



General Aviation Airports

Hangar Leasing and Operating Agreement Guide

Destin Executive Airport (DTS) & Bob Sikes Airport (CEW)

Table of Contents

Table of Contents	1
1. Introduction.....	2
2. Leases and Leaseholds.....	2
Overview of Lease Types	2
Lease Application Process – New Lease, Assignment of Lease (AOL), Renewals, Sublease.....	3
Responsibilities of Lessee.....	3
3. Lease Assignments	3
What is an Assignment of Lease (AOL)?	3
Steps to Apply for an Assignment of Lease	3
Key Considerations and Common Issues.....	4
4. Lease Renewals and Expirations	4
Renewal Process Overview.....	4
Expiring Leases: Different Situations	5
Lease Expired/Termination – Exercising New Lease Process Overview	5
5. Subleases	6
Subleasing Summary Basics.....	6
Requirements for Subleasing Approval Overview.....	6
6. Construction, Modifications, and Alterations	7
Building, Alterations and Permits	7
Approved Alterations vs. Prohibited Activities.....	8
Step-by-Step Permit Application Process	8
7. Insurance Requirements.....	8
Types of Insurance	8
Minimum Coverage Limits	8
Renewal and Submission Guidelines.....	9
8. Frequently Asked Questions (FAQ)	9
General Questions	9
Lease Renewal Questions	9

1. Introduction

Welcome to the Okaloosa County General Aviation (GA) Airports Guide. This document serves as a comprehensive resource for current and prospective tenants (private and commercial), lessees, sub-tenants, and airport users at Destin Executive Airport (DTS) and Bob Sikes Airport (CEW). It includes detailed information about hangar leasing, lease types, lease assignments, sub-leases, insurance requirements, and frequently asked questions to streamline your experience at the Okaloosa County Airports system.

This guide is designed to provide clarity on procedures and regulations, ensuring compliance¹ while addressing common questions and concerns. Please be advised, Okaloosa County Airports are bound by grant assurances, which are obligations that airport owners and sponsors must agree to when they accept funds from the Federal Aviation Administration (FAA).

For further information on hangar use, please refer to the link below:

[FAA Policy on Use of Hangars at Obligated Airports](#)

If you need further assistance or questions beyond this document, please contact the Airports Administration Office during normal business hours: Monday – Friday, 8AM – 5PM at (850) 651-7160.

Please note, the Okaloosa County Airports Rules and Regulations document and Minimum Standards document will be referenced throughout the guide. The links to those documents are below.

[CLICK HERE](#) to open the Okaloosa County Airports' GA Rules & Regulations for DTS and CEW (the link opens to page 4 where the document itself begins within the PDF).

[CLICK HERE](#) to open the Okaloosa County Airports' GA Minimum Standards for Commercial Aeronautical Activities for DTS and CEW (the link opens to page 29 where the document itself begins within the PDF).

2. Leases and Leaseholds

Overview of Lease Types

- **Hangar Leases (County-Owned Hangar):** For storage of private or corporate owned aircraft and may be utilized for commercial operations if current leaseholder obtains a valid County approved airport commercial operating agreement. County-owned hangars are available on a first come first serve basis.
- **Ground Leases (New Construction or Transfer/Assignment of Lease):** For new construction of hangars and associated facilities; for storage of private or corporate owned aircraft and may be utilized for commercial operations if current leaseholder obtains a valid County approved airport commercial operating agreement. Ground lease plan for proposed construction of hangar(s) must be submitted to the County in detail and writing for review. Before construction can begin, lease holder must wait for the County approval to come back in written form. This lease type has the ability to transfer the remaining interest in the ground lease.
- **Commercial Operating Leases and Specialty Leases (SASO):** For aeronautical businesses operating at the airport and specific types of aeronautical services such as flight schools, maintenance shops, fuel services, or other aeronautical services provided to the public at the Airport in conformance with the minimum standards.

Lease Application Process – New Lease, Assignment of Lease (AOL), Renewals, Sublease

1. Submit a completed [HANGAR LEASE APPLICATION](#) or [COMMERCIAL AERONAUTICAL ACTIVITY APPLICATION](#) to the Airports' Administration office.
2. Provide required documentation, including:
 - Proof of insurance
 - Intended use of the leasehold (private aircraft storage, commercial operations, SASO, etc.)
** The Airports Department may reach out for additional documentation, such as for commercial leases, which may require further proof of needed permits and/or licenses.*
3. The Airports Department will provide the applicant with a lease package, which includes a draft lease agreement and the Certificate of Acknowledgement (COA) form. The lease agreement outlines all lease terms, while the COA provides a high-level summary of key terms, rental pricing, and other important details. Although not exhaustive, the COA is designed for transparency to help the lessee understand the binding contract they are entering into and provide first right of refusal option should a lease assignment have no renewals remaining. The Lessee should sign, notarize, and return the completed lease package (both the lease agreement and the COA) to the Airports' Administration office.
4. The Airports Department will present the lease agreement as an agenda item to the Okaloosa County Board of County Commissioners (BOCC) for review, approval, and execution.
5. Once the lease agreement is approved and executed, the Airports Administration Department will notify the Lessee and provide a copy of the executed lease agreement for their records.

