planning should drive the building plan. Other Chapters are focused on aircraft construction and their facility may want to be tailored more around the concepts of a workshop. If providing aviation

education dominates a Chapter's activities, classroom features will want to be reflected in its facility.

Will the Chapter also sponsor fly-ins and other activities that bring in the public? Most Chapters are an amalgam of all of the above activities as well as engaging in social and family activities. The functional design of its building must support the unique mix of activities of the Chapter.

Keep the future in mind; a Chapter's vision and mission will change over time. If a facility is tailored too specifically for near-term requirements, it may become unsuitable in the future. A Chapter will also discover that owning a building enables new activities it had not engaged in previously. A degree of flexibility should be planned for.

This assessment and conceptual planning stage is crucial. A Chapter may find it useful to appoint a Planning Committee to work through this assessment phase. The Committee's key deliverable to the Chapter membership would be a report that answers the questions: why does the Chapter need a building, what will it be used for and how will it enhance the accomplishment of the Chapter's vision and mission? These answers and buy-in by the Chapter membership provide a sound basis to begin the detailed planning for the project.

#### WHAT SHOULD IT LOOK LIKE?

Once the need and will of the Chapter exists to own a building, a Building Committee should be appointed. This establishes a process and responsibility to translate the Chapter's building needs into specific plans and specifications. The Committee should also be charged with the overall administration of the project through its completion - a very important group.

This phase is a lot of fun and the committee should make certain that several alternatives are developed. Give the process sufficient time for ideas to be stimulated: good ideas cannot be scheduled and frequently are the product of bad ideas. Share the alternatives with the Chapter membership.

This is guaranteed to generate MUCH discussion, but all the brains of the Chapter should be tapped. The job of the Building Committee is to collect input and synthesize it into a final proposal. Most often, the final plan will end up as a hybrid derived from the features of several different plans.

How the building is to be configured depends on the set of uses the planning process defined. Storage of aircraft can be accomplished several ways. The classic T-hangar is fairly space efficient and provides direct access to any aircraft. Modular, commercial buildings are available for this type of hangar - most aviation-related magazines carry advertisements. A T-hangar does require a long site configuration and lots of doors, and doors are expensive. A more rectangular layout with a common aircraft storage area provides more flexibility for other activities (meetings, banquets, hangar dances, etc.) and typically can be serviced with just one large door (also expensive - there's no such thing as a cheap door). This arrangement frequently requires moving several aircraft, as the one ready to fly will invariably be parked in back. The trade-off

here is between the convenience of aircraft access and the flexibility to use the space for other purposes.

Workshop areas need different considerations than a hangar. Plenty of lighting and electrical outlets are essential. Wall space is always at a premium for benches and storage, so pay close attention to door and window placement. Check local codes and ordinances regarding the storage of flammable and hazardous materials. Special provisions may be required if painting is to be permitted in the shop, and think through carefully that all aspects of ventilation and control of over-spray. A paint booth deals with these problems very well, but is hardly worth the space and expense for the level of utilization it would likely receive. Most shops will require a heating system, air circulation, dust control and the presence of flammable fumes needs to be considered.

As kit aircraft have become more popular, the space required to construct an aircraft has grown. Many kit components are large, bulky and require protected storage areas. A loft can prove very useful for storing components prior to final assembly. Access around aircraft under construction should be planned carefully. A fuselage or wing in a jig is not portable and may need to stay in one place for YEARS.

A separate meeting room is generally included in most Chapter buildings. Shop areas serve poorly as a general meeting space. Hangars can double as a meeting area, but aircraft have to be moved to accommodate every meeting, the acoustics are generally poor and heating provisions for winter months may not be practical. Serious consideration should be given to kitchen facilities for the meeting area. The capability to store and prepare food can enhance any Chapter meeting and may enable the Chapter to sponsor other meetings and activities (potential fund-raisers). Bathroom facilities will be defined, in part, by building codes. If the Chapter plans to sponsor fly-ins and other public events, do not underestimate the importance of kitchen and bathroom facilities.

The site plan for a Chapter building is every bit as important as the building interior. Where will people park for meetings? There must be ample, clear area for aircraft movements. EAA Chapters make very poor airport tenants if their facility does not look attractive and integrates with the general flow of airport operations.

Most of this planning can be accomplished with simple sketches. However, once a final concept is defined, most building authorities will require that a professionally developed set of architectural drawings be prepared for the issuance of a building permit.

