

# Offering Memorandum

*Meyers Aircraft Company*

Offering Price \$1,495,000



Tranquillum



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# Executive Summary

## Property Summary

	Property Name	Meyers Airport - 3TE
	Street Address	4330 Macon Highway Tecumseh, MI 49286
	Asset Type	Specialty Airport and Testing Ground
	Total Property Size (acres)	67.59
	Total Building Size (sqft)	26,200

## Current State:

- Underutilized aviation infrastructure
- Limited revenue capture across existing uses
- No fully integrated or optimized operating platform

## Capital Requirement:

- Runway resurfacing suggested to support long-term operations and growth

## Forward Impact:

- Enables scaling of flight training operations
- Supports increased aircraft activity and traffic
- Drives higher fuel sales volume
- Provides necessary infrastructure for technology and mobility testing uses

## Investment Overview

*Capital Improvement	\$175,000
Net Present Value	\$1,575,000
Discount Rate	14.0%
Year 1 NOI	\$23,983
Stabilized NOI	\$245,705
Hold Period Years	5
Exit Reversion	
Cap Rate	9.5%
Revenue Scale	\$820,000
Future Value	\$2,810,000

\*re-asphalt runway

\*Net present value reflects a deduction for capital improvements

# Market Context

## Small-Town Character

- Founded in **1824**, Tecumseh is one of the oldest communities in Southeast Michigan
- Features a well-preserved **historic downtown district** with walkable streets and local businesses

## Outdoor & Recreation-Oriented Community

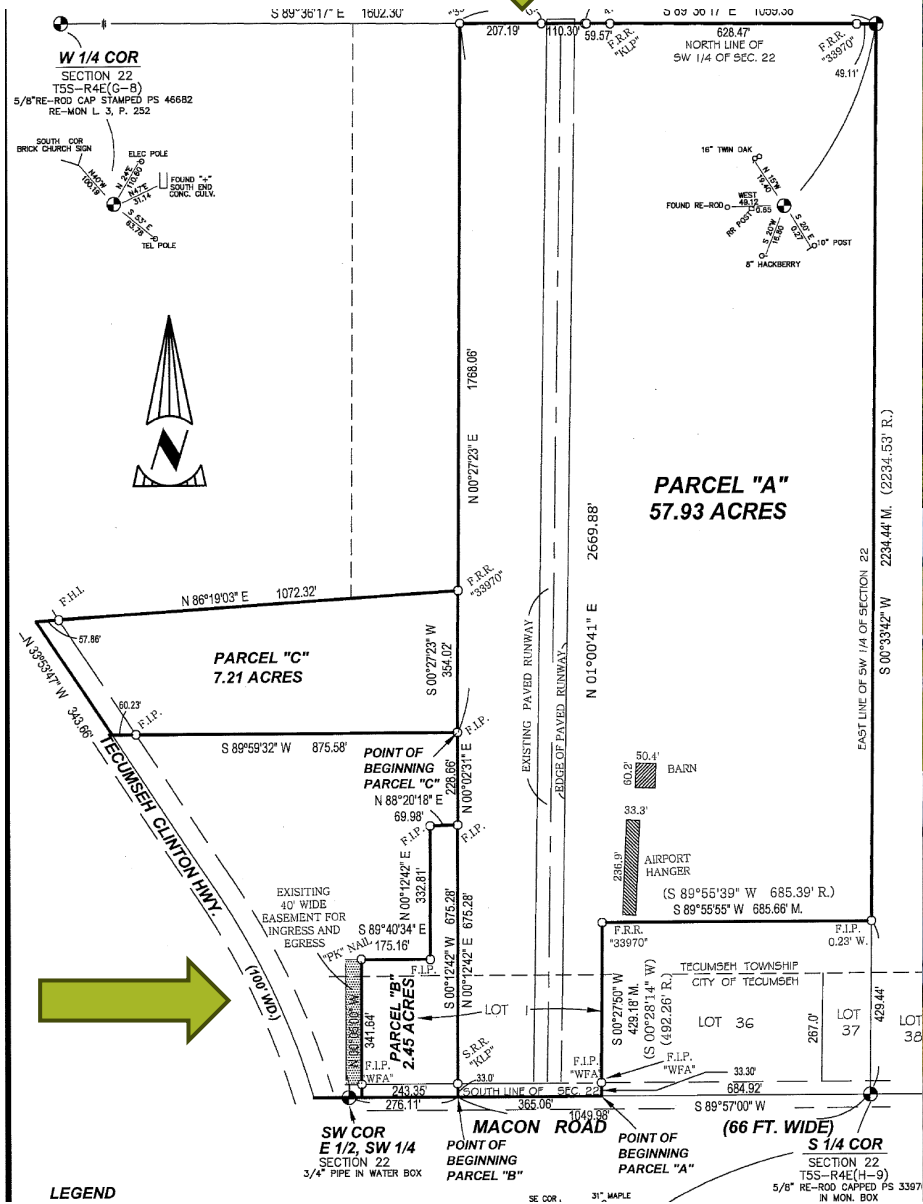
- Located along the **River Raisin**, offering scenic views and recreation
- Home to over **300 acres of parks and green space**
- Popular for:
  - biking
  - kayaking
  - small-town festivals

