



City of Denton

City Hall
215 E. McKinney St.
Denton, Texas 76201
www.cityofdenton.com

Meeting Agenda

Airport Advisory Board

Wednesday, December 11, 2024

3:00 PM

Airport Terminal Meeting Room

After determining that a quorum is present, the Airport Advisory Board of the City of Denton, Texas will convene in a Regular Meeting on Wednesday, December 11, 2024, at 3:00 p.m. in the Meeting Room at the Denton Enterprise Airport Terminal Building, 5000 Airport Road, Denton, Texas, at which the following items will be considered:

1. PLEDGE OF ALLEGIANCE

- A. U.S. Flag
- B. Texas Flag

“Honor the Texas Flag – I pledge allegiance to thee, Texas, one state under God, one and indivisible.”

2. PRESENTATIONS FROM MEMBERS OF THE PUBLIC

Citizens may complete one Request to Speak “Public Comment” card per night for the “Presentations from Members of the Public” portion of the meeting and submit it to the Airport Staff. Presentations from Members of the Public time is reserved for citizen comments regarding items not listed on the agenda. No official action can be taken on these items. Presentations from Members of the Public is limited to five speakers per meeting with each speaker allowed a maximum of three (3) minutes.

3. ITEMS FOR CONSIDERATION

- A. [AAB24-046](#) Consider approval of the minutes of November 13, 2024.

Attachments: [Exhibit 1 - Agenda Information Sheet](#)
 [Exhibit 2 - Draft Minutes - November 13, 2024](#)

- B. [AAB24-047](#) Receive a report, hold a discussion, and provide a recommendation to the City Council regarding Airport Rates and Fees.

Attachments: [Exhibit 1 - Agenda Information Sheet](#)
 [Exhibit 2 - General Aviation Fee Study](#)
 [Exhibit 3 - Presentation](#)

Following the completion of the Regular Meeting, the Airport Advisory Board will convene in a Work Session at which the following items will be considered:

4. WORK SESSION

- A. [AAB24-048](#) Staff Reports:
 - 1. Monthly Operations Report - December 2024
 - 2. Administrative Update - December 2024
 - 3. Airport Advisory Board-City Council Airport Related Items Matrix - December 2024

Attachments: [Monthly Operations Report - December 2024](#)
[Administrative Update - December 2024](#)
[Airport Advisory Board-City Council Airport Related Items Matrix - December 20](#)

5. CONCLUDING ITEMS

A. Under Section 551.042 of the Texas Open Meetings Act, respond to inquiries from the Airport Advisory Board or the public with specific factual information or recitation of policy, or accept a proposal to place the matter on the agenda for an upcoming meeting AND under Section 551.0415 of the Texas Open Meetings Act, provide reports about items of community interest regarding which no action will be taken, to include: expressions of thanks, congratulations, or condolence; information regarding holiday schedules; an honorary or salutory recognition of a public official, public employee, or other citizen; a reminder about an upcoming event organized or sponsored by the governing body; information regarding a social, ceremonial, or community event organized or sponsored by an entity other than the governing body that was attended or is scheduled to be attended by a member of the governing body or an official or employee of the municipality; or an announcement involving an imminent threat to the public health and safety of people in the municipality that has arisen after the posting of the agenda.

NOTE: The Airport Advisory Board reserves the right to adjourn into a Closed Meeting on any item on its Open Meeting agenda consistent with Chapter 551 of the Texas Government Code, as amended, or as otherwise allowed by law.

CERTIFICATE

I certify that the above notice of meeting was posted on the official website (<https://tx-denton.civicplus.com/242/Public-Meetings-Agendas>) and bulletin board at City Hall, 215 E. McKinney Street, Denton, Texas, on December 6, 2024, in advance of the 72-hour posting deadline, as applicable, and in accordance with Chapter 551 of the Texas Government Code.