This step adds much value since the architect will translate the proposal sketches into a formal plan that reflects good building design practices, and assures the appropriate specifications to meet applicable building codes are included. Usually a property survey will also be required to establish the basis for a deed or property lease and to finalize the plot plan. These drawings also allow consistent quotes to be obtained if the job is going to be done by contractors. Make the final plans set available for Chapter members to review and critique. It's better to discover a missing detail on paper than after the project

is done. Reviewing the plans will also put the membership's enthusiasm for the project into afterburner.

Some Chapters have the good fortune to find a suitable building that can be purchased (or donated to the Chapter). Do not overlook the opportunities that an existing building may offer. If the building meets the basic needs of the Chapter, much administrative work for the acquisition of land, site planning and utilities is bypassed. If the building is serviceable, the Chapter will begin to enjoy the benefits of owning a facility immediately (construction projects take a long time to complete). This route is entirely dependent on what kind of buildings is available to the Chapter and their specific conditions.

An existing building does not necessarily represent a low cost solution. If major renovation work is required, the cost to meet current codes, replace worn-out mechanical and electrical systems, maybe remove asbestos insulation and generally improve the building can approach the cost of new construction, and it may be harder to do the work. Before committing to use an existing building, the Chapter should assure that a complete assessment of ALL the work involved has been done. Check with local building authorities and get quotes from contractors if necessary. This is a very practical route to acquiring a Chapter building, just try to avoid the bigger surprises that might occur.

#### WHO WILL DO THE WORK?

A major factor in the final cost for a facility is the amount of volunteer expertise and labor within the Chapter membership. Many Chapter members will have basic carpentry skills. There may also be members that are capable of doing electrical or mechanical work as well. An architect or contractor may also be in the membership. It's important to assess the skills available within the Chapter membership and their willingness to work on the project. Use of volunteer labor from the Chapter membership can defray much of the project cost.

There is a downside to the use of Chapter resources. Some phases of a construction project need to follow a fairly disciplined schedule: volunteers are not always available when needed regardless of how willing they may be. Use of volunteer labor should also be understood in the context of local ordinances and building codes. Some work must be performed, or supervised by a licensed contractor in order to pass inspection by the local building authority. A combination of a professional contractor(s) responsible for specialized work elements and Chapter volunteers performing less critical tasks may be the most practical approach.

There is much work involved in a construction project and it can extend over a considerable time period. Another potentially negative consideration regarding Chapter volunteer labor is the risk of burnout. The pressure to keep the project moving, get things done and make sure everything is right can impact some conscientious volunteers worse than a regular job. No project is worth losing members - we all joined the EAA for fun and the sport of aviation, not to build buildings. Don't overdo or exploit your willing workers.

The Building Committee should perform a thorough assessment of the internal resources of the Chapter membership and develop a project work plan that takes advantage of the expertise and abilities available. Work parties that are well organized can accomplish much of the work involved and also be fun. No organized work schedule, no materials on hand, no supervision or direction all lead to disgruntled volunteers and a project that is at great risk.

Regardless of whether the Chapter is doing much of the work itself or hires a general contractor, a Project Manager should be appointed. This person should be responsible to the Building Committee (preferably a member). The Project Manager has day-to-day responsibility for overseeing the project and should be the single-point contact for all interfaces with contractors, inspectors, etc. He should have authority to make detail decisions about the project and be able to make payments. This is not a weekend and evening job. The person appointed should have a degree of personal schedule flexibility and some experience with building projects - anyone who has had a house built is a good candidate.

#### PAPERWORK, PAPERWORK, PAPERWORK

We think of building and registering amateur-built aircraft as a process burdened with paperwork and bureaucracy. It is simple compared to constructing a building. When a general contractor is used for the project, the contractor handles the many permits and inspections, and the process is transparent to the Chapter. If a Chapter assumes responsibility for managing the construction, several reviews, permits and inspections must be obtained. Given the complexities of building codes and local ordinances, this can be a complex and sometimes frustrating task.

Most airports fall under the jurisdiction of some governing body or association. They are the first to be consulted and approve the project plans. The plans must also be submitted to the local building authority for approval prior to the issuance of a building permit. During construction several inspections will be required.

These typically include:

- Foundation or footings
- Primary electrical service (breaker box and connection to the electrical utility)
- Well and septic system (if applicable)
- Rough electrical system (before the wiring is enclosed)
- Finished electrical system
- Heating system
- Plumbing
- Final building inspection (usually the last inspection and required before the building can be occupied)

Depending on the location and specific features of the building, more or less actual inspection may be necessary. However, the inspection process must be coordinated with overall construction activities to keep the project moving.

