



Council Agenda Report

From: Mark Scandalis, Airport Manager

Subject: Airport Division Fee Update

CEQA Determination: The City finds that this action is not a project under the California Environmental Quality Act pursuant to State CEQA Guidelines, §§ 15060, subd. (c)(2)-(3), 15378.

Date: August 1, 2023

Facts

1. Each year, the City's Finance Division updates individual department fee schedules. Proposed updates are considered by City Council. On June 20, 2023, the City Council adopted the City's Comprehensive Fee Schedule, except for the Airport Division Fees.
2. Due to the scope of proposed changes to fees, an Airport Commission review was needed ahead of consideration by City Council.
3. Since at least 1976, the City Council has adopted fees for the Airport. The fees have been updated over the years, but not fully reanalyzed considering the evolution of operations at the Airport. With the increasing complexity of the traffic mix, the existing fee schedule no longer represents the types and operations of aircraft that now frequent the Airport.
4. Updates to the Airport Division fees have been proposed to better cover all operations in the Airport's specific traffic mix in alignment with industry best practices. Proposed changes to the fee schedule include proposing several new fees, modifications to several fee descriptions, and the restructuring of fees to encompass actual Airport costs associated with the operations and maintenance of the Airport.
5. In developing the proposed fees, staff reviewed the fees used by comparable Airports within the region, including Santa Maria, Salinas, Watsonville, San Luis Obispo, and out of region comparators in Siskiyou County, Mojave Air and Spaceport, and Montgomery Gibbs Airports (see attachment 1) to establish a benchmark of common airport costs.
6. The proposed cost recovery fees meet the requirements that the fees be reasonable and equitable and do not exceed the cost of providing the services, including the costs associated with the operation and maintenance of the Airport.
7. The City has the discretion, in a given situation, to determine that it should charge less than the amount necessary to fully recover its cost.
8. On June 22, 2023, the Airport Commission reviewed the proposed updates to the Airport Division fees (see Attachment 2 Exhibit A) and unanimously recommended the update to the City Council for adoption.

Community Outreach

This proposed updates to the Airport Division fees were considered by the Airport Commission during a discussion item at the June 22, 2023, public meeting. Additionally, as required by State law, notice of the

proposed fee updates was completed at least 10 days prior to the presentation to City Council through a “notice of public hearing” distributed online, to the local press, and through normal City email updates.

Options

1. Take no action;
2. Approve the updates to the Airport Division fees, to be included in the City’s Comprehensive Fee Schedule, as presented for implementation September 1, 2023; or
3. Provide alternative direction to staff.

Analysis and Conclusions

Staff is proposing several new fees, modifications to several fee descriptions, the discontinuation of obsolete fees, and the restructuring of fees to better align the fees with costs associated with the operations and maintenance of the Airport. The fees were then compared to comparable Airports within the region with the goal being to provide a fee schedule that better encompasses operations in Paso Robles Municipal Airport’s specific traffic mix. The new fees being proposed include:

Proposed New Fees	Proposed Fee Amount
Transient Aircraft Parking - Jet	\$ 30 / night
Transient Aircraft Parking - Helicopter	\$ 7 / night
Transient Aircraft Parking - Type 1 Helicopter	\$ 75 / night
Transient Aircraft Parking - Airship Mooring	\$ 75 / night
Based Aircraft parking- Jet	\$ 350 / month
Landings 155,001 lbs. – 220,000 lbs.	\$ 250 / land
Terminal Building Use/Rental - per sq ft utilized per event	\$ 2 / SF
Airfield Access Rental (Non-Aviation) - per event	\$ 1,500 / event
Airport Testing Site Usage – 20ft Container Storage	\$ 100 / month
Airport Testing Site Usage - Reservation and Use of Site	\$ 150 / day

The proposed new fees are being added to capture gaps that exist in the current fee structure. The fees specific to transient aircraft parking and based aircraft parking reflect added categories of aircraft that were not previously included in the Airports fee structure. While the current structure includes parking fees for single and twin-engine aircraft, there are several other aircraft categories now included as the operations at the Airport have expanded.

