

STATEMENT OF BASIS FOR A PROPOSED PERMIT TO OPERATE A CLASS II AIR CONTAMINANT SOURCE

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LLCHD Air Quality Section Facility Identification (FID) Number:	00190
Proposed Effective Date of Permit:	Date, 2026

The Lincoln-Lancaster County Health Department (LLCHD) Air Quality Program Hereby Proposes to Issue a Permit to Operate a Class II Source to the Following:

Permit Holder Name:	Carol Corp dba Hillaero Modification Center
Address:	4055 North Park Road
City, State, ZIP:	Lincoln, Nebraska, 68524

The Proposed Permit is for Operation of the Following Source:

Facility Site Name:	Hillaero Modification Center
Facility Address:	4055 North Park Road
City, County, State, ZIP:	Lincoln, Lancaster County, Nebraska, 68524
Facility NAICS:	336413: Other Aircraft Parts and Auxiliary Equipment Manufacturing 488190: Other Support Activities for Air Transportation

In accordance with requirements set forth under Article 2, Section 14 of the Lincoln-Lancaster County Air Pollution Control Programs Regulations and Standards (LLCAPCPRS), the LLCHD may not issue a Class II operating permit until the public has been given the opportunity to comment on the draft permit.

Within the 30-day public comment period, any interested person, agency, group, or affected state may request or petition the Director of the LLCHD for a public hearing. All requests for public hearing must be made in writing, and must state the nature of the issues to be raised and all arguments and factual grounds supporting their position. If a public hearing is granted by the Director, the hearing will be advertised by public notice at least 30 days prior to its occurrence.

A final determination on this permit will be made following the opportunity of the public to review and comment on the draft permit, and any/all comments received have been addressed.

The conclusion of this document will include a recommendation to either issue or deny the renewal of a Class II operating permit for this source.

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Section 1 – Introduction

Carol Corp dba Hillaero Modification Center (hereinafter referred to as ‘Hillaero’ or ‘the source’) has submitted an application to renew a Class II Operating Permit to operate a light and medium aircraft modification facility primarily engaged in aircraft refinish and interior refurbishment. Emissions consist of volatile organic compounds (VOC) and hazardous air pollutants (HAP, primarily VOC/HAP).

Article 2, Section 5 of the LLCAPCPRS requires that significant sources of air pollutants apply for operating permits. Sources that are required to obtain Class II operating permits are those meeting the criteria set forth under Article 2, Section 5, paragraph (A)(2) of the LLCAPCPRS based on their potential to emit.

Hillaero will operate as a minor source, as the maximum potential emissions of regulated pollutants from this source is lower than Class II operating permit thresholds, but emissions of the greatest individual HAP exceeds the Class II operating permit thresholds.

This source is considered an ‘area source’ of hazardous air pollutants (HAP), as maximum potential emissions of both individual and combined HAPs are lower than major source thresholds.

Section 2 – Permitting History

2.01 – Initial Class II Operating Permit – December 20, 1996

This permit was issued to Hillaero for the operation of a ‘general source’ as a Surface Coating/Preparation facility. Principal operations at the time of issuance were generally the same as those currently performed at the facility.

2.02 – Class II Operating Permit Renewal issued April 3, 2003

This permit was renewed for operation of a Surface Coating/Preparation ‘general source’ facility, and contained many of the same conditions from the initial operating permit.

2.03 – Class II Operating Permit Renewal issued May 5, 2008

This permit was again renewed for operation of a Surface Coating/Preparation ‘general source’ facility, and contained many of the same conditions from the initial operating permit. However, one significant change was the addition of 40 CFR Part 63, Subpart HHHHHH, which had been promulgated by the EPA prior to the operating permit renewal. Applicable provisions from that rule were incorporated by reference into the permit.

2.04 – Class II Operating Permit Renewal issued November 14, 2013

This permit was renewed as a Class II ‘specific’ permit, as there were no longer enough sources to justify a ‘general source’ category for Surface Coating/Preparation facilities. Most of the previously permitted facilities had been transitioned to regulation under the Department’s ‘area source MACT’ program. This renewal operating permit for Hillaero contained many of the same conditions from the 2008 operating permit renewal.