## Strategic Location Within Mobility Corridor

- 35 minutes to Ann Arbor
- 45 minutes to Detroit Metro
- 60 minutes to downtown Detroit
- Positioned within Southeast Michigan's **automotive and mobility innovation ecosystem**



# Parcel Map



# Stabilized Income Potential

## Hangar Leasing

(In-Place + Stabilized)

- Existing hangar inventory with high occupancy potential
- Stabilization at ~90%–95% utilization

**\$10K – \$13K annually**

## Technology & Mobility Testing

- Anchor tenant + intermittent testing usage
- UAV, mobility, and aviation testing applications

**\$50K – \$62K NOI**

## Flight Training Operations

- 2–4 aircraft training program
- ~1,800–2,500 annual flight hours

**\$75K – \$115K annual lease income**

## Fuel Sales

- Driven by flight training activity and based aircraft
- Margin-based revenue tied to utilization
- Generates air traffic and offsets expenses

## Hay Production (Land Lease)

- 50 acres leased for agricultural use
- Passive income with minimal expense burden
- Expense Offset

# Pro Forma - NPV

INCOME AND EXPENSE ANALYSIS						
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
<i>Income Sources</i>						
Hangars	\$31,200	\$32,760	\$34,398	\$36,118	\$37,924	\$39,820
Flight School	\$288,000	\$302,400	\$317,520	\$333,396	\$350,066	\$367,569
Fuel Sales	\$252,000	\$264,600	\$277,830	\$291,722	\$306,308	\$321,623
Technology & Mobility Testing	\$132,000	\$138,600	\$145,530	\$152,807	\$160,447	\$168,469
Hay Production	\$7,500	\$7,875	\$8,269	\$8,682	\$9,116	\$9,572
Caretaker Unit	\$30,000	\$31,500	\$33,075	\$34,729	\$36,465	\$38,288
CAM reimbursements	\$9,262	\$9,725	\$10,211	\$10,722	\$11,258	\$11,821
<b>Potential Gross Income</b>	<b>\$740,700</b>	<b>\$777,735</b>	<b>\$816,622</b>	<b>\$857,453</b>	<b>\$900,325</b>	<b>\$945,342</b>
<i>Utilization % By Use Type</i>						
Hangars	85%	90%	90%	90%	90%	90%
Flight School	50%	90%	90%	90%	90%	90%
Fuel Sales	45%	90%	90%	90%	90%	90%
Technology & Mobility Testing	40%	90%	90%	90%	90%	90%
Hay Production	100%	100%	100%	100%	100%	100%
Caretaker Unit	0%	0%	0%	0%	0%	0%
<b>Total Effective Gross Income</b>	<b>\$344,220</b>	<b>\$672,399</b>	<b>\$706,019</b>	<b>\$741,320</b>	<b>\$778,386</b>	<b>\$817,305</b>
<b>Total Property Expenses</b>						
<b>Real Estate Taxes</b>	\$17,275	\$18,139	\$19,046	\$19,998	\$20,998	\$22,048
<b>Property Insurance</b>	\$3,200	\$3,360	\$3,528	\$3,704	\$3,890	\$4,084
<b>Utilities</b>	\$5,000	\$5,250	\$5,513	\$5,788	\$6,078	\$6,381
<b>Repairs &amp; Maintenance</b>	\$5,000	\$5,250	\$5,513	\$5,788	\$6,078	\$6,381
<b>Management Fee</b>	\$17,211	\$18,072	\$18,975	\$19,924	\$20,920	\$21,966
<b>Total Property Level Expenses</b>	<b>\$47,686</b>	<b>\$50,070</b>	<b>\$52,574</b>	<b>\$55,203</b>	<b>\$57,963</b>	<b>\$60,861</b>
<i>Total Expenses by Income Source</i>						
Hangars	\$20,204	\$21,215	\$22,275	\$23,389	\$24,559	\$25,787
Flight School	\$103,913	\$174,993	\$183,743	\$192,930	\$202,577	\$212,706
Fuel Sales	\$119,558	\$217,876	\$219,049	\$220,282	\$221,576	\$222,935
Technology Testing	\$65,613	\$79,143	\$83,101	\$87,256	\$91,618	\$96,199
Hay Production	\$7,449	\$7,821	\$8,213	\$8,623	\$9,054	\$9,507
Caretaker Unit	\$3,500	\$3,675	\$3,859	\$4,052	\$4,254	\$4,467
<b>Total Expenses</b>	<b>\$320,237</b>	<b>\$504,724</b>	<b>\$520,240</b>	<b>\$536,532</b>	<b>\$553,638</b>	<b>\$571,600</b>
<b>Net Operating Income</b>	<b>\$23,983</b>	<b>\$167,675</b>	<b>\$185,779</b>	<b>\$204,788</b>	<b>\$224,748</b>	<b>\$245,705</b>
	<b>NPV</b>			<b>Future Value (FV)</b>		
	<b>\$1,748,799</b>			<b>\$2,811,116</b>		

