Market Rate & Fee Schedule Analysis

Prepared for Internal Review
June 2026

Executive Summary

This report evaluates Auburn University Regional Airport's (AUO) FY2026 Rates & Fees schedule against comparable regional airports, broader Southeast aviation market conditions, regional economic indicators, and current business aviation trends.

The analysis found that AUO maintains a professionally structured fee schedule, competitive executive aviation services, strong transient operational pricing, attractive aviation office lease pricing, and a growing business aviation identity within the Southeast regional market

However, multiple portions of AUO's legacy pricing structure appear materially below broader market conditions, particularly the legacy T-hangar pricing, tie-down pricing, shade port pricing, terminal office lease pricing, and long-term ground lease rates

At the same time, AUO operates within one of Alabama's fastest-growing regional economies and serves an increasingly diversified and professional business environment supported by, Auburn University, GE Aerospace, Siemens, Briggs & Stratton, East Alabama Health, Mando America, and Golden State Foods.

AUO is experiencing infrastructure constraints, long term transient demand, and growth in executive aviation activity consistent with broader national business aviation trends. Based on these findings, this report recommends increases to several airport pricing categories to improve market alignment, support long-term sustainability, strengthen infrastructure funding capacity, and position AUO competitively within the Southeast executive aviation market.

Study Purpose

The purpose of this analysis is to evaluate AUO's current rates and fees, compare AUO to peer and benchmark airports, identify areas where pricing appears below market, assess AUO's evolving market position, support long-term strategic planning, and provide operational pricing recommendations.

Methodology

This study reviewed publicly available airport fee schedules, airport lease structures, aviation office market listings, FAA business aviation trend reports, regional demographic and economic data, Auburn commercial office market conditions, and airport operational benchmarking information

Airports were selected based on university influence, SEC-related travel activity, business aviation demand, regional economic profile, executive aviation positioning, transient operations, and infrastructure constraints.

Comparable Airports Reviewed

Direct Comparable Airports

- Tuscaloosa National Airport (TCL)
- Ben Epps Airport (AHN)
- Knoxville Downtown Island Airport (DKX)

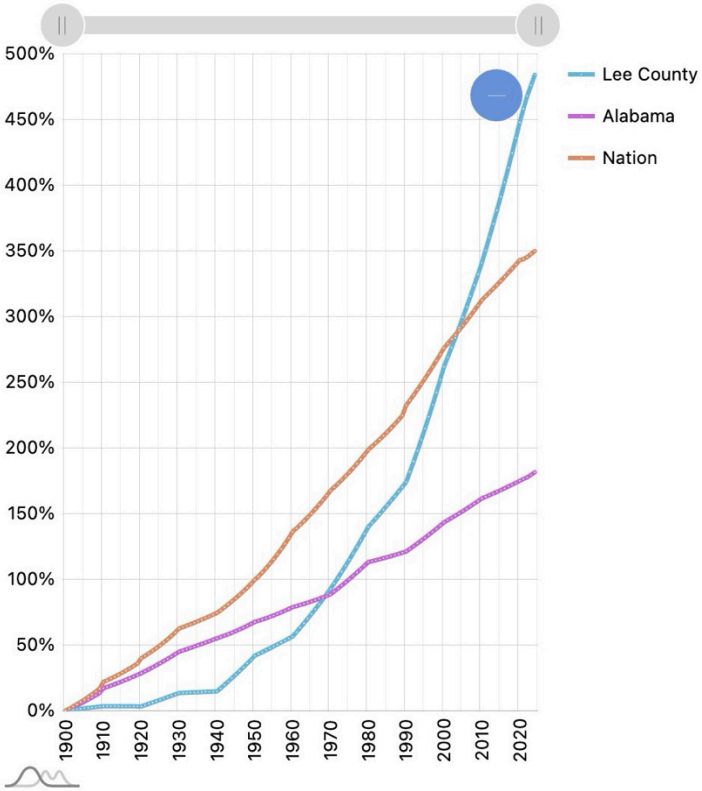
Strategic Benchmark Airports

- Atlanta Regional Airport – Falcon Field (FFC)
- Destin Executive Airport (DTS)
- Huntsville Executive Airport

