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POLICY

NANTUCKET MEMORIAL AIRPORT  
NON-AERONAUTICAL LEASES (BUNKER, OLD SOUTH & SUN ISLAND ROAD)  
LAND APPRAISAL CYCLES & FAIR MARKET VALUE CAP INCREASES

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**Applicability**

All current non aeronautical leases with Fair Market Value (FMV) clauses unless a cap is already identified in current agreement. Any new land leases with a term exceeding five years (including options) shall have a Fair Market Value evaluation clause.

**Policy**

It is the policy of the Nantucket Memorial Airport that all non-aeronautical land leases in the Bunker, Old South and Sun Island Road portions of the airport be reviewed periodically in accordance with this policy for Fair Market Value (FMV) rental rate increases. This policy covers FMV increases only, and is in addition to any Consumer Price Index (CPI) or other increases stipulated in the lease.

**Purpose**

Due to significant land value increases in a short period of time on the island, a large disparity has occurred in rents being charged to various tenants. Under standard lease language, this spike in land value could result in rents more than doubling in rate. In order to lessen the monetary impact of potentially substantial increases on the Airport's Tenants, the Airport Commission hereby establishes a rental rate increase cap of 10%. This policy is being created in an effort to comply with the Airport Grant Assurances.

**Procedures**

All new non aeronautical leases shall have a five-year Fair Market Value adjustment clause. FMV clauses may vary commensurate with committed level of capital investment. Every three years, the airport shall procure a land appraisal for each of the three locations (Bunker, Old South & Sun Island Roads). These appraisals shall be for the entire group of parcels in these locations. Should the appraised value exceed the then current rent, applying the applicable CPI, by 10% or greater, a maximum increase for FMV of 10% will be applied during the cycle identified in the lease.

By VOTE taken on November 13, 2018

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Daniel W. Drake, Chairman

Arthur D. Gasbarro, Vice Chair

Anthony G. Bouscaren, Commissioner

Andrea N. Planzer, Commissioner

Jeanette D. Topham, Commissioner