



## **Fees and Charges Report**

**Date:** June 19, 2023

**To:** City Council

**Through:** Candace Cannistraro, Deputy City Manager

**From:** Corinne Nystrom, Falcon Field Airport Director  
Rick Welker, Financial Coordinator, Falcon Field Airport

**Subject:** Falcon Field Airport Update to Schedule of Fees and Charges, Citywide

### **Purpose and Recommendation**

The purpose of this report is to recommend modifications to the Falcon Field Airport's Schedule of Fees and Charges to take effect August 1, 2023.

### **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, 6 Small Executive Hangars, 39 Large T-Hangars, 361 Regular T-hangars, 115 Covered Tie-downs, 282 Tie-downs, 80 small end of hangar storage units and 8 large end of hangar storage units. The Fees and Charges are reflective of the General Aviation Airport business model. Falcon Field Airport is not supported by the City of Mesa's General Fund and is a self-sustained enterprise fund using the Airport Fees and Charges as resources to operate. Fees are established to maintain a fund balance that will adequately provide for future capital investment.

### **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. The department analyzes each individual fee to determine where Falcon Field Airport is in the marketplace. Falcon Field Airport recommends for Fiscal Year (FY) 2023/24 an overall average increase of 9.9% to most Fees and Charges. Exceptions to the proposed increase include violation fees and special events parking.

The increase in fees and charges are due to the following factors:

- 1) Inflation. Major costs to maintain these properties include utilities with an annual increase in costs of over 10%; construction materials including asphalt and

concrete for runways, taxiways, ramp, sealcoating, and other construction with an annual increase of over 11%; insurance with an annual increase of 21%; and wage increases of 5%.

- 2) Comparable market. Similar Arizona General Aviation Airports are increasing their Fees and Charges. They are raising rates because of the rising costs of doing business. For example, Falcon Field Airport is proposing an increase of 5% for Regular T-hangars (from \$238/month to \$250/month). Compared to the most similar airport to Falcon Field, Chandler Airport currently charges \$244/month and expects to increase the fee for FY24. Falcon is proposing a 7.5% increase for Large T-hangars (from \$400/month to \$430/month), while Chandler currently charges \$430/month and expects to raise the rates for FY24.
- 3) Federal Aviation Administration (FAA). The FAA requires that in order to continue to receive Federal Grants, Falcon Field Airport must maximize their efforts to remain self-sustaining.
- 4) Supply and Demand. There is a high demand for General Aviation Storage. The increased demand and a shortage of hangars in the marketplace are driving rents higher. As an example, demand for City-owned rental properties at Falcon Field Airport has grown substantially. Falcon Field Airport has a Regular T Hangar wait list of almost 5 years; Large T Hangar wait list of over 6 years; Covered Tie-Down wait list of over 1½ years; and Open Tie-Down wait list of 4 months.

### **Alternatives**

The alternative would be to leave the current fees in place and not reflect any adjustments.

### **Fiscal Impact**

The estimated fiscal impact that the proposed fee adjustments will result in approximately \$209,318 of total additional revenue in FY 2023/24.

### **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. Falcon Field Airport periodically meets with Airport tenants to discuss airport business. Over the past few quarters, the department has communicated the increase in rents to current tenants and has been met with no objections.