2.05 – Class II Operating Permit Renewal issued December 1, 2019

This permit was renewed for operation as a specific source and contained many of the same conditions from the 2013 operating permit renewal.

2.06 – Proposed Class II Operating Permit Renewal

This document serves as the factual and legal basis for the proposed renewal of the operating permit for Hillaero. The sections that follow provide more information on the source, the nature of emissions from the source, evaluation of the potential to emit, and a discussion of conditions set forth in the draft permit.

Section 3 – Source Characterization

3.01 – Source Description

Hillaero is a light and medium aircraft modification facility primarily engaged in aircraft refinish and interior refurbishment. This primarily involves the following operations:

- Paint stripping and surface preparation;
- Spray application of primer and topcoat;
- Aircraft upholstery and interior finishing; and
- Equipment cleaning.

3.02 – Significant Sources of Air Pollution

The operations covered by this permit include the following emissions units:

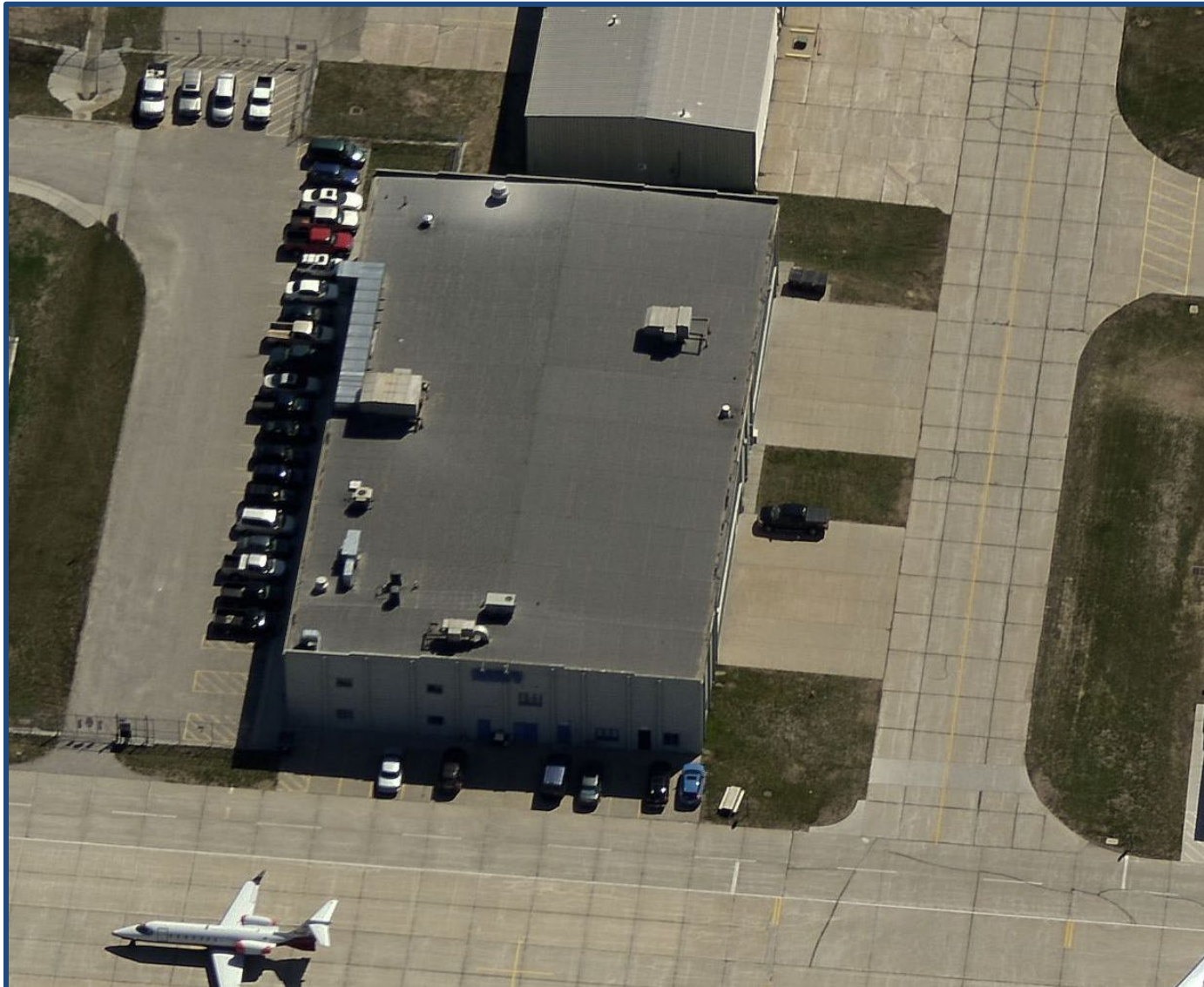
Emission Unit	SCC Code	Emission Point Description	Emission Segment Description
1-1	4-02-024-01	Priming	Primer Coating
2-1	4-02-024-06	Painting	Top Coating
3-1	4-02-024-05	Spray Gun / Equipment Cleaning	Equipment Clean-up
4-1	4-02-024-02	Acid Wash / Alodine	Cleaning / Pretreatment
5-1	4-02-009-30	Paint Stripping	Paint Stripping
6-1	4-02-007-01	Panel Upholstery	Adhesive Application
7-1	4-02-007-01	Laminate / Veneer Application	Adhesive Application