OFFICE OF THE CITY SECRETARY

NOTE: THE CITY OF DENTON'S DESIGNATED PUBLIC MEETING FACILITIES ARE ACCESSIBLE IN ACCORDANCE WITH THE AMERICANS WITH DISABILITIES ACT. THE CITY WILL PROVIDE ACCOMMODATION, SUCH AS SIGN LANGUAGE INTERPRETERS FOR THE HEARING IMPAIRED, IF REQUESTED AT LEAST 48 HOURS IN ADVANCE OF THE SCHEDULED MEETING. PLEASE CALL THE CITY SECRETARY'S OFFICE AT 940-349-8309 OR USE TELECOMMUNICATIONS DEVICES FOR THE DEAF (TDD) BY CALLING 1-800-RELAY-TX SO THAT REASONABLE ACCOMMODATION CAN BE ARRANGED.



City of Denton

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215 E. McKinney St.
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Legislation Text

File #: AAB24-046, **Version:** 1

AGENDA CAPTION

Consider approval of the minutes of November 13, 2024.



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Denton Enterprise Airport

ACM: Frank Dixon

DATE: December 11, 2024

SUBJECT

Consider approval of the minutes of November 13, 2024.

BACKGROUND

The draft minutes from the Airport Advisory Board meeting of November 13, 2024, are attached for the Board's consideration and approval.

EXHIBITS

1. Agenda Information Sheet
2. Draft Minutes – November 13, 2024

Respectfully submitted:
Leanne Alexander, A.C.E.
Airport Analyst

MINUTES
AIRPORT ADVISORY BOARD
November 13, 2024

After determining that a quorum was present, the Airport Advisory Board of the City of Denton, Texas convened in a Regular Meeting on Wednesday, November 13, 2024, at 3:00 p.m. in the Meeting Room at the Denton Enterprise Airport Terminal Building, 5000 Airport Road, Denton, Texas.

PRESENT: Chair Robert Tickner, Vice Chair Rick Woolfolk, Members Ed Ahrens, Ann Patterson, and Brownie Stonecipher.

ABSENT: Members David Smith and Davis Bird.

1. PLEDGE OF ALLEGIANCE

Members conducted the U.S. and Texas pledge of allegiance.

2. PRESENTATION FROM MEMBERS OF THE PUBLIC

None

3. ITEMS FOR CONSIDERATION

A. Consider approval of the minutes of October 9, 2024. (AAB24-040)

The item was presented, and discussion followed.

Vice Chair Woolfolk moved to approve the item as presented. Member Ahrens seconded the motion. Motion carried.

AYES (4): Chair Tickner, Vice Chair Woolfolk, and Members Ahrens, Smith, and Stonecipher

NAYS (0): NONE

ABSENT (3): Members Patterson, Bird, and Smith

B. Receive a report, hold a discussion, and provide recommendation to City Council regarding the approval of an Airport Master Land Lease Agreement and related Parcel Land Lease Agreements between the City of Denton, Texas and HC Aviation Property Holdings, Inc, at the Denton Enterprise Airport; authorizing the City Manager to execute the Airport Lease Agreement; and providing an effective date. (AAB24-043)

The item was presented, and discussion followed.

Chair Tickner requested the representative of HC Aviation Property Holdings, Inc, speak to the board regarding the development. The representative comments are noted on Exhibit A.

The public hearing was opened, and citizen comments received are noted on Exhibit A.

Vice Chair Woolfolk, in response to the citizen comment, requested Airport staff to reach out to the Economic Development Board to ensure City construction requirements are aligned.

Vice Chair Woolfolk moved to approve the item with a caveat that Airport staff bring forward an update to the Airport Leasing Policy. Member Stonecipher seconded the motion. Motion carried.

AYES (5): Chair Tickner, Vice Chair Woolfolk, and Members Ahrens, Smith, Patterson, and Stonecipher

NAYS (0): NONE

ABSENT (2): Members Bird and Smith

- C. Receive a report, hold a discussion, and provide recommendation to City Council regarding the approval of Assignment of Airport Lease from First Financial Resources, Inc. to DSR-Cherokee 180, LLC covering property at 910 Aeronca Lane, Denton, Texas at the Denton Enterprise Airport; authorizing the City Manager to execute the Assignment of Airport Lease; and providing an effective date. (AAB24-044)**

The item was presented, and discussion followed.

Chair Tickner requested the representative of DSR-Cherokee 180, LLC, speak to the board regarding the Land Lease Assignment. The representative comments are noted on Exhibit A.

