

TO: James L. App, City Manager
FROM: Meg Williamson, Assistant City Manager
SUBJECT: Airport Rules and Regulations & User Fee Update
DATE: December 6, 2011

NEEDS: For the City Council to adopt Resolution No. 11-XX approving an amendment to the Airport Rules and Regulations and associated Airport User Fee Schedule.

- FACTS:**
1. The City, as owner and operator of the Municipal Airport is required to provide policies and regulations for its safe operation. The regulations in place since 2005 have generally served their purpose well. However, their review from time to time is prudent to determine if modifications may more fully serve the airport's needs.
 2. The Airport Advisory Committee, through the efforts of its appointed sub-committee, has conducted a thorough review of the Airport Rules and Regulations document. They have found and recommended that, with the exception of the Airport User Fee Schedule, the 2005 rules and regulations affecting airport operations remain relevant.
 3. The Airport User Fee schedule was partially updated in 2005, but many of the fees have been in effect for much longer. There are no built in escalations to cover increasing costs of business operations.
 4. After consideration of the current market at this and neighboring airports, and with ample opportunity for public review and input at their regular meetings, the Airport Advisory Committee on October 27, 2011 recommended an updated Airport User Fee Schedule be adopted. Attachment 3 is the recommended fee schedule (annotated to show both current and proposed fees).
 5. The proposed modifications reflect a modest increase in aircraft and vehicle parking fees and in the landing fees charged to larger aircraft. There is also an increase in Fuel Flowage fees – those charges per gallon of fuel sold and/or delivered into aircraft, paid back to the City.
 6. The one new fee being recommended (2½¢) is labeled as a Fuel Facilities Development Fee, which would be directly allocated to offset the cost of repair, maintenance and new construction of fueling equipment and facilities.

**ANALYSIS
AND**

CONCLUSION: The Airport Enterprise is required to generate adequate revenues to cover operating cost and necessary capital improvements of the airport facility. Review of existing fees, their lack of increase in recent times, and the current needs for additional equipment purchases would justify the current adjustments proposed. With the recommended adjustment to fees our airport will still be within appropriate market pricing for a facility of its type.

POLICY

REFERENCE: FAA Grant Assurances and financing guidelines; City Finance Policies.

FISCAL

IMPACT:

The increase in parking fees will yield an additional \$300 - \$400 per month. The increase in fuel fees will add an estimated \$16,000 to the Airport Fund, annually.

OPTIONS:

A. Adopt Resolution No. 11-xx, approving the amendment to Airport Rules and Regulations Fee Schedule.

B. Amend, modify, or reject the above option.

Attachments (1):

1. Resolution
2. Revised Airport User Fee Schedule
3. Annotated Fee Schedule – considered by AAC on 10-27-11

RESOLUTION NO. 11-xxx

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES APPROVING
AN UPDATE TO THE AIRPORT USERS FEE SCHEDULE, AS CONTAINED IN THE
MUNICIPAL AIRPORT RULES AND REGULATIONS

WHEREAS, the City of Paso Robles owns and operates the Paso Robles Municipal Airport for the good and benefit of the local community; and

WHEREAS, the City is thereby obligated to provide pertinent and relevant regulations and operational documents for the effective management and operation of the airport; and

WHEREAS, a review of the Airport Rules and Regulations by a sub-committee of the Airport Advisory Committee has proposed modifications to the Airport Users Fee Schedule; and

WHEREAS, the Airport Advisory Committee, after due consideration of public comment and discussion has recommended adoption of the modified schedule to the City Council.

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of Paso Robles, does hereby:

1. Approve and adopt the revised Airport Users Fee Schedule of the Airport Rules and Regulations dated September 2011.
2. Authorize its implementation, effective January 1, 2012.

PASSED AND ADOPTED by the City Council of the City of Paso Robles, this 6th day of December, 2011, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Duane Picanco, Mayor

ATTEST:

Caryn Jackson, Deputy City Clerk

SECTION 12 - AIRPORT USERS FEE SCHEDULE

12.10 - GENERAL

All aircraft operating on the Airport are subject to user fees for Airport facilities as prescribed herein.

12.12 - Parking

All aircraft parked on the Airport at any time shall be subject to Section 2.20 et seq. of this Chapter. Aircraft parked on those non-leased areas of the Airport that have been designated as Common-Use area, for the purpose of public tie-down, shall be subject to the following tie-down fees.