In addition to the construction documentation process, a deed or property lease must be secured and the Chapter-owned facility needs to be properly entered on the tax roles. Generally, as a non-profit corporation, the Chapter should not have to pay property taxes. This may not happen automatically, however. The Chapter may have to appeal to the local tax assessors' office to establish the tax exemption - not a simple task.

As the project progresses, insurance should be secured. The value of the asset will increase quickly and should be protected. The EAA Chapter insurance is liability insurance for Chapter activities - it does not cover the physical structure and its contents.

#### HOW TO PAY FOR IT

Clearly, the financial assets of the Chapter going into a building project are a major determining factor to proceed. Unless the Chapter has accumulated a significant portion of the money necessary to fund the project, it probably should not proceed. Several options are available to the Chapter to fully fund a project.

A mortgage can be obtained from conventional financial institutions. The size of the mortgage required, amount of Chapter assets to secure the mortgage, stability of the Chapter and its potential ability to pay of the mortgage are all factors - just like a personal mortgage on your home. Committing to a long-term financial obligation for the Chapter should not be made without full consultation of the entire Chapter membership.

The Chapter should not overlook the potential of a financial arrangement with the local airport authority or FBO. Given all the positive aspects of an EAA facility on the airport, they may be willing to underwrite the project or even build the facility and lease it to the Chapter.

Many Chapter members may be willing to make loans to the Chapter to fund the project. These loans may be interest-free or at a lower rate than a commercial loan. This approach can provide significant savings to the Chapter. A pledging campaign will determine how much funding can be secured this way. All member loans to the Chapter should be covered with a written agreement that defines the loan amount, any interest due and the repayment plan. Care should be exercised to not allow member loans to be too large and too long term. If the Chapter owes an individual member a large sum of money or the loan extends over too many years, problems can arise.

Donations are another source of money to cover the project. This is especially true if the Chapter has a 501(c) 3-tax status. In this case the donation is tax-deductible and can be very favorable for the donor. This is an especially fruitful area to explore if contractors, building supply stores and other business can be found who are aviation-minded individuals. An amazing amount of materials and services can be obtained in this manner. Just be certain to acknowledge the donors and maybe throw a "hangar-warming" party on their behalf when the project is done. A few airplane rides will reward a lot of generosity and maybe even net some more members.

#### WHAT HAPPENS WHEN IT'S DONE?

Owning a building will yield many benefits to the Chapter. The Chapter will have a "home" that helps contribute to its identity - both internally and to the external world as well. The Chapter will find it can support many more activities and programs when it has a permanent facility and equipment. More members are likely to join the Chapter as a result - further expanding its capabilities. A Chapter building is a key enabler toward meeting many of the Chapter's goals and overall mission. However, ownership also creates some new obligations and issues for the Chapter to manage.

If the facility includes a hangar or shop area, tenants have probably been eagerly waiting to move in. To avoid potential conflict, hard feelings, or worse, the Chapter's leadership should establish policy regarding use of the facility. The policy should outline the protocol for occupancy (e.g., waiting list) and general rules for use of the facility. Every tenant, whether they are storing an airplane or leasing shop space, should sign a lease agreement. The agreement will spell out explicitly the obligations of both the tenant and the Chapter. This is critical protection for both parties and can forestall many problems. It is an area where the Chapter may wish to engage a lawyer to draft the policy and lease agreements.

Owning a building creates on-going expenses for the Chapter: insurance, maintenance and utilities. Leasing hangar or shop space is an important source of revenue to offset these expenses. Establishing a fair rate schedule for the leases requires some careful analysis. An EAA Chapter is NOT a business. Traditional business concepts of return-on-investment do not apply for the Chapter's investment in its building. Depending on the building revenues to pay off the mortgage or loans that covered its construction may be in conflict with the Chapter objectives that motivated its construction. A different approach should be used to determine how much to charge.

Leasing hangar or shop space is a service to the members. If the rates are too high, it becomes exploitative and they probably will go elsewhere. Use of the Chapter facility should be a benefit to the members- not a premium. On the other hand, lease rates that are too low and do not help defray the overall expenses of the facility, result in the membership at large subsidizing the tenants. It should also be recognized that the building does provide a benefit to all members and some portion of the on-going building expense is a legitimate charge to the Chapter's general budget. Obviously the middle ground must be found. A lease rate at which the Chapter loses money in times of low occupancy and makes money when all space is utilized probably is the best "business" arrangement. On the average, if the building revenues cover the on-going Chapter expenses: this is probably the optimum state.

Insurance coverage must be maintained - both to protect the Chapter's assets and cover the risks. Again, the EAA Chapter insurance covers the liability associated with Chapter activities, and if a Chapter owns a building the rates are higher since the Chapter will inherently have more activities. Fire and casualty insurance must be secured independently. Chapter.