Member Ahrens moved to approve the item as presented. Member Davis seconded the motion. Motion carried.

AYES (5): Chair Tickner, Vice Chair Woolfolk, and Members Ahrens, Patterson, and Stonecipher

NAYS (0): NONE

ABSENT (2): Members Bird and Smith

4. WORK SESSION

- A. Receive a report and hold a discussion regarding airport rates and fees. (AAB24-045)**

The items were presented, and discussion followed.

Vice Chair Woolfolk requested City staff research a past agreement made with the Airport Gas Well Revenues and the Denton Energy Center (“DEC”).

Chair Tickner inquired if the if Gas Wells could be revitalized.

Vice Chair Woolfolk inquired if the consultant researched future technology changes and if other Municipally owned Airports are subsidized by general funds.

Member Ahrens inquired about additional funding sources, such as grants.

Vice Chair Woolfolk stated he would like to see additional information regarding how fees will be assessed.

Member Stonecipher stated the importance of public input.

There was no direction provided as the items were for presentation/discussion purposes only.

B. Staff Reports: (AAB24-041)

- 1. Monthly Operations Report – November 2024**
- 2. Monthly Construction Report – November 2024**
- 3. Airport Advisory Board-City Council Airport Related Items Matrix – November 2024**

The items were presented, and discussion followed. There was no direction provided as the items were for presentation/discussion purposes only.

5. CONCLUDING ITEMS

The next scheduled Airport Advisory Board meeting is December 11, 2024, at 3:00 p.m.

With no further business, the meeting was adjourned at 4:47 p.m.

X

Bob Tickner
Chairman

X

Leanne Alexander
Recording Secretary

MINUTES APPROVED ON: _____



City of Denton

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215 E. McKinney St.
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Legislation Text

File #: AAB24-047, **Version:** 1

AGENDA CAPTION

Receive a report, hold a discussion, and provide a recommendation to the City Council regarding Airport Rates and Fees.



AGENDA INFORMATION SHEET

DEPARTMENT: Denton Enterprise Airport

ACM: Frank Dixon

DATE: December 11, 2024

SUBJECT

Receive a report, hold a discussion, and provide a recommendation to the City Council regarding Airport Rates and Fees.

BACKGROUND

The airport has experienced notable growth over the past 20 years, marked by an increase in General Aviation (GA) activities and a corresponding expansion in infrastructure. Key growth areas include the addition of hangars and leased spaces, as well as improvements to taxiways, taxiways, and runways to accommodate increasing air traffic and ensure safety.

Airport Financial Condition

A summary of the Airport's current and projected financial health will be provided, as presented to the Board on Nov. 13, 2024. This will include additional comparative and capital planning information requested by the board.

Review of General Aviation Fee Study and Findings

The General Aviation Fee Study, conducted by Aviation Management Consulting Group (AMCG) and presented on Nov. 13, 2024, will be reviewed. The study's significant findings, including the consultant's rate recommendations, will be outlined.

Public Feedback

Staff conducted two rates and fees town halls and maintained an engagement website to encourage feedback on Airport rates and fees. Additionally, staff met with a number of the Airport's largest tenants and/or commercial service providers to hear their feedback and input on this issue. A summary of these engagement efforts will be provided.

Rate Alternatives

Staff will present details of alternatives to modify the current Airport rates and fees schedule to address the Airport's current and projected financial challenges.

Alternatives to be provided by staff:

1. Take no actions
2. Make the following changes:
 - a. Implement Access, Waitlist, and Aeronautical Permit Fees
 - b. Raise City-owned hangar rental rates by approximately 25%
 - c. Increase the Fuel Flowage Fee by \$0.05 (\$0.08 for private-use fuelers)
3. Option 2, but Fuel Flowage Fee increases are spread over two fiscal years

Each alternative will be presented with a projection of its 5-year impact on the Airport Fund.

Next Steps

The process moving forward will involve a presentation to the City Council in a January 2025 Work Session, followed by final consideration of updated rates and fees by the Council in February 2025.