Responsibilities of Lessee

- As an airport user, it is the Lessee's sole responsibility to be aware of and adhere to all laws, rules, regulations, and minimum standards governing the County general aviation airports. This includes maintaining compliance with insurance requirements, the Rules and Regulations, the Minimum Standards, lease terms, and all applicable local, state, and federal laws.
 - Ensure leasehold is used in accordance with its designated purpose – intended use.
 - Submit written notification to the Airports Department requesting County approval for changes such as subleasing, hangar or surrounding infrastructure modifications, or lease assignments. While the County routinely approves these requests, the Lessee must first coordinate with and obtain written approval from the County before proceeding with any actions.
-

3. Lease Assignments

What is an Assignment of Lease (AOL)?

An AOL occurs when the rights, interests and obligations of a lease are transferred from the current Lessee to another party.

Steps to Apply for an Assignment of Lease

- Notify the Airports Administration office in writing.
- Have the applicant submit a [LEASE APPLICATION](#).
- Pay the Assignment of Lease fee (\$1,000).
- County will send applicant the lease package (AOL/Lease Amendment and the COA) for review. Please sign both the AOL and the COA. All lease agreements require two witnesses and the COA requires a notary acknowledgement. The signed documents can be returned to via email, if the scan quality is high (high resolution 400-600 DPI). Otherwise, they can be mailed to:

Okaloosa County Airports
Attn: Airports Director
Airport Administration
1701 State Road 85 N
Eglin AFB, FL 32542

- After all required documentation has been received, the Airports Director will present the lease agreement assignment (AOL) as an agenda item to the BOCC for review, approval, and execution.
- Once the lease agreement is approved and executed, the Airports Administration Department will notify the Lessee and provide a copy of the executed lease agreement for their records.
- **Note:** Proof of insurance coverages are due by the date of BOCC action or before new Lessee takes occupancy of the hangar. Reference Lease and/or COA for specific coverages e.g., aircraft liability, general liability, property insurance, and workers' compensation if applicable.

Key Considerations and Common Issues

- The new Lessee must meet all insurance and lease requirements.
 - In AOLs, the rent amount for the leased space is often updated to the current fair market value per square foot for the facility/hangar, based on the assignment language included in the lease agreement.
 - Unauthorized assignments can result in lease termination.
-

4. Lease Renewals and Expirations

Renewal Process Overview

- Verify that the lease agreement includes an option for renewal. Submit a written renewal request to the Airports Administration Department at least 120 days prior to lease expiration.
- Confirm compliance with all current lease terms, rules and regulations, and insurance requirements.
- Resolve any outstanding fees or violations before initiating the renewal process.
- Prepare for a routine renewal or end-of-lease hangar inspection. Airports Operations and Compliance personnel will contact the lessee to schedule the inspection.
 - Any non-compliance issues identified during the inspection will be communicated to the lessee. These issues must be resolved and brought into compliance before the lease can be approved and executed by the BOCC.
- After the hangar inspection report is complete, and the lease is found to be in full compliance, the Airports Administration Department will send you a lease renewal package (Lease Amendment for Renewal and the COA) for your review. Please sign both the lease amendment and the COA. All lease agreements require two witnesses and the COA requires a notary acknowledgement. The signed documents can be returned via email, if the scan quality is high (high resolution). Otherwise, they can be mailed to:

Okaloosa County Airports
Attn: Airports Director
Airports Administration
1701 State Road 85 N
Eglin AFB, FL 32542

- After all required documentation has been received, the Airports Director will present the Lease Amendment for Renewal as an agenda item to the BOCC for review, approval, and execution.

- Once the lease agreement is approved and executed, the Airports Administration Department will notify the Lessee and provide a copy of the executed lease agreement for their records.

Expiring Leases: Different Situations

Section 4A: If renewal option exists and Lessee plans to renew – Lease Renewal

- Follow the renewal process outlined above.
- Discuss any changes or updates to the lease agreement with the Airports Administration office.
- The Airports Department will provide the Lessee with a lease renewal package, which includes a draft lease agreement renewal and the Certificate of Acknowledgement (COA) form. The draft lease agreement renewal outlines any new changes to previous lease terms and which are still in effect, while the COA provides a high-level summary of key terms, rental pricing, and other important details. Although not exhaustive, the COA is designed for transparency to help the lessee understand the binding contract they are entering into and provide first right of refusal option should a lease assignment have no renewals remaining. The Lessee should sign, notarize, and return the completed lease package (both the lease agreement renewal and the COA) to the Airports' Administration office.