Regional Economic Conditions

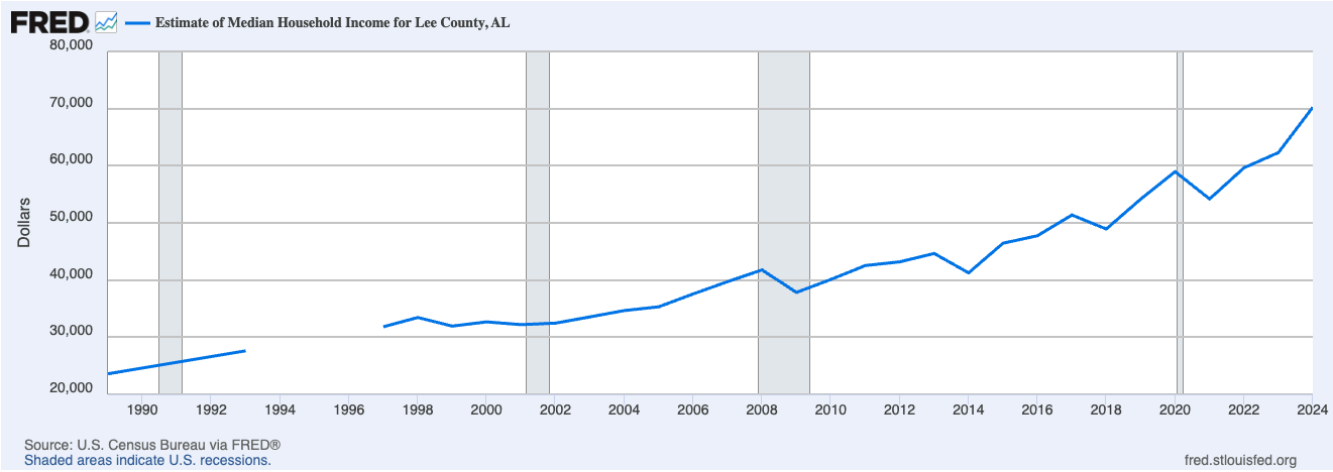
Lee County Growth Trends

Lee County has experienced exceptional long-term growth with a sustained growth in population since 1900. The county has outpaced both Alabama and national population trends, indication an increase in business activity, higher transportation demand, aviation infrastructure utilization, and executive mobility needs



Household Income & Professional Workforce Growth

Median household income in Lee County has risen significantly over the past two decades, approaching approximately $69,000 by 2024.



This increase indicates an increasing professional workforce concentration, continued economic diversification, higher-income demographics, and continued regional business expansion.

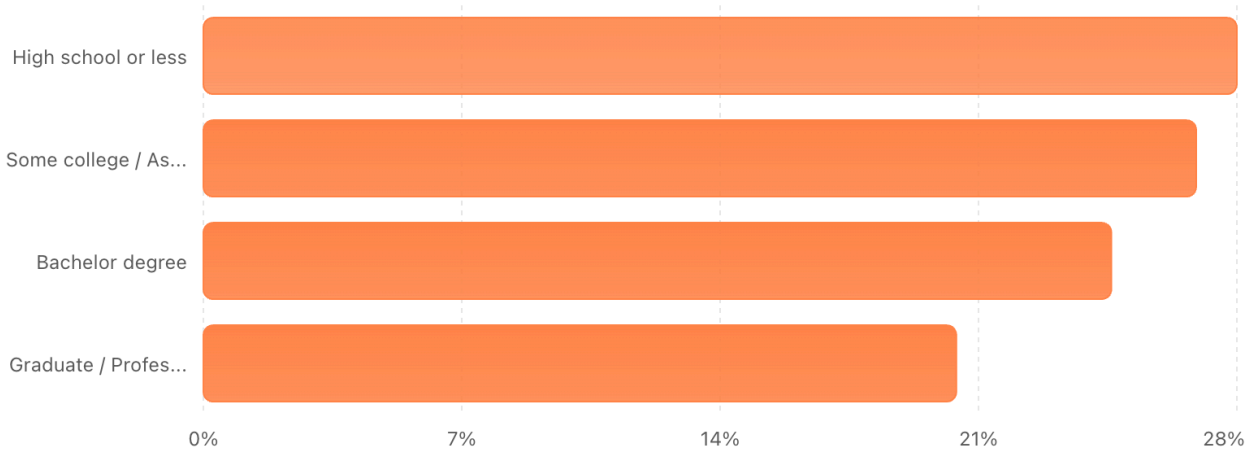
These conditions solidify support of executive aviation activity, turbine aircraft ownership, corporate travel demand, and premium aviation infrastructure

Educational Attainment

Lee County demonstrates elevated educational attainment levels due largely to Auburn University and the region's expanding professional economy. Higher educational attainment correlates with, executive travel demand, engineering and technical employment, professional-sector growth, and business aviation utilization. These characteristics increasingly position AUO within a more sophisticated executive aviation market environment than traditional rural GA airports.