\*Net present value excludes the deduction for capital improvements

# Hangar Leasing & Development

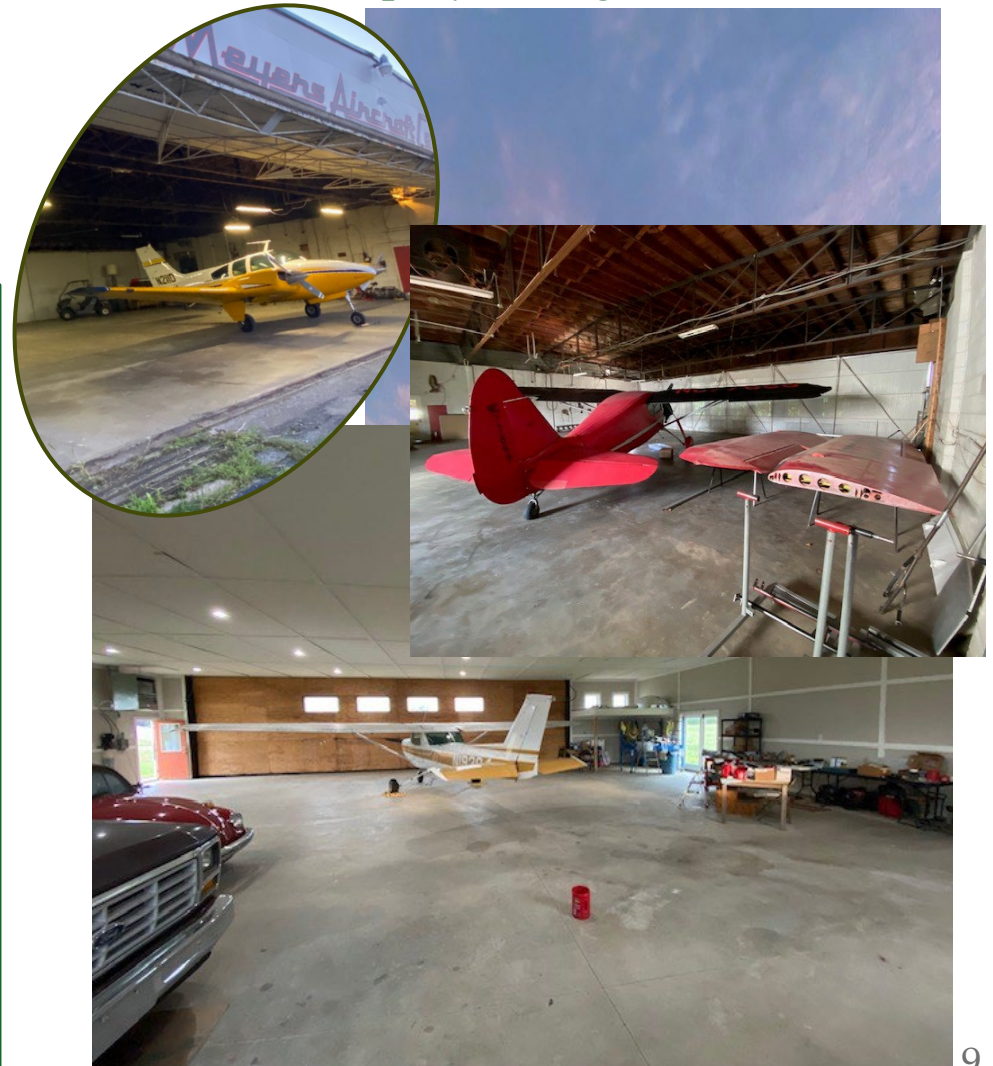
<u>Hangars</u>	<u># of Units</u>	<u>\$/Unit/Mo.</u>	<u>Monthly Rent</u>	<u>Annual Rent</u>
T-Hangars	8	\$200.00	\$1,600	\$19,200
Box Hangar	4	\$250.00	\$1,000	\$12,000
<b>Sub-Total</b>	<b>12</b>		<b>\$2,600</b>	<b>\$31,200</b>

Existing hangars provide a **stable, recurring income base**, with projected growth driven by lease-up and modest rent increases.