Section 4b: If Lessee does not plan to renew – Lease Termination

- Provide written notice of non-renewal at least 120 days prior to lease expiration.
- Vacate the leasehold and restore it to its original condition. Reference the lease terms for specific requirements.
- Schedule end of lease inspection with the Airports Department.

Section 4c: If renewal option does not exist and Lessee wants to continue leasing the property – Lease Termination and Execution of New Lease

- Provide written notice of interest to exercise a new lease at least 120 days prior to lease expiration.
- Follow the lease termination with new lease process outlined below.

Lease Expired/Termination – Exercising New Lease Process Overview

- Lease Expiration and Termination: If a lease has reached the end of its term and no renewal options remain, it will expire and terminate per the lease agreement. If the Lessee is in good standing and in full compliance, they will be granted first right of refusal for a new lease – this exact language is noted and documented in the Certificate of Acknowledgement (COA).
- Property Ownership Transfer to County: Upon lease expiration, all improvements, including hangars and structures, become the sole property of Okaloosa County, per the lease agreement terms.
- New Lease Consideration: Following the expiration of the lease, the County will assume ownership of the hangar and conduct a thorough inspection and assessment of necessary repairs. The County will cover all required repairs to restore the hangar to a serviceable condition.
- Fair Market Appraisal: Following any needed repairs or replacements, the County will obtain a fair market rate appraisal of the property. The Lessee, if in good standing and full compliance, will be given the first right of refusal to lease the property at the newly appraised market rate.
- New Lease Terms: The new lease term for County-owned hangars will be structured as a 5-year lease term moving forward with no additional options to renew. The new lease process will start over at the expiration date of the five (5) year term.
- Key Lease Agreement Clause: All lease agreements contain a clause stating that any and all improvements installed, erected, or placed within the leased premises become the sole property of the

County upon lease termination. The Lessee may remove trade fixtures and equipment that do not cause damage to the premises. If damage occurs, the Lessee must promptly repair it before vacating.

Next Steps for Lessee:

- Confirm Good Standing & Compliance – Resolve any outstanding violations or fees before lease termination.
 - Prepare for County Inspection – The County will assess necessary repairs upon lease expiration.
 - Review Market Appraisal & New Lease Terms – The County will complete an appraisal and offer a first right of refusal lease.
 - Sign New Lease Agreement – If accepted, a new 5-year lease agreement will be executed at fair market value.
-

5. Subleases

Subleasing Summary Basics

- Subleasing allows a Lessee to lease part or all of their leasehold to another party with prior written approval from the County.

Requirements for Subleasing Approval Overview

1. Submit a written notification to the Airports Department requesting County approval for a sublease.
2. Have the sub-tenant fill out a [LEASE APPLICATION](#).
3. Provide the sub-tenant's Lease Application, insurance documentation, contact information, and intended use of the subleased space.
4. Pay applicable fees (if any).
5. Await approval from the Airports' Administration office and subsequent approval and execution by the BOCC.

General Questions

Q: Is subleasing allowed in my GA hangar lease?

A: It depends on the terms of your lease agreement. Many GA leases either prohibit subleasing outright or require prior written approval from the Airports Department.

Q: Do I need airport approval to sublease my hangar?

A: Yes, the Airports Department must **approve** the sublease and ensure the sublessee meets all lease requirements. Note that unauthorized subleasing is grounds for up to and including fines, penalties, and lease termination.

Q: Who is responsible for compliance in a sublease arrangement?

A: The **primary lessee** remains responsible for ensuring that the sublessee complies with all airport regulations, lease terms, and insurance requirements.

Q: Can I charge the sublessee any rent I want?

A: While the County does not regulate sublease rental rates, excessive pricing (price gouging) is discouraged. It is recommended that rental rates remain close to fair market value.

Q: Can I sublease my hangar for non-aeronautical purposes?

A: Typically, no. Most GA leases **restrict** subleasing to aeronautical activities only (e.g., aircraft storage, aviation maintenance, flight training, etc.). Non-aeronautical use requires special permission from the Airports Department.

Process & Documentation

Q: What steps do I need to take to sublease my hangar legally?

A: Generally, the process includes:

- **Reviewing** your lease terms.
- **Submitting** a request for approval to the Airports Department.
- **Providing** the sublessee's information and proof of insurance.
- **Receiving** BOCC approval and execution of a sublease agreement.

Q: What documents are required for a sublease?