Lee County Educational Attainment

Educational attainment distribution for Lee County, Alabama based on ACS 2024 Census estimates.



Source: ACS 2024 1-Year Estimates provided by user

Major Economic Drivers

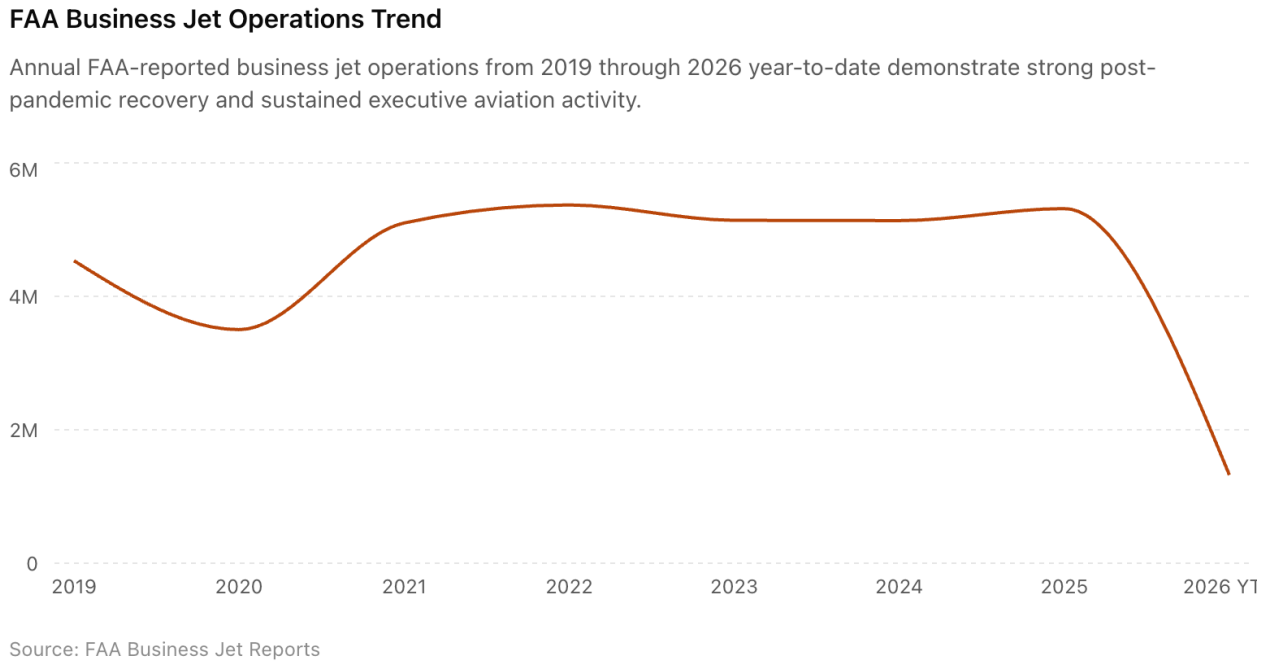
Lee County's economy is supported by a diversified mix of higher education, aerospace, engineering, healthcare, manufacturing, automotive, and logistics-related employers. Some of the major drivers include Auburn University, GE Aerospace, Siemens, Briggs & Stratton, East Alabama Health, Mando America, and Golden State Foods

These corporations being in lee county indicates increased and sustained executive travel, supplier/vendor movement, engineering and technical mobility, SEC athletics-related aviation demand, and transient business aviation activity

National Business Aviation Trends

FAA Business Jet Reports indicate that business aviation activity remains above pre-pandemic levels nationally and continues trending positively. 2025 business jet operations exceeded 2024 activity by approximately 3.5% and 2026 year-to-date operations continue trending positively

these trends support increasing demand for executive aviation infrastructure, transient turbine operations, premium aviation services, and business aviation accommodations



Current AUO Fee Structure

AUO currently maintains and inventory of hangars, transient and overnight parking fees, football special event pricing, after-hours operational fees, aviation office lease space, commercial operating permits, fuel discount structures, and long-term ground lease opportunities

