



Audit, Finance & Enterprise Committee Report

Date: March 4, 2019

To: Audit, Finance & Enterprise Committee

Through: Natalie Lewis, Deputy City Manager

From: Corinne Nystrom, A.A.E., Airport Director
Rick Welker, Financial Coordinator

Subject: Changes to Falcon Field Airport Schedule of Fees and Charges

Purpose and Recommendation

The purpose of this report is to recommend changes to the Falcon Field Airport's Schedule of Fees and Charges.

Background

Falcon Field Airport continues to serve the general aviation needs of the region. It currently rents City of Mesa-owned property and facilities, including three (3) Large Executive Hangars. An increase to the Large Executive Hangar and Large Executive Hangar Deposit enables the Airport to stay more current with the rates being charged for enclosed aircraft storage by similar businesses and airports and to offset increasing Airport maintenance and repair costs. Monthly rental fees for the Large Executive Hangar and the Large Executive Hangar Deposit have not been modified for over seven years.

Discussion

Falcon Field Airport reviews its Schedule of Fees and Charges on an annual basis to determine the relevance and reasonableness of all fees and charges. An annual survey is conducted to compare similar fees and charges with surrounding general aviation airports. Based on an analysis of the most recent survey results, a 5% increase in the current monthly rental rate for the Large Executive Hangar and Large Executive Hangar Deposit enables the Airport to stay more current with the rates being charged for enclosed aircraft storage and also provides additional financial resources for Airport general maintenance and repair.

Alternatives

The alternative is to leave the hangar fees at their current rate. This alternative would result in the Large Executive Hangar and Large Executive Hangar Deposit fee falling further behind the fair market value for similar properties.

Fiscal Impact

It is estimated that the proposed fee adjustments will result in approximately \$1,980 of total additional revenue in FY 2019-20.

Coordinated With

Falcon Field Airport has coordinated with the Office of Management and Budget on this recommendation to make changes to the Airport's Schedule of Fees and Charges.

Fees & Charges Schedule – Key

Heading Configuration

<u>Schedule of Fees & Charges</u>
Department
Contact Information
HEADING 1
HEADING 2
<i>Heading 3</i>
Description of Fee
Description of Fee 2

Font Indications

Font	Font Indications
Regular Font	Existing fee or language
Strikethrough	Fee or language will be deleted from the Fee Schedule
BOLD CAPS	Language is being added to Fee Schedule
Bold	New or increased Fee Amount

Fee Recommendation Schedule
Exhibit A
Department: Falcon Field

Description of Services:	FY18-19 Fee Current	FY19/20 Fee - Proposed:	Unit:	Revenue Code:	Total Annual Fiscal Impact	Notes:
<i>Hangers</i>						
Large Executive Hangar	\$1,105	\$1,160	Month	3004-3677	\$1,980	Increasing fee for cost recovery of maintenance and repair costs. A 5% increase results in a \$55.00 per month difference. With 3 Hangars the annualized total impact is \$1,980.
Large Executive Hangar	\$1,105	\$1,160	Hangar		\$0	Increasing deposit fee for cost recovery of maintenance and repair costs. On average, one request made per year or \$1,160.00 per year

Total Annual Fiscal Impact: \$1,980