## Fees & Charges Schedule – Key

### Heading Configuration

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

### Font Indications

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

**Schedule of Fees & Charges**  
**Exhibit A – Falcon Field Airport**  
**Department: Falcon Field Airport**

Description of Service	Current Fee Range	Proposed Fee Range	Unit	Revenue Source Code	Total Fiscal Impact	Notes
<i>Tiedowns</i>						
Small Single Engine Aircraft	<del>\$49.00</del>	<b>\$51.00</b>	Month	3688	\$4,800.00	
Small Twin Engine Aircraft	<del>\$59.00</del>	<b>\$68.00</b>	Month	3688	\$3,024.00	
Large Prop Aircraft (>12,500 lbs. MCTW)	<del>\$127.00</del>	<b>\$138.00</b>	Month	3688		
Jet Aircraft	<del>\$127.00</del>	<b>\$138.00</b>	Month	3688		
Helicopters	<del>\$127.00</del>	<b>\$138.00</b>	Month	3688		
Covered Tiedowns	<del>\$114.00</del>	<b>\$130.00</b>	Month	3688	\$22,080.00	
<i>Hangars</i>						
Regular T-Hangar	<del>\$238.00</del>	<b>\$250.00</b>	Month	3677	\$51,840.00	
Large T-Hangar	<del>\$400.00</del>	<b>\$430.00</b>	Month	3677	\$14,040.00	
Small Executive	<del>\$620.00</del>	<b>\$670.00</b>	Month	3677	\$3,600.00	
Large Executive Hangars	<del>\$1,255.00</del>	<b>\$1,355.00</b>	Month	3677	\$3,600.00	
Hangar Transfer Fee	<del>\$228.00</del>	<b>\$250.00</b>	Per transfer	3692	\$528.00	
Hangar Cleaning Deposit	<del>\$285.00</del>	<b>\$300.00</b>	Per Hangar	3677		
<i>Storage Rooms</i>						
Small	<del>\$71.00</del>	<b>\$75.00</b>	Month	3680	\$2,976.00	
Large	<del>\$172.00</del>	<b>\$180.00</b>	Month	3680	\$576.00	
Storage Room Cleaning Deposit (fully refundable if clean)	<del>\$171.00</del>	<b>\$180.00</b>	Unit	3680		
<i>Waiting List/Security Deposit</i> (equal to one month's current monthly rent)						
Open Tie Down Small Single Engine Aircraft	<del>\$49.00</del>	<b>\$51.00</b>	Month	3689	\$1,200.00	
Open Tie Down Small Twin Engine Aircraft	<del>\$59.00</del>	<b>\$68.00</b>	Month	3689	\$216.00	
Open Tie Down Large Propeller Aircraft (12,500 lbs.)	<del>\$127.00</del>	<b>\$138.00</b>	Month	3689		
Open Tie Down Jet Aircraft	<del>\$127.00</del>	<b>\$138.00</b>	Month	3689		

Open Tie Down Helicopter	<del>\$127.00</del>	<b>\$138.00</b>	Month	3689		
Open Tie Down Large Propeller Aircraft (12,500 lbs.)	-					
Covered Tie-Down	<del>\$114.00</del>	<b>\$130.00</b>		3689	\$9,600.00	
Regular T-Hangar	<del>238.00</del>	<b>\$250.00</b>		3689	\$11,520.00	
Large T-Hangar	<del>\$400.00</del>	<b>\$430.00</b>		3689	\$5,400.00	
Small Executive Hangar	<del>\$620.00</del>	<b>\$670.00</b>		3689	\$1,800.00	
Large Executive Hangar	<del>\$1,255.00</del>	<b>\$1,355.00</b>		3689	\$2,400.00	
Small Storage Room	<del>\$71.00</del>	<b>\$75.00</b>		3689	\$480.00	
Large Storage Room	<del>\$172.00</del>	<b>\$180.00</b>		3689	\$384.00	
Waiting List Application Fee	<del>\$25.00</del>	<b>\$50.00</b>		3689	\$66,000.00	
Late Payment Fee (Hangars, Tie-Downs, Storage Rooms)	20% of Account Balance Due		Month			
Return Payments	\$25.00		Each			
<b>Fuel Flowage Fee</b>						
100LL AVGAS & Alternative Fuels	<del>\$0.11</del>	<b>\$0.12</b>	Per gallon	3674	\$1,118.26	
Jet A Fuel	<del>\$0.13</del>	<b>\$0.14</b>	Per gallon	3674	\$875.80	
<b>Access Control Card</b>						
Additional or Replacement Access Control Card	<del>42.00</del>	<b>\$50.00</b>	Each	3682	\$800.00	
<b>Lease Document Transaction Fee</b>	<del>\$265.00</del>	<b>\$270.00</b>	Each	3692	\$60.00	
<b>Rental Car Concessions</b>						
Rental Car Concession Fee – On Airport	<del>7%</del>	<b>10%</b>	Of gross contract	3697	\$300.00	
Rental Car Concession Fee - Off Airport	<del>7%</del>	<b>10%</b>	Of gross contract	3697	\$100.00	

**Estimated Total Annual Fiscal Impact: \$209,318**