Hangar Inventory & Lease Analysis

Current AUO Hangar Inventory

Hangar	Dimensions	Approx. Sq Ft	Current Monthly Rate	Approx. Monthly Rate/SF
A1	60’ x 55’	3,300 SF	$1,030	$0.31/SF
A2	60’ x 55’	3,300 SF	$930	$0.28/SF
A3	60’ x 45’	2,700 SF	$750	$0.28/SF
B	48’ x 39’	1,872 SF	$490	$0.26/SF
C/D	42’ x 33’	1,386 SF	$325	$0.23/SF
Executive Hangar E	65’ x 62’	4,030 SF	$2,060	$0.51/SF

Hangar Market Analysis

The analysis indicates that executive hangar pricing aligns competitively with Southeast business aviation markets, while legacy hangar inventory appears comparatively below broader regional market conditions.

The most significant pricing gap appears within the C/D hangars, tie-down inventory, and shade ports. At approximately $0.23/SF Monthly C/D hangars appear substantially below comparable Southeast airport lease rates, aviation flex-space values, and broader Auburn/lee county commercial property conditions

This is notable given the constrained airport inventory, increasing demand, executive aviation growth, and Auburn-Opelika economic expansion.

Tie-Down & Shade Port

Current Pricing:

- Tie-Down: $65/month
- Shade Port: $210/month

Comparable airports commonly exceed $90–115/month for tie-down storage. Given AUOs constrained apron space, sustained airport demand, aircraft occupancy pressure, the current tie-down pricing is materially below market conditions.

Ground Lease Analysis

AUO Ground Lease Rate:

- $0.30/SF annually

Comparable Market Findings

- Tuscaloosa National Airport: ~$0.30/SF
- Ben Epps Airport: ~$0.54–0.60/SF
- Destin Executive Airport: approx. $2.00/SF footprint valuation

AUO's ground lease rates remain highly competitive but below multiple comparable Southeast aviation markets. As land value, infrastructure demand, and development pressure increases future phased adjustments are justified.

Aviation Office Market Analysis

Current AUO Office Lease Rate

AUO currently leases terminal office space at $25.00 per square foot annually. These offices provide tenants with a professional airport-based business environment, convenient parking, airport visibility, proximity to Auburn University, and direct access to aviation services and airport activity.

Auburn Commercial Office Market

Comparable Auburn office listings reviewed in this analysis range from approximately $27.00 to $41.65 per square foot annually. These properties commonly include professional finishes, flexible layouts, conference space, kitchen or break areas, and convenient access to Auburn's growing commercial market.

Because AUO's current office lease rate is below most identified Auburn office comparables, the current rate appears competitive but under market relative to comparable professional office space.

Property	Lease Rate
Asbury Hills Professional Center	$27.00/SF
778 N Dean Road	$28.50/SF
2500 Interstate Drive	$30.00/SF
Connect Workspace	$41.65/SF

Aviation Office and Hangar-Office Market

Reviewed aviation office and hangar-office comparables range from approximately $10.69 to $27.00 per square foot annually, depending on location, facility type, office finish level, and included services. However, many aviation comparables function more like aviation-industrial or hangar-flex space rather than traditional professional office environments.

AUO's office space should therefore be evaluated using both aviation comparables and Auburn commercial office market conditions.

Market Position Assessment

AUO office space provides value beyond a standard commercial office lease because tenants benefit from airport visibility, aviation access, executive aviation activity, customer convenience, and proximity to Auburn University and regional business activity. These advantages support a moderate increase to terminal office rates and premium pricing for future hangar-office development.

Transient & Business Aviation Fee Analysis

AUO currently maintains facility fees, overnight fees, football special event pricing, GPU services, LAV services, baggage handling, catering support, fuel discounts, and after-hours operational charges

The airport's transient and executive aviation pricing structure appears aligned with comparable Southeast executive aviation airports. Special event pricing appropriately reflects episodic demand associated with SEC athletics operations.

Strategic Market Observations

The analysis suggests AUO is evolving from a traditional regional general aviation airport toward a business aviation and executive aviation-oriented regional airport serving a rapidly growing university-centered economy.

This transition is reflected through continued executive aviation activity, regional economic growth, aerospace and manufacturing expansion, constrained airport capacity, professional workforce concentration, aviation office demand, national business aviation growth trends

However, portions of AUO's legacy pricing structure continue reflecting historical low-demand operating conditions rather than current market realities.