RECOMMENDATION

Staff recommends Option 2 (Option B in the presentation) to include the implementation of an Access Fee, Waitlist Fee, Aeronautical Permit Fee, a 25% increase to the rental rates of City-owned hangars, and a \$0.05 increase to the Fuel Flowage Fee (\$0.08 for private-use fuelers).

These changes are projected to result in a net positive annual growth in the Airport Fund by FY2028-29 and have the greatest impact on the

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

Nov. 13, 2024: Airport Advisory Board Work Session

EXHIBITS

1. Agenda Information Sheet
2. General Aviation Fee Study
3. Presentation
4. Rate Alternative Proformas (to be provided at the meeting)

Respectfully submitted:
Ryan Adams
Airport Director



Aviation Management
Consulting Group

General Aviation Fee Study

City of Denton

Denton Enterprise Airport



November 12, 2024

Ryan Adams
Director of Airport
5000 Airport Road
Denton, Texas 76207

RE: General Aviation Fee Study

Dear Ryan:

In accordance with your request and authorization, Aviation Management Consulting Group (AMCG) has prepared a summary report for the *General Aviation Fee Study* for the Denton Enterprise Airport for your review and consideration. It is AMCG's recommendation that the City of Denton establish general aviation fees utilizing a cost recovery-based approach or methodology, not a market-based approach.

Based on the type of general aviation fees selected by Airport management for implementation, AMCG has provided a recommendation for the fee amounts and developed a *General Aviation Fee Schedule*.

AMCG is pleased to have been called on to conduct this General Aviation Fee Study. Please contact me if you have any questions pertaining to this analysis or the recommendations provided.

Helping your aviation management excellence,

A handwritten signature in blue ink, appearing to read "D.C. Benner".

David C. Benner, C.M.
Managing Principal
Aviation Management Consulting Group

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I. EXECUTIVE SUMMARY

Airport: Denton Enterprise Airport
5000 Airport Road
Denton, Texas 76207

Scope of Work: The City has engaged Aviation Management Consulting Group (AMCG) to prepare a *General Aviation Fee Study* for the Denton Enterprise Airport. Based on the type of general aviation fees selected by Airport management for implementation, AMCG has provided a recommendation for the fee amounts and developed a *General Aviation Fee Schedule*.

Date of Report: November 12, 2024

Methodology: AMCG recommends that the City establish general aviation fees utilizing a cost recovery-based approach or methodology, not solely a market-based approach.

Fee Recommendations: The following table identifies the recommended general aviation fees for the Airport.

Type of Fee	Fee
Fuel Flowage Fee (Commercial)	\$0.22 per gallon
Fuel Flowage Fee (Non-Commercial)	\$0.27 per gallon
Landing Fee	\$2.50 per 1,000 lbs. MGLW
Percentage of Gross Receipts	12% for existing agreements
Aeronautical Permit Fees	\$500 - \$1,500 per year
Airport Access Fee	\$25

II. INTRODUCTION

A. Scope of Work

The City of Denton (City) has engaged Aviation Management Consulting Group (AMCG) to prepare a *General Aviation Fee Study* for the Denton Enterprise Airport (Airport). Based on the type of general aviation fees selected by Airport management for implementation, AMCG has provided a recommendation for the fee amounts and developed a *General Aviation Fee Schedule* for the Airport.

To achieve this objective, AMCG identified current industry practices for establishing general aviation fees including identification of the types of fees that are generally charged and the measures that are generally utilized in the industry.

The results of this analysis, AMCG's recommendations for the structure of a general aviation fee program, and the methodology for determining the general aviation fees are outlined in this summary report.

B. Project Approach

To achieve the scope of work, AMCG completed the following work program:

- identified the elements of the existing general aviation fee program at the Airport,
- identified current industry practices,
- obtained and analyzed general aviation fees (and related information) from comparable airports and competitive airports identified, and
- provided recommendations to Airport management for the methodology and types of the general aviation fees.

Based on the structure of the general aviation fees selected by Airport management, AMCG has provided recommendations for the fee amounts.

C. General Aviation Fee Summary

Table 1 provides a brief overview of general aviation fees typically charged by airports, the current situation, industry practices, and recommendations for the City's consideration.

