



Fees and Charges Report

Date: April 4, 2024

To: Audit, Finance, and Enterprise Committee

Through: Candace Cannistraro, Deputy City Manager

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

Subject: Falcon Field Airport Department 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. If approved by City Council, the fees will go into effect on August 1, 2024.

Background and Discussion

Falcon Field Airport continues to serve the general aviation needs of the region. It currently rents City of Mesa-owned properties and facilities, including 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.

There are four major factors considered in determining the need to modify fees and charges. The factors include inflation, increasing demand for aircraft storage, comparable markets, and the Federal Aviation Administration (FAA). Administrative Maintenance and Operations costs are increasing substantially across the region due to inflation. These increases are identified particularly in the cost of energy and utilities, building and pavement materials and supplies, and interruptions in the supply chain. The second factor evaluated is the demand for aircraft storage. Demand for City-owned rental properties at Falcon Field has been steadily increasing, driving rents higher. For 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 six years; the Large T Hangar wait list exceeds 10 years; the Covered Tie Down wait list is over 2½ years; and the Open Tie Down wait list is 13 months. The third factor, the comparable market, shows that similar Arizona General Aviation Airports are increasing their fees and charges. They are raising rates because of the rising costs of doing business. Finally, the FAA requires that Falcon Field Airport maximize its efforts to remain self-sustaining in order to continue to receive Federal Grants as a grant assurance.

Collectively, these factors have created the need to increase fees and charges at Falcon Field Airport. Falcon Field is proposing to increase the fees for Covered Tie Downs, Regular T-Hangars, Storage Room Rents, Wait Lists, Security Deposits, Fuel Flowage Fee for 100LL AVGAS and Alternative Fuel. Staff also proposes creating a separate Storage Room Cleaning Fee Deposit for Small Storage Rooms, similar to the existing fee that will be applicable to the Large Storage Rooms. These changes will enable the Airport to stay competitive with the rates being charged for facilities and services by similar businesses and airports and to continue to be self-sustaining.

Falcon Field Airport also proposes increases to a Special Events Parking on airport fee and a Special Events Administration fee. Other general aviation airports do not offer parking space for special events. At Falcon Field, parking spaces are prioritized for tenants.

Methodology

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. The survey was conducted to compare similar fees and charges with surrounding general aviation airports. Fees are closely aligned with the Chandler Municipal Airport. We are comparable in type of facilities, services, and administration. Based on an analysis of the most recent survey results, Falcon Field proposes increases in Fees and Charges as outlined. The proposed fees provide additional financial resources for increased costs in utilities, insurance and pavement costs at the Airport and enable the Airport to stay more current with the rates being charged for enclosed aircraft storage.

Alternatives

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

Fiscal Impact

The estimated annual fiscal impact of these proposed fee adjustments is \$192,076.

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

Schedule of Fees & Charges

Exhibit A – Falcon Field

Department: FALCON FIELD AIRPORT

480-644-2445

Description of Service	Current Fee Range	Proposed Fee Range	Unit	Revenue Source Code	Total Fiscal Impact	Notes
<i>Tiedowns</i> TIE DOWNS				3688		
Covered Tiedowns -Tie Downs	\$130.00	\$140.00	Month		\$13,529.00	Increased Fee
<i>Hangars</i>				3677		
Regular T-Hangar	\$250.00	\$285.00	Month		\$148,647.00	Increased Fee
<i>Storage Rooms</i>				3680		
Small	\$75.00	\$79.00	Month		\$3,765.00	Increased Fee
STORAGE ROOM CLEANING DEPOSIT (fully refundable if clean)		\$79.00	EACH		\$387.00	New Fee for small storage room cleaning deposit
Large	\$180.00	\$189.00	Month		\$847.00	Increased Fee
Storage Room Cleaning Deposit (fully refundable if clean)	\$180.00	\$189.00	Each		\$44.00	Increased Fee
<i>Waiting List/Security Deposit</i> (equal to one month's current monthly rent)				3689		
Open Tie Down Small Single Engine Aircraft	\$51.00		Month TIE DOWN			Clarifying unit
Open Tie Down Small Twin Engine Aircraft	\$68.00		Month TIE DOWN			Clarifying unit
Open Tie Down Large Propeller Aircraft (12,500 LBS)	\$138.00		Month TIE DOWN			Clarifying unit
Open Tie Down Jet Aircraft	\$138.00		Month TIE DOWN			Clarifying unit

Description of Service	Current Fee Range	Proposed Fee Range	Unit	Revenue Source Code	Total Fiscal Impact	Notes
Open Tie Down Helicopter	\$138.00		Month TIE DOWN			Clarifying unit
Covered Tie Down	\$130.00	\$140.00	Tie Down		343.00	Increased Fee
Regular T-Hangar	\$250.00	\$285.00	T-Hangar		\$1,716.00	Increased Fee
Small Storage Room	\$75.00	\$79.00	Room		\$27.00	Increased Fee
Large Storage Room	\$180.00	\$189.00	Room		\$26.00	Increased Fee
<i>Fuel Flowage Fee</i>				3674		
100LL AVGAS & Alternative Fuel	\$0.12	\$0.14	Per gallon		\$21,569.00	Increased Fee
<i>Access Control Card</i>				3682		
Additional or Replacement Access Control Card	\$50.00	\$52.00	Each		\$588.00	Increased Fee
SPECIAL EVENTS PARKING						New Header to separate section from Rental Car Concessions
Special Events Parking (On Airport)	\$150.00	\$250.00	Per Event	3697	\$294.00	Increased Fee
Special Events Administration Non-Aeronautical, Not for Profit Exempt (Non-Aeronautical - Not for Profit is Exempt)	\$150.00	\$250.00	Per Event	3697	\$294.00	Corrected text to show "Non-Aeronautical - Not for Profit is Exempt" as a footnote and increase fee

Estimated Total Annual Fiscal Impact*: \$192,076.00

**Fees and Charges Schedule Range includes tax. Fiscal impact is net of tax and rounded to the nearest dollar.*