- **Year 1 Income:** ~\$31,200
- **Year 6 Income:** ~\$39,800
- **Utilization:** Stabilizing at ~95% occupancy

## Opportunity Characteristics

- Ability to develop:
  - additional T-hangars
  - small box hangars
- Demand supported by:
  - regional hangar constraints
  - (Ann Arbor overflow)
  - increased activity from:
    - flight training
    - testing / aviation use



# Flight Training

<u>Flight School</u>	<u># of Aircraft</u>	<u>Flight Hours/Aircraft</u>	<u>Total Flight Hours</u>	<u>\$/Flight Hour</u>	<u>Monthly Revenue</u>	<u>Annual Revenue</u>
Cessna 172	2	75	150	\$160.00	\$24,000	\$288,000

## Overview

The property is well-positioned to support a **small-scale flight training program**, utilizing industry-standard aircraft such as the Cessna 172 and similar light aircraft.

This use establishes **consistent daily activity** and serves as the operational foundation of the airport.



## Revenue Profile

- **Rental Rates:** \$150–\$170 per flight hour (wet)
- **Operator Gross Revenue:** ~\$250K – \$500K annually
- **Business NOI:** \$75K - \$125K



## Operational Assumptions

- **Fleet:** 2–4 training aircraft
- **Utilization:** ~60–80 flight hours per aircraft per month
- **Total Activity:** ~1,800–2,500 annual flight hours

## Strategic Importance

- Drives **consistent aviation activity** at the site
- Generates **fuel demand and ancillary revenue**
- Supports **hangar leasing and based aircraft growth**
- Provides a **stable anchor use** for overall operations

# Fuel Sales

<u>Fuel Sales</u>	<u># of Gallons/ Month</u>	<u>Cost/Gallon</u>	<u>Price/Gallon</u>	<u>Margin/Gallon</u>	<u>Monthly Revenue</u>	<u>Annual Revenue</u>
Hangar & Transit	3000	\$6.50	\$7.00	\$0.50	\$21,000	\$252,000
<b>Sub-Total</b>	<b>3000</b>			<b>\$0.00</b>	<b>\$21,000</b>	<b>\$252,000</b>

## *Activity-Driven, High-Margin Ancillary Income*

### Overview

Fuel sales provide a **margin-based revenue stream** generated from on-site aviation activity, including flight training operations and based aircraft. This revenue scales directly with aircraft utilization and airport activity levels.

### Operational Assumptions

- **Primary Fuel Type:** 100LL (Avgas)
- **Estimated Volume:** ~3,000 – 4,000 gallons per month
- **Driver of Demand:** Flight training activity and based aircraft

### Strategic Importance

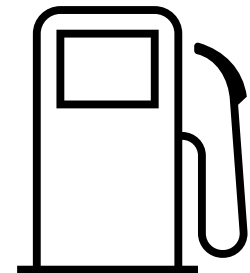
- Directly linked to **flight activity and utilization levels**
- Generates **incremental revenue with minimal fixed cost**
- Enhances overall airport ecosystem and service offering
- Benefits from growth in:
  - flight training operations
  - based aircraft count
  - transient aviation traffic

### Revenue Profile

- **Retail Price:** ~\$5.75 – \$7.50 per gallon
- **Estimated Margin:** ~\$0.50 – \$1.50 per gallon

**Annual Gross Margin:** ~\$60K – \$70K

**Estimated Net Income:** \$5K – \$15K



# Technology & Mobility Testing

<u>Technology &amp; Mobility Testing</u>	<u># of Users</u>	<u>Frequency of Use</u>	<u>Rate</u>	<u>Billing Unit</u>	<u>Monthly Revenue</u>	<u>Annual Revenue</u>
Anchor Tenant	1	1	\$5,000	Monthly	\$5,000	\$60,000
Intermittent Testing Use	2	3	\$1,000	Daily	\$6,000	\$72,000
<b>Sub-Total</b>	<b>3</b>				<b>\$11,000</b>	<b>\$132,000</b>

## High-Margin, Scalable Revenue Driver

- **Use Cases:** UAV / drone testing, mobility & autonomous systems
- **Revenue Model:** Anchor tenant + daily testing access + event usage
- **Utilization:** Partial use of available testing days (40%–60%)

Estimated NOI: \$50K – \$62K annually

## Strategic Role

- Highest **income per acre** on the property
- Scales with regional **mobility & tech demand**
- Positions asset within **Ann Arbor / Detroit innovation corridor**

## Key Takeaway

A flexible, usage-based revenue stream delivering outsized income potential relative to minimal capital investment.