A. Transient Aircraft

Single Engine.....	\$5.00 per night
Twin Engine.....	\$8.00 per night
Aircraft over 20,000 lbs.	\$30.00 per night

B. Based Aircraft

Single Engine	\$45.00 per month
Twin Engine.....	\$60.00 per month

The nightly tie-down fee shall apply to all aircraft parked in applicable spaces at 7:00 a.m. each day, who have not been on the Airport for less than 8 hours, and who have not registered and paid the monthly Based Aircraft Fee. The Based Aircraft Fee applies to any aircraft that has registered, and paid said fee, in advance, to the City or its designated agent.

12.14 - Commercial Operation

Any commercial operator using the Airport on a regular basis for commercial purposes not addressed under a valid lease agreement with the City shall be subject to the following fees.

For aircraft under 20,000 lbs.-

<u>Per Landing</u>	<u>Per Day</u>	<u>Per Month</u>
\$10.00; up to \$30.00	\$150.00

For aircraft over 20,000 lbs. -

<u>Per Landing:</u>	<u>FEE</u>
20,001 lbs. to 26,000 lbs.	\$25.00
26,001 lbs. to 35,000 lbs.	\$35.00
35,001 lbs. to 50,000 lbs.	\$90.00
50,001 lbs. to 70,000 lbs.	\$115.00
70,001 lbs. to 90,000 lbs.	\$125.00
90,001 lbs. to 120,000 lbs.	\$150.00
120,001 lbs. to 150,000 lbs.	\$165.00

12.16 - Fire Equipment Standby

Any aircraft operation, by virtue of its approved Operations Specifications that requires fire equipment standby during normal operations, shall pay a Fire Department call-out fee commensurate with the actual cost of services rendered. This shall be in addition to any required landing fee. This fee shall not apply to emergency responses by Fire Personnel.

12.20 - Airline/Air Taxi Operations

Unless specified under a separate agreement, each aircraft operated for hire by an airline or air taxi operator shall be subject to landing fees in accordance with Paragraph 12.14 of this section.

12.25 - Enplanement/Terminal Use

Any aircraft boarding more than 20 passengers per flight at Paso Robles Municipal Airport shall be subject to an enplanement or terminal boarding fee, whichever is less.

Enplanement Fee-\$1.00 per passenger

Terminal Use/Boarding Fee-\$25.00 per flight

No charge shall be levied for passenger deplanement.

12.28 - Special Events/Activities

Any special use, event, or activity conducted on the Airport which requires additional Airport Staff time, review, or Airport equipment or which involves more than 10 aircraft operating on the Airport shall be subject to review by the City. Those events which create liability or expense exceeding reasonable benefit to the Airport and the Community shall be charged back to the event as an Airport Special Events Fee.

12.30 - Vehicles

All vehicles parked in Public areas per this code for a period of time exceeding 10 days in each calendar month shall pay as follows a long-term parking fee.

Long-Term Parking Fee

A. Passenger Cars-.....\$30.00/month

B. Trucks or larger vehicles-.....\$45.00/month

12.35 - Airport Operating Permit Fees

Each holder of an Airport Operating Permit shall be subject to appropriate fees according to his activity and impact level on Airport Operations.

<u>Number of Operations</u> (monthly estimation)	<u>Operating Fee</u> (Annual)	(monthly).....	(Annual)
0 - 100	1,200	-0-.....\$50.00
100 - 500	6,000	\$25.00.....	\$300.00
500+		\$250.00.....	\$3,000.00

Applicable areas of Aviation activity refer to flight activity which impact Airport Operations (Flight Instruction, Aircraft Rental, Air-Taxi/Charter, Associated Flight Activities). Non-operations activities (Aircraft Maintenance, Fuel Sales, Car Rental etc.) shall pay only the minimum annual fee.

12.38 - Fuel Flowage

Each gallon of fuel dispensed into any aircraft on the Airport is subject to a flowage fee, payable to the City.

Fuel Flowage Fee	\$.06/ gallon	(AvGas)
	\$.08/ gallon	(Jet Fuel)
Fuel Facilities Development Fee	\$.025/gallon	(All Fuel)

12.40 - Collection

Unless specifically addressed within a separate franchised collection agreement between the City and a specified individual, all fees specified herein are due to the City and shall be collected by a duly authorized agent of the City. No commissions or collection fees shall be paid by the City to others for collection of the above fees unless specified under a separate agreement, not contained herein.

