



Fees and Charges Report

Date: March 23, 2023

To: Audit, Finance, and Enterprise Committee

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 self-sustained using the Airport Fees and Charges as resources to operate.

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.

There are five viable factors to increase fees and charges. The first factor is inflation. Over the past year the airport has realized increased costs of 7% -- 10% in utilities, insurance, building maintenance, and construction costs. The second factor is the comparable market. Similar Arizona General Aviation Airports are increasing their Fees and Charges. They are raising rates because of the rising costs to do business. The third factor is the 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. The fourth factor is the 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.

In addition to overall increases, a new storage container fee is being proposed for tenants who choose to keep a storage container on their leased premise(s). After obtaining a permit for the storage container through Development Services, a monthly fee of \$150 per storage unit per month will be charged for the container. This new fee is estimated to generate \$54,000 per year in new revenue.

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 \$263,318 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 indicated the increase in rents with no objections.

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

Open Tie Down Jet Aircraft	\$127.00	\$138.00	Month	3689		
Open Tie Down Helicopter	\$127.00	\$138.00	Month	3689		
Open Tie Down Large Propeller Aircraft (12,500 lbs.)	-					
Covered Tie-Down	\$114.00	\$130.00		3689	\$9,600.00	
Regular T-Hangar	238.00	\$250.00		3689	\$11,520.00	
Large T-Hangar	\$400.00	\$430.00		3689	\$5,400.00	
Small Executive Hangar	\$620.00	\$670.00		3689	\$1,800.00	
Large Executive Hangar	\$1,255.00	\$1,355.00		3689	\$2,400.00	
Small Storage Room	\$71.00	\$75.00		3689	\$480.00	
Large Storage Room	\$172.00	\$180.00		3689	\$384.00	
Waiting List Application Fee	\$25.00	\$50.00		3689	\$66,000.00	
Late Payment Fee (Hangars, Tie-Downs, Storage Rooms)	20% of Account Balance Due		Month			
Return Payments	\$25.00		Each			
Fuel Flowage Fee						
100LL AVGAS & Alternative Fuels	\$0.11	\$0.12	Per gallon	3674	\$1,118.26	
Jet A Fuel	\$0.13	\$0.14	Per gallon	3674	\$875.80	
Access Control Card						
Additional or Replacement Access Control Card	42.00	\$50.00	Each	3682	\$800.00	
Lease Document Transaction Fee						
	\$265.00	\$270.00	Each	3692	\$60.00	
Rental Car Concessions						
Rental Car Concession Fee – On Airport	7%	10%	Of gross contract	3697	\$300.00	
Rental Car Concession Fee - Off Airport	7%	10%	Of gross contract	3697	\$100.00	
Storage Container fee						
		\$150.00	Per Unit Per Month		\$54,000.00	Tenant is allowed to keep storage containers on their premises. Permit is required.

Estimated Total Annual Fiscal Impact: \$263,318