# Hay Revenue

<u>Hay Production</u>	<u>Acres</u>	<u>Rent/Acre</u>	<u>Annual Revenue</u>
Hay Farmer	50	\$150	\$7,500

## Passive Land Utilization & Cost Offset

- **Use:** Agricultural lease across ~50 acres
- **Structure:** Cash rent per acre (farmer-operated)
- **Stability:** Fully utilized with minimal variability

Estimated NOI: \$7K – \$10K annually



## Strategic Role

- Provides **baseline land income**
- Maintains open space and **reduces carrying costs**
- Supports **favorable agricultural tax treatment**

## Key Takeaway

Low-risk, passive income that enhances land efficiency while preserving long-term flexibility for future site activation.



# Caretaker Unit



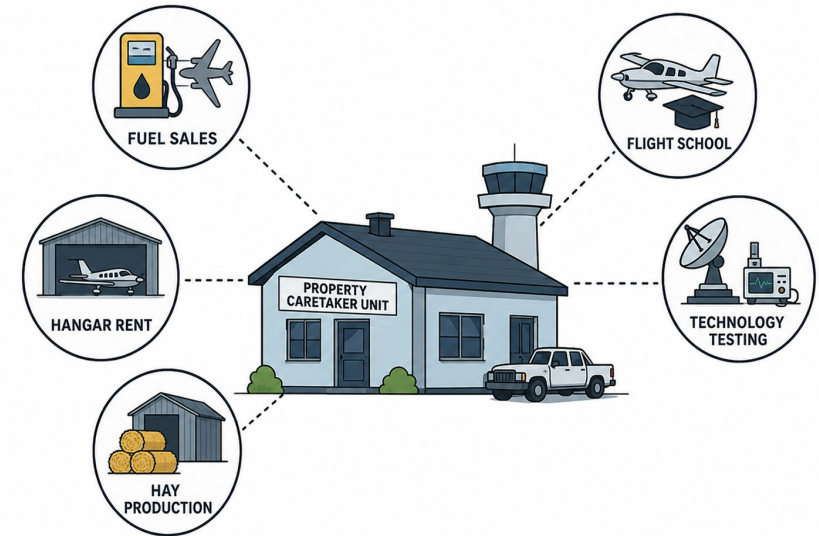
# Caretaker Unit

## Operational Oversight & Management Efficiency

- **Use:** On-site housing for airport manager / caretaker
- Supports oversight of:
  - aviation activity
  - testing operations
  - hangars and ground conditions

## Function

- Provides **continuous on-site presence**
- Enhances **security, responsiveness, and coordination**
- Supports execution across all revenue streams



## Compensation Structure

- Unit provided as **in-kind compensation** to operator
- Creates **alignment between performance and oversight**
- Reduces need for third-party management and security

## Alternative Use (Optional)

- Could be leased as short-term aviation lodging if not utilized for operations

# Summary

## Stabilized Operating Profile *Integrated Aviation & Infrastructure Platform*

### Hangar Leasing

- Stabilized occupancy of existing inventory

### Hay Production (Land Lease)

- Passive agricultural use across ~50 acres

### Technology & Mobility Testing

- Anchor tenant + intermittent testing usage

### Fuel Sales

- Activity-driven, margin-based income from aviation operations

### Flight Training Operations

- 2–4 aircraft program driving ~2,000 annual flight hours

NOI Year 5			
Business Use	EGI	Expenses	NOI
Hangars	\$34,131	\$24,559	\$9,573
Flight School	\$315,059	\$202,577	\$112,482
Fuel Sales	\$275,677	\$221,576	\$54,101
Technology & Mobility Testing	\$144,402	\$91,618	\$52,784
Hay Production	\$9,116	\$9,054	\$62
Caretaker Unit	\$0	\$4,254	(\$4,254)
<b>Total NOI</b>	<b>\$778,386</b>	<b>\$549,384</b>	<b>\$224,748</b>