3.03 – Insignificant Activities

For the purposes of this permit, there are no insignificant sources of emissions that warrant identification.

3.04 – Source Aerial View

The following is an aerial View of Hillaero, as viewed from the west looking east.



Section 4 – Emission Characterization

4.01 – Emission Calculation Factors and Methods

The procedures for performing emission calculations are provided in the Class II permit application. These procedures will be used to provide the emissions information required for the annual emissions inventory.

4.02 – Maximum Potential Emission Calculations and Totals

4.02.01 – Maximum Potential to Emit (MPTE) – Criteria Pollutants

The following emissions are derived from the approved application for this facility.

Emission Unit	SCC Code	Annual Process Rate	PM₁₀ (lbs/yr)	PM_{2.5} (lbs/yr)	NO_x (lbs/yr)	SO_x (lbs/yr)	VOC (lbs/yr)	CO (lbs/yr)	CO₂e (lbs/yr)	LEAD (lbs/yr)	Total HAPs (lbs/yr)
1-1	4-02-024-01	8,760 hrs	13.97	-	-	-	1,130.0	-	-	-	257.40
2-1	4-02-024-06	8,760 hrs	19.13	-	-	-	3,189.0	-	-	-	-
3-1	4-02-024-05	8,760 hrs	-	-	-	-	13,560.0	-	-	-	5,966.0
4-1	4-02-024-02	8,760 hrs	-	-	-	-	7.20	-	-	-	57.0
5-1	4-02-009-30	8,760 hrs	-	-	-	-	5,929.0	-	-	-	7,221.0
6-1	4-02-007-01	8,760 hrs	-	-	-	-	435.60	-	-	-	63.36
7-1	4-02-007-01	8,760 hrs	-	-	-	-	432.96	-	-	-	79.20
Total Emissions (pounds per year)			33.10	-	-	-	24,684.0	-	-	-	13,645.0
Total Emissions (tons per year)			0.02	-	-	-	12.34	-	-	-	6.82

4.02.02 – Maximum Potential to Emit (MPTE) – Hazardous Air Pollutants (HAPs)

The maximum potential emissions of hazardous air pollutants from all combined emission units at this source are as follows:

HAP Name	CAS #	Emissions (lbs)	Emissions (tons)
Methylene Chloride	75-09-2	4,814.3	2.41
Phenol	108-95-2	2,407.1	1.20
Xylene	1330-20-7	5,424.0	2.71
Toluene	108-88-3	685.0	0.34
Chromium	7440-47-3	314.4	0.16
Total Emissions		13,644.8	6.82