It is important to note that additional fees may be imposed by the City or commercial aeronautical operators at the Airport. However, this analysis is focused solely on general aviation fees charged by the City, as the airport sponsor, for the aeronautical use of the airport. Each of the fees below are addressed in detail in this report.

Table 1 - General Aviation Fee Summary

Type of General Aviation Fee	Current Situation	Industry Practices	Recommendation
Fuel Flowage Fee	Yes	Most common	Yes
Landing Fee	No	Moderately common	Yes
Aircraft Parking Fees	No	Moderately common	No
Percentage of Gross Receipts	Yes	Less common	Yes
Aeronautical Permit Fees	Yes	Moderately common	Yes
Based Aircraft Fee	No	Less common	No
Through-the-Fence Fee	No	Less common	No
Airport Access Fee	Yes	Moderately common	Yes

D. Current Situation

It is AMCG’s understanding that the City currently charges the following general aviation fees at the Airport.

1. Fuel Flowage Fee

The Airport charges a fuel flowage fee (i.e., aviation fuel delivery fee) for the Fixed Based Operator (FBO) of \$0.17 per gallon and \$0.29 per gallon for non-commercial self-fueling. The fuel flowage fee is charged based on the number of gallons delivered to the fuel storage facility.

2. Percentage of Gross Receipts Fee

Based on discussions with Airport management, AMCG understands the FBO lease agreement includes a 12% fee for the gross receipts related to hangar and tiedown used on the FBO’s leased premises by transient customers.

3. Aeronautical Permit Fee

The Airport charges an aeronautical permit fee (i.e., lease development application fee) of \$1,000 for any development application, regardless of the type of activity.

4. Airport Access Fee

The Airport charges an airport access fee (i.e., access card fee) of \$25.00 for a new or replacement card without a renewal fee.

III. INDUSTRY PRACTICES

Based on industry experience and supported by the information contained in AMCG's proprietary industry database (which is utilized to track, monitor, and analyze general aviation fee data and trends), AMCG has identified current industry practices for establishing general aviation fees. A summary of these findings which, in AMCG's opinion, are representative of current industry practices for establishing general aviation fees is outlined in this section.

A. Fuel Flowage Fees

Commonality – Fuel flowage fees are currently the most common general aviation fee implemented by airport sponsors.

Methodology – When a fuel flowage fee is charged by an airport sponsor, fueling entities (both commercial and non-commercial) are typically required to collect and/or pay a fuel flowage fee for each gallon of fuel sold or dispensed at the airport through a lease agreement. Fuel flowage fees are typically paid on a “cents per gallon” basis and range from \$0.05 per gallon to \$0.40 per gallon. Typically, airports served by air carriers exempt these entities from fuel flowage fees since air carriers pay landing fees under agreement with the airport sponsor. Also, government aircraft may be exempt from fuel flowage fees.

Collection – Fuel flowage fees are typically collected directly by the airport sponsor on a monthly or annual basis.

B. Landing Fees

Commonality – Historically, landing fees have not been charged by airport sponsors to general aviation aircraft operators. Due to advancements in technology, more airports are beginning to charge landing fees as an alternative to, or in addition to, fuel flowage fees.

Methodology – When charged, landing/departure fees are commonly based on aircraft weight and a “cents per 1,000 pounds” approach using historic airport costs and the gross landed weight for all aircraft using the airport. In the alternative, landing/departure fees can be charged in accordance with an established schedule (i.e., aircraft within designated weight ranges pay the same fee) and a minimum fee may be specified. In some cases, based aircraft and/or aircraft under a specified weight (e.g., 5,000 pounds max gross landed weight) are exempt from landing/departure fees.

Collection – Landing fees may be collected directly by the airport sponsor, or the airport sponsor may have an agreement with a commercial operator to collect and remit landing fees. The agreement may allow the commercial operator to retain a portion of the landing fees collected as compensation for services rendered by the commercial operator. The amount retained is often referred to as an administrative fee.

C. Aircraft Parking Fees

Commonality – Aircraft parking fees are typically charged for the use of airport sponsor owned ramp areas for transient aircraft parking. While fees may be charged for day use, most common fees are charged for overnight use.