A: Typically, the airport will require:

- A **formal request** for subleasing.
- A draft **sublease agreement** outlining responsibilities.
- The sublessee's **proof of insurance** meeting airport requirements.

Q: Will my lease be extended if I sublease my hangar?

A: No, subleasing does not extend the original lease term. Once your lease expires, the hangar and improvements revert to the County.

Insurance & Liability

Q: Does the sublessee need their own insurance?

A: Yes, sublessees typically must carry their own **aircraft liability insurance** and **general liability insurance**. Depending on the nature of the sublease, other insurances may be required.

Q: Who is liable for damages to the hangar under a sublease?

A: The **primary lessee** is still responsible for ensuring the hangar is maintained and in compliance. Any damage caused by a sublessee is typically the responsibility of the primary lessee.

Enforcement & Violations

Q: What happens if I sublease without approval?

A: Unauthorized subleasing is usually a **lease violation** and can result in:

- **Fines or penalties** from the airport.
- **Termination of your lease** and potential loss of the hangar.

Q: Can my sublessee transfer their sublease to another party?

A: No, subleases **cannot be reassigned** without going through the approval process again.

6. Construction, Modifications, and Alterations

Building, Alterations and Permits

- It is recommended that Lessee contact the Airports Department at the earliest opportunity to socialize any desired improvements, alterations or new construction. This will help avoid costly planning and design efforts that are not compatible with the Airport Layout Plan or other design and construction standards on the Airport. Permitting and approval may require non-local entities such as the FAA and not solely the authority having jurisdiction at either GA airport (County Growth Management Department—CEW or City of Destin—DTS).
- Lessee shall, at its expense, apply for and obtain any and all building, construction, or other permits and licenses to build, repair or maintain the improvements contemplated by the Lease. The County makes no representations or warranty relative to the availability of such licenses or permits, and Lessee assumes full responsibility for securing same. No construction, modification, or alterations of improvements to include antennas or other devices are permitted without prior written approval by County (the exact section from each lease agreement).

Approved Alterations vs. Prohibited Activities

- Modifications/alterations that are approved are items that received prior written approval by the County; which can include upgraded/new utilities, interior structural modifications, construction of a mezzanine, etc. If you are unsure, ask the Airports Administration office.
- Prohibited activities include unapproved structural changes and hazardous material storage.

Step-by-Step Permit Application Process

1. Submit a [MODIFICATION REQUEST FORM](#) to the Airports Administration office.
2. Review compatibility with the Airports Department and prepare items such as an airspace study and obstruction analysis determination from the FAA and environmental planning considerations such as NEPA documentation &/or Phase I environmental site assessment or baseline study.
3. Include detailed plans and engineer/contractor information.
4. Obtain necessary permits from Okaloosa County Building Department or the City of Destin.
5. Schedule an inspection upon project completion.
6. Provide all as-built plans, approved inspections, and certificate of occupancy documentation to the Airports for future planning and construction references.

Process & Documentation

Q: How do I review compatibility with the Airports Department and prepare items such as an airspace study and obstruction analysis determination from the FAA?

A: Review [FAA AIRSPACE STUDY AND OBSTRUCTION ANALYSIS](#)

7. Insurance Requirements

Types of Insurance

- Typically, Aircraft Liability, General Liability, Property Insurance - Refer to the lease agreement section titled “Insurances” for specific to your situation insurance coverage information.

Minimum Coverage Limits

- Below are the general limits. Refer to the lease document for specifics to your situation.
 - General Liability: generally, \$1,000,000 per occurrence.

- Aircraft Liability: Varies based on aircraft size and operations.
- Property Insurance: Full replacement value of leasehold improvements (hangar).

Renewal and Submission Guidelines

- Submit updated insurance certificates annually or when there are policy changes.
 - Ensure the County is listed as an additional insured.
-

8. Frequently Asked Questions (FAQ)

General Questions

- **Q: How do I report a maintenance issue?**
A: Submit a [DTS MAINTENANCE REQUEST FORM](#) or [CEW MAINTENANCE REQUEST FORM](#) to the Airport Administration Office.
- **Q: What happens if my insurance lapses?**
A: Requests will be made for an updated Certificate of Insurance (COI). If you are unable to provide this, your lease may be terminated for non-compliance.
- **Q: Can I park my personal vehicle in my hangar?**
A: Yes, but only if it does not interfere with aircraft storage.
- **Q: Can I get access cards issued for a contractor?**
A: No, it is the Lessee's responsibility to coordinate and escort your hired contractor from start to end of project.

Lease Renewal Questions

- **Q: Can I renew my lease early?**
A: The County generally starts coordinating lease renewals about 120 days before expiration. Earlier renewals could be considered, depending on the situation. Justification for an earlier renewal would need to be made in writing and will be considered on a case-by-case basis.
-