Similar to the aircraft parking fees, staff are proposing the addition of a landing fee category. Historically, aircraft at or below 155,000 lbs. have been the largest aircraft to operate at the airport. With recent changes to our aircraft mix, a larger aircraft currently operating at 220,000 lbs. frequents the Airport. Aircraft weighing greater than 155,000 lbs. are wider, longer, and have more powerful engines. These aircraft have the potential to cause more damage to pavement surfaces and create foreign objects and debris (FOD) that typically require cleanup upon arrival and departure. The current fee schedule does not account for the impact these heavier aircraft have on the Airport infrastructure and operations. The new fee accounts for airfield pavement surface impacts and staff time associated with accommodating the larger aircraft. Landing of aircraft 155,001 lbs. to 220,000 lbs. will be considered on a case-by-case basis and additional requirements and restrictions may apply. A change to the fee description is also proposed, removing “commercial” from the description as this is most likely a legacy definition from a time when the Airport had commercial airline service, instead changing the designation to “landings” with the

addition of a footnote denoting industry common exceptions for based aircraft, Federal Government, Angel Flight, Life Flight, air ambulance, touch and go operations, and exemptions for non-commercial aircraft under 6,000 lbs.

Additionally, there are several facility-related spaces located at the Airport that can be utilized by the public and in order to cover the costs associated with the utilization of these spaces, staff is proposing four (4) new fees related to space rental/use.

1. Rental of terminal building - \$2/SF utilized/per day
2. Non-aviation airfield access - \$1500/per event up to 8 hours
3. Testing site storage (20ft container) - \$100/month (for storage of testing equipment)
4. Testing site rental - \$150/day

The discontinuation of two fees associated with landings is being proposed; maximum daily and maximum monthly charges for landing fees for aircraft less than 20,000 lbs. Discontinuation of these fees is necessary because their application would result in an uneven application of fees as the other weight categories on the landing fee schedule do not have the maximum daily or maximum monthly limits. Instead, staff is proposing the addition of industry common exemptions from landing fees.

Finally, staff is proposing restructuring the fees related to fuel flowage, discontinuing the fuel facilities development fee of \$0.03 per gallon and increasing both the fuel flowage (AvGas) and fuel flowage (Jet Fuel) fees by \$0.03 per gallon. In FY 2012-13 the City paid for new fuel storage tanks with a Caltrans loan. The fuel facilities development fee was a surcharge on fuel for the purpose of covering future fuel tank replacement costs. Eliminating the fuel facility development fee and instead, adding the \$0.03 per gallon to the individual fuel fees streamlines the fee process, resulting in no change in total fuel flowage fees. The proceeds from fuel sales will be used for the same intended purposes of providing funding for anticipated fuel tank replacement costs.

Fiscal Impact

The updated fee schedule incorporating the addition of new fee categories is expected to bring in incremental revenue in the range of \$10,000 per year to the Airport Fund by capturing previously lost and unaccounted revenue. The update to the landing fee structure along with implementing a collection protocol will provide revenue to the Airport fund to be used for the betterment of the Airport, including general improvements to the facilities, ability to match grants, and proactively addressing maintenance of common facilities. Projected revenue under the updated landing fee structure is estimated to be \$66,394 per year, for an aggregate fiscal impact of \$76,394 to the Airport Enterprise Fund.

CEQA

The City finds that this action is not a project under the California Environmental Quality Act pursuant to State Guidelines Section §§ 15060, subd. (c)(2)-(3), 15378.

Recommendation (Option 2)

Adopt the updated Airport Fee Schedule as presented for implementation September 1, 2023.

Attachments

1. Regional Fee Comparison
2. Resolution 23-XXX – Airport Fee Update
 - a. Exhibit A – Proposed Updated Airport Fees