Methodology – Typically, aircraft parking fees are charged in accordance with an established schedule (i.e., aircraft within designated weight and/or size ranges pay the same fee) and a minimum fee may be specified. In the alternative, aircraft parking fees may be charged on a “cents per 1,000 pounds” approach and a minimum fee may be specified.

Collection – Aircraft parking fees may be collected directly by the airport sponsor, or the airport sponsor may have an agreement with a commercial operator to collect and remit aircraft parking fees. The agreement may allow the commercial operator to retain a portion of the aircraft parking fee collected as compensation for services rendered by the commercial operator. The amount retained is often referred to as an administrative fee.

D. Percentage of Gross Receipts

Commonality – Over the years, a percentage of gross receipts fee has become less common. In those instances where a percentage of gross receipts is charged, fuel sales are typically exempt from inclusion, especially when fuel flowage fees are charged by the airport sponsor. In addition, other general aviation sales (e.g., aircraft sales, parts, and accessories) may also be exempt due to the product (as opposed to service) nature and the high dollar amounts typically involved. According to the Airport Development Acceleration Act (Anti-Head Tax Act) of 1973, a percentage of gross receipts cannot be charged for aircraft charter activities since such activities are subject to a ticket or segment tax.

Methodology – The amount of the fee and any exceptions or exemptions is typically stipulated in the lease agreement between the airport sponsor and the commercial operator.

Collection – Percentage of gross receipts fees are typically collected directly by the airport sponsor on a monthly or annual basis.

E. Aeronautical Permit Fees

Commonality – Historically, aeronautical permit fees have not been charged by airport sponsors. However, these types of fees are becoming more common. When charged, aeronautical permit fees are typically charged on a monthly or annual basis depending on the type of aeronautical activity being conducted.

Methodology – Aeronautical permit fees are typically based on a flat amount that must be paid to obtain a permit to operate a commercial business at the airport. The operating permit typically expires on an annual basis, thus requiring aeronautical permit fees to be paid annually for renewal.

Collection – Aeronautical permit fees are typically collected directly by the airport sponsor on a monthly or annual basis.

F. Based Aircraft Fee

Commonality – Historically, based aircraft fees have not been charged by airport sponsors to based aircraft. However, more airports are beginning to consider based aircraft fees to augment landing fees if based aircraft are exempt from the landing fee.

Methodology – When charged, based aircraft fees are commonly charged on a “cents per 1,000 pounds” approach (similar to landing fees). In the alternative, based aircraft fees can be charged in accordance with an established schedule (i.e., aircraft within designated weight and/or size ranges pay the same fee).

Collection – Based aircraft fees may be collected directly by the airport sponsor, or the airport sponsor may have an agreement with a commercial operator to collect and remit based aircraft fees. The agreement may allow the commercial operator to retain a portion of the based aircraft fees collected as compensation for services rendered by the commercial operator. The amount retained is often referred to as an administrative fee.

G. Through-the-Fence Fee

Commonality – Historically, there has been significant variability in the basis and implementation of through-the-fence fees charged by airport sponsors to aeronautical users directly accessing the Airport through adjacent properties. However, in conjunction with guidance from the FAA and Airport Cooperative Research Program (ACRP) Report 114 *Guidebook for Through-the-Fence Operations*, more airport sponsors are reconsidering the basis and implementation of a through-the-fence fee.

Methodology – When charged, through-the-fence fees can be a monthly, annual, or a payment per event, with the fee based on an appropriate rental rate if such property was located on the airport.

Collection – Through-the-fence fees are typically collected directly by the airport sponsor through a through-the-fence access agreement.

H. Airport Access Fees

Commonality – Historically, airport access fees have not been charged by airport sponsors to general aviation users. However, more airports are implementing security measures and beginning to charge airport access fees.

Methodology – Typically, airport access fees are charged in accordance with an established schedule on a monthly or annual basis. Depending on the approach and infrastructure, the airport access fee may be charged for individual access (for an airport badge, gate card, keys, or other instrument) or for vehicle access (vehicle permit or other instrument).