Auburn University Regional Pricing Recommendations

1. Increase Legacy South Hangar Rates

Current Rates:

- South Hangars: $225/month

Recommended Range

- **Near-Term:** $260–295/month
- **Long-Term:** approximately $325/month

Rationale

Current South Hangar rates are below comparable market pricing and may no longer reflect current demand, increasing operating costs, and the growing value of airport land and infrastructure. A phased increase would improve market alignment while supporting long-term financial sustainability.

2. Increase C/D Hangar Rates

Current Rate:$325/month

Recommended Range

- **Near-Term:** $375–425/month
- **Long-Term:** approximately $450/month

Rationale

Current C/D hangar pricing equates to approximately $0.23 per square foot per month, which appears substantially below broader aviation flex-space and hangar market conditions throughout the Southeast. Given the value of airside access, limited hangar availability, and continued demand for aircraft storage, a phased increase would better reflect the operational value of these facilities while improving alignment with comparable airport markets and supporting the airport's long-term financial sustainability.

3. Increase B Hangar Rates

Current Rate: $490/month

Recommended Range: $575–650/month

Rationale

Current pricing appears below comparable market rates and does not fully reflect the value of airside-access hangar space in a growing aviation market. Increasing rates would improve consistency across AUO's hangar inventory, better align with regional market conditions, support rising maintenance and infrastructure costs, and strengthen the airport's long-term financial sustainability.

4. Increase Tie-Down Rates

Current Rate: $65/month

Recommended Range: $85–100/month

Rationale

AUO is facing a continued, constrained, apron space. Current pricing is undermarket compared to comparable southeast airport pricing. Increasing the rate will lead to improved alignment with infrastructure utilization value. Currently, tie downs are one of the most operationally defensible near-term increases available to AUO.

5. Increase Shade Port Rates

Current Rate: $210/month

Recommended Range: $250–275/month

Rationale

there is always a high covered storage demand an increase in rate will bring AUO current with regional market trends. Strategic rate increases will lead to improved differentiation between tie-down and enclosed storage pricing

6. Evaluate Future Ground Lease Adjustments

Current Rate: $0.30/SF annually

Recommended Future Range: $0.40–0.50/SF annually

Rationale

Comparable Southeast markets increasingly exceed AUO pricing. Rate increase will position AUO for better infrastructure and land value growth. Rate increases allow AUO to better utilize available land leading to long-term financial sustainability

7. Increase Terminal Office Lease Rates

Current Rate: $25.00/SF annually

Recommended Range

- Near-Term: $28–30/SF annually
- Long-Term: approximately $32/SF annually

Rationale

Current terminal office lease rates remain below comparable Auburn office market conditions despite the airport-related value provided by AUO's location. Tenants benefit from airport visibility, access to aviation services, proximity to executive aviation activity, and convenient customer access. A phased increase would improve market alignment while keeping AUO competitive within the Auburn office market.

8. Establish Premium Pricing Structure for FBO Hangar 1

Recommended Office Rate: $32–38/SF annually
Target Rate: approximately $35/SF annually

Rationale
FBO Hangar 1 and future hangar-office facilities should be positioned as premium aviation-flex space. These facilities combine professional office functionality with direct aircraft access, modern construction, executive aviation convenience, enhanced security, and integrated hangar operations.

This type of product is not directly comparable to traditional office space or standard hangar storage. Given Auburn commercial office rates reaching above $40/SF annually and the limited availability of integrated aviation office space in the region, premium pricing near $35/SF annually appears justified.

9. Maintain Competitive Transient Pricing

Current transient pricing appears regionally competitive and operationally appropriate. AUO should continue its fuel discount programs, football special event pricing, executive aviation support services, and premium transient handling operations

Conclusion

AUO maintains a strong and professionally structured airport fee schedule and appears increasingly positioned within a growing Southeast executive aviation market.

The airport serves one of Alabama's fastest-growing regional economies, a highly educated professional workforce, a diversified aerospace and manufacturing market, and a major SEC university environment

These factors, combined with constrained airport infrastructure, sustained transient demand, and continued national business aviation growth all work together to support measured future pricing adjustments in multiple fee categories.

While AUO remains operationally competitive, portions of the airport's legacy pricing structure appear materially below broader Southeast market conditions. Phased increases in hangar, tie-down, shade port, and ground lease pricing appear operationally justified and strategically aligned with AUO's evolving market position and long-term financial sustainability goals.