Hangarkeeper's insurance is also available that provides coverage specific to the storage of aircraft.

Who will mow the grass and fix the leaky faucet?

Spontaneous volunteers will handle many of the maintenance chores, but a process that identifies work that needs to be done is helpful. Some Chapters appoint a Building Manager to monitor maintenance requirements, keep a "things to do" lists posted, and arrange for work to get done that is outside the scope of Chapter volunteers. The EAA has a long-standing reputation for sponsoring activities that are noted for their cleanliness. Our EAA facilities need to reflect that same ethic with good maintenance and grounds keeping. Plan for it.

The Chapter's by-laws should be carefully reviewed with respect to the dissolution of the Chapter. In the unlikely event the Chapter is terminated, the by-laws should reflect how the Chapter's assets would be disposed of. A Chapter's facility can easily exceed \$100,000 in value, clearly a potential problem if it's disposition is not clearly defined.

## CONCLUSION

Is building and owning a Chapter building a major undertaking? Absolutely, but, many Chapters have flown the course and benefited greatly. It takes lots of up-front planning, an organized approach, good understanding of the Chapter's resources and the will to stay with the project. However, once the building is in place, the Chapter's growth, maturity and capabilities to do things will be enhanced in ways never envisioned. If a Chapter building is consistent with the vision and mission of your Chapter, keep after the dream until it can become a reality - it's worth it!

## Appendix 1

### Example from EAA Chapter 55

#### Utilization of Chapter Facilities and Equipment

The hangar, tools, equipment and other properties owned by EAA Chapter 55, Inc., are for the benefit of all Chapter members. The following policy is established to provide procedures and protocol for their utilization.

- Only members in good standing of Chapter 55, Inc. may utilize the hangar facilities and Chapter properties. All Chapter dues and fees must be paid in full to qualify.
- Space will be leased according to waiting lists for the two hangar areas.
- General Aircraft Storage: this waiting list reserves requests on a first-come, first-serve basis for the storage of aircraft in the general hangar area.
- Aircraft Construction Projects: this waiting list reserves requests on a first-come, first-serve basis for work space to build or restore aircraft in the shop area (annex).
- Each waiting list will include the member's name and date of request.

- Only aircraft related activities are permitted; storage, construction or restoration. No commercial activity is permitted.
  - Allocation of shop and hangar space will be at the discretion of the Chapter 55 Board of Directors.
  - The Board of Directors will determine the spaces available for lease.
  - When hangar or shop space is determined to be available, the Board of Directors will notify the member with the earliest date on the appropriate waiting list. The member will have thirty (30) days to initiate a lease for the space offered.
  - If a member declines when hangar or shop space is available, their name will be transferred to the bottom of the appropriate waiting list or deleted if the member no longer requires the space.
  - The Board of Directors is authorized to limit the size of aircraft or projects to assure compatibility with other tenants of the hangar or shop.
  - Shop space is preferred for active projects. If a project is not being worked on regularly, the Board of Directors will have the authority to request its removal or relocation to general storage if other members are on the waiting list.
- Hangar Policy

- All leases are on a monthly basis, payable on the first day of the month. Lessee may terminate their lease at any time by removing their aircraft or project. Rent will be payable for the full month in which the removal is made.
- Only aircraft or projects owned by the lessee may occupy the rented space.
- The lessee may not sub-let the rented space to any other person.
- Temporary (up to 14 days) aircraft storage within the hangar will be permitted by prior approval of the Board of Directors.
- Storage of completed aircraft in the shop areas will be permitted by approval of the Board of Directors, but only under the condition that no aircraft construction project is deferred or hampered in any way.
- All tenants shall sign a Hangar or Shop License.
- The Board of Directors is responsible for establishing and maintaining a schedule of fees for the leasing of hangar or shop space.
- All Chapter members shall have free access to Chapter owned tools and equipment and may use the shop or hangar space for minor personal projects. These activities must not interfere in any way with projects using the shop or aircraft stored in the hangar on a leased basis and shall be of not more than 14 days duration.
- Storage of personal property of Chapter members in the facility, other than aircraft or construction projects, will be permitted only by prior approval of the Board of Directors and based on an established fee.
- Use of the Chapter meeting room by Chapter members for meetings and activities is encouraged. Usage should be coordinated with the Chapter president to avoid scheduling conflicts. The room must be clean and set-up after such usage and any major supplies utilized shall be replaced.

•Repair of damage to Chapter owned tools, equipment or the building is the responsibility of the users.

**Classifieds** (usually run for 2 newsletters)

*October Ads*

*September Ads*

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