Collection – Airport access fees are typically collected directly by the airport sponsor upon issuance of the badge, gate card, keys, permit, and/or other instrument. Additionally, airport access fees are typically collected on an annual basis.

IV. SIGNIFICANT FINDINGS

Consistent with the project approach, general aviation fees at comparable and competitive airports were analyzed.

A. Comparable Airports

The first step in identifying comparable airports is developing an accurate profile of the Airport. The profile was developed based on data available from various sources, including the FAA. The Airport profile provided the basis for establishing the criteria and parameters for identifying comparable airports.

The selection of comparable airports was based on aeronautical activity and infrastructure criteria including the following:

- The Airport is utilized solely by the general aviation segment of the market. As such, airports with significant air carrier operations were not considered comparable.
- The Airport has 2 runways, one of which is 7,002 feet long. Airports with at least one runway that is 5,000 feet or longer were considered comparable.
- The Airport consists of 929 acres of land. Airports having total acreage between 600 and 1,350 acres were considered comparable.
- The Airport is classified as a Reliever airport in the FAA NPIAS. As such, only Reliever airports were considered comparable.
- The Airport is classified as a National airport in the FAA General Aviation Airport Asset Study. As such, only National airports were considered comparable.
- The Airport does have a control tower and precision approach. As such, airports with a control tower and a precision approach were considered comparable.
- For the 12-month period ending December 31, 2023 (as reported by the FAA Master Record 5010), general aviation itinerant operations at the Airport totaled 83,653. As such, the range for general aviation itinerant operations was established at 40,000 to 120,000.
- For the 12-month period ending December 31, 2023 (as reported by the FAA Master Record 5010), total operations at the Airport totaled 196,034. As such, the range for total operations was established at 90,000 to 300,000.
- The number of based aircraft at the Airport as of December 31, 2023 (as reported by the FAA Master Record 5010) was 420. As such, the range for based aircraft was established at 200 to 600.

While a total of 10 airports were considered comparable to the Airport, general aviation fees and related information from 9 airports¹ were obtained and analyzed, as shown in Table 2.

¹ Relevant and useable information was not available from Kissimmee Gateway Airport (ISM).

Table 2 – Comparable Airports Summary

Comparable Airports	Fuel Flowage Fees	Landing Fees	Aircraft Parking Fees	Percentage of Gross Receipts	Aeronautical Permit Fees	Based Aircraft Fees	Through-the-Fence	Airport Access Fees
Denton Enterprise Airport	Yes	No	No	Yes ²	Yes	No	No	Yes
Chino Airport	Yes	No	Yes	Yes	Yes	No	N/A	Yes
Dallas Executive Airport ³	Yes	No	No	No	No	No	No	No
Orlando Executive Airport	No	No	No	Yes	Yes	No	No	No
McKinney National Airport* ³	No	No	Yes	Yes	Yes	No	No	Yes
North Las Vegas Airport*	Yes	N/A	Yes	No	Yes	No	No	Yes
Hillsboro Airport	Yes	Yes	Yes	No	No	No	No	No
San Marcos Regional Airport	Yes	No	Yes	Yes	No	No	No	No
Spirit of St. Louis Airport	No	No	No	No	No	No	No	No
Tulsa Riverside Airport	Yes	No	N/A	N/A	Yes	No	N/A	N/A

N/A indicates relevant and usable information was not available

*Denotes sponsor operated FBO

Significant findings follow (excluding the Airport):

- Fuel flowage fees
 - 6 airports charge fuel flowage fees
 - The fuel flowage fees range from \$0.065 to \$0.10 per gallon (a mean of \$0.085 per gallon)
- Landing fees
 - 1 airport charges landing fees
 - The landing fee is \$3.68 per 1,000 pounds maximum gross landed weight (MGLW)
- Aircraft parking fees
 - 5 airports charge aircraft parking fees
 - 1 of the 5 airports charge daily aircraft parking fees ranging from \$5.00 to \$10.00 per day (a mean of \$7.50 per day) depending on type of aircraft
- Percentage of gross receipts fee
 - 4 airports charge percentage of gross receipts fees
 - The percentage of gross receipts fees range from 1.0% to 5.5%
- Aeronautical permit fees
 - 5 airports charge aeronautical permit fees

² Applies to FBO only

³ Identified as a competitive and comparable airport. Fees and related information will be included in the competitive and comparable airport data which is reflective of the relative proximity and aeronautical comparability.