4.02.03 – Maximum Potential to Emit – Permit Threshold Evaluation

The following table summarizes the source's potential to emit, and compares it to applicable Class I and Class II operating permit thresholds:

Criteria Pollutant	Emissions (tpy)	Class II Permitting Threshold	Meet or Exceed?	Class I Permitting Threshold	Meet or Exceed?
PM ₁₀	0.02	≥ 15 tpy	No	≥ 100 tpy	No
PM _{2.5}	-	N/A	N/A	N/A	N/A
NO _x	-	≥ 40 tpy	No	≥ 100 tpy	No
SO _x	-	≥ 40 tpy	No	≥ 100 tpy	No
VOC	12.34	≥ 40 tpy	No	≥ 100 tpy	No
CO	-	≥ 50 tpy	No	≥ 100 tpy	No
Lead	-	≥ 0.6 tpy	No	≥ 5 tpy	No
CO _{2e}	-	N/A	N/A	100,000 tpy	No
Hazardous Air Pollutant	Emissions (tpy)	Class II Permitting Threshold	Meet or Exceed?	Class I Permitting Threshold	Meet or Exceed?
Greatest Single HAP	2.71	≥ 2.5 tpy	Yes	≥ 10.0 tpy	No
Total Combined HAPs	6.82	≥ 10.0 tpy	No	≥ 25.0 tpy	No

4.03 – Limited/Controlled Potential to Emit Emission Calculations and Totals

The owner/operator is not electing any additional emission controls or material use/throughput limits to reduce potential emissions. As such, the figures presented in Section 4.02.03 represent the 'potential to emit' for this source.

4.04 – Permit Threshold Evaluation

As reflected in the table in Section 4.02.03, emissions from this source are of sufficient quantities to require a Class II operating permit.

Section 5 – Applicable Regulations & Requirements

5.01 – Applicable Regulations under the LLCAPCPRS

- (A) The following sections (§) of the LLCAPCPRS are applicable requirements of this permit:

Table 1-A: Applicable Regulations of the LLCAPCPRS

Article 1: Administration and Enforcement	
§1	Intent
§2	Unlawful Acts – Permits Required
§3	Violations – Hearings – Orders
§4	Appeal Procedure
§5	Variance
§6	Annual Fees
§7	Compliance – Actions to Enforce – Penalties for Non-Compliance
§8	Procedure for Abatement
§9	Severability
Article 2: Regulations and Standards	
§1	Definitions
§4	Ambient Air Quality Standards
§5	Operating Permits – When Required
§6	Emissions Reporting – When Required
§7	Operating Permits – Application
§8	Operating Permits – Content
§12	Operating Permit Renewal and Expiration
§14	Permits – Public Participation
§15	Permit Modifications – Reopening for Cause
§16	Stack Heights – Good Engineering Practice (GEP)
§17	Construction Permits – When Required
§18	New Source Performance Standards (NSPS)
§20	Particulate Limitations and Standards
§27	Hazardous Air Pollutants – Maximum Achievable Control Technology (MACT)
§28	Hazardous Air Pollutants – Source Category Emission Standards
§29	Operating and Construction Permit Emissions Fees
§32	Duty to Prevent Escape of Visible Airborne Dust
§33	Time Schedule for Compliance
§34	Emission Source Testing and Monitoring
§35	Compliance – Exceptions Due to Startup Shutdown or Malfunction
§36	Control Regulation Circumvention – When Excepted
§37	Compliance – Responsibility of Owner/Operator Pending Review by Director
§38	Emergency Episodes – Occurrence, Control, and Contingency Plans
Appendices	
I	Emergency Emission Reduction Regulations
II	Hazardous Air Pollutants sorted by Pollutant Name
III	Hazardous Air Pollutants sorted by CAS Number

5.02 – Applicable Federal Regulations

- (B) The Federal Regulations in Table 1-B below are requirements of this permit, including those not currently delegated to the LLCHD or not yet included in the LLCAPCPRS:

Table 1-B: Applicable Federal Regulations

40 CFR Part 61: National Emission Standards for Hazardous Air Pollutants (NESHAP)	
<i>Subpart</i>	<i>Subpart Title</i>
A	General Provisions
M	Asbestos
40 CFR Part 63: NESHAP for Source Categories	
<i>Subpart</i>	<i>Subpart Title</i>
A	General Provisions
HHHHHH	Paint Stripping and Miscellaneous Surface Coating Operations at Area Sources
40 CFR Part 82: Protection of the Stratospheric Ozone	

5.03 – Non-Applicable Regulations under the LLCAPCPRS

- (C) The regulations contained within the sections (§) of the LLCAPCPRS listed in Table 1-C do not apply to this source at the time of issuance of this permit.

Table 1-C: Non-Applicable Regulations of the LLCAPCPRS

Article 2: Regulations and Standards	
§2	Major Sources – Defined
§9	General Permits
§10	Operating Permits for Temporary Sources
§13	Class I Operating Permit – EPA Review – Affected States Review
§19	Prevention of Significant Deterioration of Air Quality
§21	Compliance Assurance Monitoring
§22	Incinerator Emission Standards
§23	National Emission Standards for Hazardous Air Pollutants (NESHAPs)
§24	Sulfur Compound Emission Standards for Existing Sources
§25	Nitrogen Oxide Emissions Standards for Existing Sources
§26	Acid Rain
§3, §11, §30, §31	Reserved

5.04 – Applicable Local Regulations

- (D) The following local ordinances/resolutions are requirements of this permit:
- (1) If operating in the City of Lincoln, Nebraska, or in the 3-mile zoning jurisdiction surrounding the corporate limits of the City of Lincoln, the following ordinance shall apply:

Table 1-D1: Applicable Lincoln Municipal Code (LMC) Chapter(s)

Chapter	Chapter Title
8.06	Air Pollution

- (2) If operating in Lancaster County, Nebraska but outside of the 3-mile zoning jurisdiction surrounding the corporate limits of the City of Lincoln, Nebraska, the following resolution shall apply:

Table 1-D2: Applicable Lancaster County Resolution(s)

Resolution #	Resolution Title
R-13-0073	Lancaster County Air Pollution Control Resolution

5.05 – Non-Applicable Federal Regulations

- (E) The ‘Prevention of Significant Deterioration of Air Quality’ regulation(s) set forth under Title 129 of the Nebraska Administrative Code (Nebraska Air Quality Regulations) do not apply to this source.

Section 6 – Discussion of Proposed Permit Conditions, Monitoring, Reporting, Notification and Record Keeping Requirements

The following conditions of the proposed permit contain monitoring, reporting, notification, and record keeping requirements. A brief description of these conditions is provided below:

6.01 – General Conditions

Conditions II through XXVIII are general conditions that are applicable to all Class II sources. There will not be an in-depth discussion of these requirements, except to note the following General Conditions specifically related to monitoring, reporting, notification, and record-keeping:

- VI – Fees
- XI – Annual Emission Reporting
- XII(A) – Timely Applications
- XII(B) – Certification of Truth, Accuracy, and Completeness
- XIII(C)-(D) – Record Keeping Elements and Retention Times
- XIII(L) – Permit Copy Maintenance and Retention
- XV(F) – Notification of Source Modifications
- XXII(E) – ‘Credible Evidence Rule’
- XXIII – Startup, Shutdown, and Malfunction (SSM) Provisions

6.02 – Specific Conditions

The following are specific conditions of the proposed Class II operating permit:

- XXIX. – Minor Source Requirements. The conditions established under this requirement establish the source as a ‘Minor’ source of emissions, and provide enforceable conditions requiring the source to maintain actual emissions at levels below ‘major source’ thresholds. These requirements qualify the source for a Class II operating permit. The facility is subject to the monitoring, recordkeeping, and reporting requirements applicable to Class II sources identified in the permit.
- XXX – Source Wide Requirements. These conditions apply to the facility and emission unit(s) identified under this condition in the permit. The following conditions have been established pursuant to elections made by the owner/operator in the approved application and the authorities granted in Article 2, Section 8, paragraph (O) of the LLCAPCPRS. These conditions are deemed necessary by the Director to protect public health and/or the environment and are consistent with federally enforceable construction permits held by the owner/operator (if any). All terms and conditions of this permit are enforced by the Administrator and the citizens under the Act, except for those terms and conditions that are specifically designated as not being federally enforceable.
 - (A) Operating Requirements, Throughput Limits, and/or Work Practice Standards.
The requirements set forth under this condition serve to:

- reiterate the requirement to limit actual emissions to less than the thresholds set forth under Condition XXIX;
- ensure that the units are operated in such a manner that their contributions to air pollution are minimized, and to incorporate any elections made in the approved application by reference; and
- incorporate by reference any applicable operating requirements, processing limits, or work practice standards established pursuant to applicable Federal Regulations.

(B) Emission Limits and Emission Control Requirements.

The requirements set forth under this condition serve to:

- incorporate by reference any applicable emission limits established pursuant to applicable Federal Regulations.

(C) Monitoring Requirements.

The requirements set forth under this condition serve to:

- incorporate by reference any applicable monitoring requirements established pursuant to applicable Federal Regulations.

(D) Record Keeping Requirements.

The requirements set forth under this condition serve to:

- ensure the maintenance of adequate records to substantiate emission calculations for the purpose of the required annual emission inventory;
- ensure the maintenance of adequate records to remain a 'minor source' pursuant to Condition XXIX;
- incorporate by reference any applicable record keeping requirements established pursuant to applicable Federal Regulations.

(E) Reporting Requirements.

The requirements set forth under this condition serve to:

- reiterate the requirement to submit an annual emission inventory;
- authorize the Department to collect any emission-related information necessary to verify emission records or reporting; and
- incorporate by reference any applicable reporting requirements established pursuant to applicable Federal Regulations.

(F) Requirements of the National Emission Standards for Hazardous Air Pollutants for Source Categories (Source Category NESHAPs) set forth in Title 40, Part 63 of the Code of Federal Regulations (40 CFR 63).

The requirements set forth under this condition serve to incorporate the applicable requirements of 40 CFR Part 63, Subparts A, ZZZZ, and HHHHHH, as applicable to the source. In regard to the Subpart HHHHHH requirements, all of the requirements pertaining to surface coating and Methylene Chloride use remain unchanged from the previous permit.

(G) Other Requirements.

The requirements set forth under this condition serve to ensure that the Department is aware of any changes at this source that would result in

significant changes to actual emissions as well as the source's potential to emit.

Attachment A: Applicable Requirements under Federal Regulations – This attachment outlines the requirements of 40 CFR Part 63, Subpart HHHHHH as applicable to the Permitted Source.

Section 7 – Summary of Permit Conditions Enforceable by Agency

- (1) LLCHD (Local) – All conditions indicated in this permit with the exception of General Condition (Regulations) I(B), as well as Condition XXVII.
- (2) EPA (Federal) – All conditions indicated in this permit with the exceptions of General Condition (Regulations) I(D).

Section 8 – Compliance Assurance Monitoring

The Compliance Assurance Monitoring (CAM) requirements set forth under 40 CFR Part 64 only applies to major sources, and Hillaero is not a major source for any criteria or hazardous air pollutant. Therefore, the requirements of 40 CFR Part 64 do not apply.

Section 9 – Pollution Prevention Opportunities

The Department encourages Hillaero to continually examine its operations for pollution prevention opportunities. The Department's Technical Assistance Program can provide resources to aid the facility in exploring available pollution prevention options.

A guidance document outlining possible pollution prevention opportunities can be found on LLCHD's Air Quality webpage at the link below or by scanning the QR code.



<https://www.lincoln.ne.gov/files/sharedassets/public/v/1/health-dept/environmental/air-quality-forms-amp-apps/pollutionpreventionopportunities.pdf>

Section 10 – Air Quality Section Recommendation

The Department proposes approval of a Class II Operating Permit for this facility. Enforceable permit conditions have been provided in the draft permit. A final determination on this permit will be made following the opportunity of the public to comment on the draft permit, and any comments received have been addressed.