12.42 - Waiver of Fees

Airport Manager shall be authorized to waive any of the above fees for special events, activities, or operations that may be of benefit to the Airport or the Community. Any such action may be subject to review by the City Council, at their discretion.

PASO ROBLES MUNICIPAL AIRPORT

AIRPORT USER FEE UPDATE

OCTOBER 2011

Background: The City of Paso Robles, through their City Council, and with advice and recommendations from the Airport Advisory Committee continue to operate and maintain the municipal airport for the good and benefit of the local community. To that end, efforts are made to review and determine that the operational and planning documents are current and valid for the foreseeable future and anticipate adequate provision for the growth and development of the airport.

A recent review of the airport master plan and other pertinent documents has reaffirmed that adequate planning efforts are in place, with only minor modifications needed. One such modification is with the adopted Airport User Fee Schedule, which has not been updated in many years.

Objective: To provide appropriate documentation of the current airport market and the prevailing user fees in place within the local area, thereby justifying the proposed increases to this fee schedule.

Participants: The initial review has been accomplished by a sub-committee of the Airport Advisory Committee with final review by the full committee, prior to recommendation to the City Council for adoption of the findings. The fee amounts, initially recommended by the committee are then compared to current market rates at neighboring airports.

Findings: The Paso Robles Airport User Fee Schedule has not been modified since 1993. The parking fees have been in place since prior to 1985. The proposed landing fee increases are more modest since they were increased in 1993.

Current Rates and Proposed Increases:

Parking Fees:

A. - Transient Aircraft

Single Engine.....	\$3.00	\$5.00 per night
Twin Engine	\$5.00	\$8.00 per night
Aircraft over 20,000 lbs.	\$20.00	\$30.00 per night

B. - Based Aircraft

Single Engine	\$35.00	45.00 per month
Twin Engine	\$50.00	60.00 per month

Landing Fees:

(For aircraft over 20,000 lbs.)

Per Landing:

20,001 lbs. to 26,000 lbs.....	\$ 20.00	\$25.00
26,001 lbs. to 35,000 lbs.....	\$ 30.00	\$35.00
35,001 lbs. to 50,000 lbs.....	\$ 75.00	\$90.00
50,001 lbs. to 70,000 lbs.....	\$ 90.00	\$115.00
70,001 lbs. to 90,000 lbs.....	\$100.00	\$125.00

Attachment 3 – Annotated Fee Scheduled considered/recommended by AAC on 10-27-11

90,001 lbs. to 120,000 lbs.	\$120.00	\$150.00
120,001 lbs. to 150,000 lbs.	\$125.00	\$165.00

Long-Term Vehicle Parking Fee

A. Passenger Cars-	\$20.00	30.00/month
B. Trucks or larger vehicles-.....	\$30.00	45.00/month

Fuel Flowage

Flowage fee on each gallon of fuel dispensed into any aircraft on the Airport, payable to the City.

Fuel Flowage Fee	\$.05	\$.06/ gallon	(AvGas)
		\$.08/ gallon	(Jet Fuel)
Fuel Facilities Development Fee		\$.025/gallon	(All Fuel)

Justification:

- The Consumer Price Index, a basis for determining all other economic factors relative to airport pricing and operation has increased 66% since 1993. Only one proposed fee exceeds that rate of increase.
- A comparison with local airports providing similar services shows similarity, but is difficult to draw direct correlations, as each airport has differing fee structures:

	Paso (Proposed)	San Luis Obispo	Santa Maria	Bakersfield	Oceano
a/c Parking, Single	\$45/month	\$65/month	\$58	\$180/month	\$45/month
a/c Parking, Twin	\$60/month	\$75/month	\$69		
Car Parking	\$30/month	\$45/month	-0-	\$9/day	
Landing Fee	Avg. \$1.02/1000#		\$1/1000#	\$0.85/1000#	-0-
Flowage, Av Gas	\$.06/gal	\$.06/gal	\$0.06/gal	\$0.06/gal	\$.06
Flowage, Jet	\$.08/gal	\$.09/gal	\$0.06/gal	\$0.06/gal	-0-
Fuel Development	\$0.025/gal	\$.035/gal.	-0-	-0-	\$.035/Gal

Conclusion: The increases proposed herein are substantially consistent with other local airports and therefore satisfy City’s responsibility to maintain a pricing structure that will continue to support the airport operation.

Respectfully submitted,
Airport Advisory Committee