Section 11 – Public Participation

The following notice is scheduled for publication in the **August 25, 2026** edition of the Lincoln Journal Star, which is a newspaper of general circulation in Lancaster County, Nebraska.

This notice, along with the draft permit, statement of basis, and permit application will also be made available on the Lincoln-Lancaster County Health Department (LLCHD) Air Quality Program website at the following URL:

<http://lincoln.ne.gov/city/health/environ/Air/PubNot.htm>

NOTICE OF INTENT TO ISSUE PERMIT

LINCOLN-LANCASTER COUNTY HEALTH DEPARTMENT (LLCHD)

- A. In accordance with Article 2, Section 14 of the Lincoln-Lancaster County Air Pollution Control Program Regulations and Standards (LLCAPCPRS), the LLCHD gives notice of the preliminary determination to approve the following permitting action(s) for the source identified in item 'B' below. The 30-day public comment period commences August 25, 2026 and ends on September 24, 2026.
- B. Issuance of the proposed permit allows for continued operation of the subject emission source within Federal, State and Local requirements. Provided below are the name, address, and the North America Industry Classification System (NAICS) code describing the nature of business at the subject emission source:
1. Source Name: Carol Corp DBA Hillaero Modification Center
 2. Source Address: 4055 North Park Road, Lincoln, NE 68524
 3. NAICS Code(s): 336413 (Other Aircraft Parts and Auxiliary Equipment Manufacturing) and 488190 (Other Support Activities for Air Transportation)
- C. Potential emissions exceed the Class II permit thresholds set forth under Article 2, Section 5 of the LLCAPCPRS, but are also lower than the Class I permit thresholds. As a result, the source will be classified as a 'minor source' of emissions and qualifies for a Class II operating permit.
- D. The proposed Class II operating permit will allow for emissions of the following regulated air pollutants in the associated quantities. All quantities are in units of tons per year, or tpy.
- | | |
|---|-----------|
| Particulate matter less than 10 micrometers in diameter (PM ₁₀) | 0.02 tpy |
| Volatile Organic Compounds (VOC) | 12.34 tpy |
| Individual Hazardous Air Pollutants | 2.71 tpy |
| Total Combined Hazardous Air Pollutants | 6.82 tpy |
- E. Lancaster County is an 'attainment/unclassifiable' area for all pollutants subject to the National Ambient Air Quality Standards (NAAQS), meaning air quality in Lancaster County meets or is cleaner than the national standards. This permitting action is not expected to change that status.
- F. The proposed permit, statement of basis, permit application, and a copy of this public notice document are available online at: <http://lincoln.ne.gov>, keyword search "air". Those materials are also available for inspection during business hours at the office of the LLCHD at 3131 O Street, Lincoln, NE 68510. Telephone inquiries regarding this public notice may be directed to the Air Quality Section at (402) 441-8040. If alternate formats of materials are needed, please notify the Department by calling (402) 441-8040 or (402) 441-6284 for TDD users.
- G. Within the 30-day public comment period, any interested person, agency, or group may submit comments on the proposed permit(s), or request or petition the Director of the LLCHD for a public hearing in accordance with item 'H' below. Comments on the proposed permit(s) may be mailed to the attention of the Air Quality Section Supervisor at the address provided in item 'F' above, or submitted via e-mail to healthair@lincoln.ne.gov using the subject line 'Comment on Air Quality Permit'. Individuals commenting via e-mail are asked to provide their home address and phone number for follow-up correspondence.
- H. Requests for public hearing must be made in writing, and must state the nature of the issues to be raised and all arguments and factual grounds supporting their position. If a public hearing is granted by the Director, the hearing will be advertised by public notice at least 30 days prior to its occurrence.
- I. The LLCHD does not discriminate on the basis of race, color, national origin, disability, age, or sex in administration of its programs or activities, and LLCHD does not intimidate or retaliate against any individual or group because of their participation in or opposition to actions protected or prohibited by 40 CFR Part 7, or for the purpose of interfering with any right or privilege guaranteed by 40 CFR Part 7.