- The aeronautical permit fees range from \$50.00 to \$750.00 (a mean of \$325.00)
- Based Aircraft Fee
 - No pertinent information obtained
- Through-the-Fence Fee
 - No pertinent information obtained
- Airport access fees
 - 3 airports charge airport access fees
 - The airport access fees ranging from \$25.00 to \$50.00 (a mean of \$38.00)

B. Competitive Airports

Typically, an airport is considered competitive if located in proximity to the Airport and serves a similar market. Each airport identified is then compared to the Airport based on (1) infrastructure and (2) available products, services, and facilities.

For the purposes of this study, airports within 45 nautical miles of the Airport were identified as being potentially competitive airports. While a total of 9 airports were considered competitive to the Airport, general aviation fees and related information from 9 competitive airports were obtained and analyzed, as shown in Table 3.

Table 3 – Competitive Airports Summary

Competitive Airports	Fuel Flowage Fees	Landing Fees	Aircraft Parking Fees	Percentage of Gross Receipts	Aeronautical Permit Fees	Based Aircraft Fees	Through-the-Fence	Airport Access Fees
Denton Enterprise Airport	Yes	No	No	Yes ⁴	Yes	No	No	Yes
Addison Airport	Yes	No	No	No	No	No	Yes	Yes
Arlington Municipal Airport*	Yes	No	Yes	N/A	No	No	No	No
Dallas Executive Airport	Yes	No	No	No	No	No	No	No
Fort Worth Meacham International Airport	Yes	No	Yes	No	No	No	No	Yes
Fort Worth Spinks Airport	Yes	N/A	Yes	No	No	No	No	Yes
Fort Worth Alliance Airport	Yes	No	Yes	No	No	No	Yes	Yes
McKinney National Airport*	No	No	Yes	Yes	Yes	No	No	Yes
Mesquite Metro Airport*	Yes	No	Yes	No	Yes	No	No	No
North Texas Regional Airport	Yes	N/A	Yes	No	No	No	No	No

N/A indicates relevant and usable information was not available
 *Denotes sponsor operated FBO

⁴ Applies to FBO only

Significant findings follow (excluding the Airport):

- Fuel flowage fees
 - 8 airports charge fuel flowage fees
 - The fuel flowage fees range from \$0.07 to \$0.35 per gallon (a mean of \$0.21 per gallon)
- Landing fees
 - No pertinent information obtained
- Aircraft parking fees
 - 7 airports charge aircraft parking fees
 - The aircraft parking fees range from \$40.00 to \$2,250 dependent upon aircraft weight
- Percentage of gross receipts fee
 - 1 airport charges a percentage of gross receipts fee. The amount is negotiated
- Aeronautical permit fee
 - 2 airports charge an aeronautical permit fee.
 - The aeronautical permit fees range from \$150 to \$250.00 (a mean of \$200.00)
- Based Aircraft Fee
 - No pertinent information obtained
- Through-the-Fence Fee
 - 2 airports charge through-the-fence fees
 - 1 airport charges a through-the-fence fees of \$0.094 per square foot per year for commercial aviation use, \$881.68 per year for recreational/incidental use and \$352.00 per year for non-aeronautical use
 - 1 airport charges a through-the-fence fee of \$650 per month for general aviation or small aircraft user
- Airport access fee
 - 5 airports charge airport access fees
 - The airport access fees range from \$20.00 to \$40.00 (a mean of \$26.50)

It is important to note that airports must consider numerous factors when considering which fees to enact. These factors include but are not limited to the financial ability of the users to pay such fees, the current political climate, the airport sponsor's approach to business operations, as well as the goals and vision of the airport. Each airport's unique circumstances also contribute to the amount and type of fee charged. For example, an airport that has a limited number of operations may not find it beneficial to charge landing fees.

V. RECOMMENDATIONS

A. Cost Center Approach

Regardless of the type of general aviation fees the City ultimately decides to implement, AMCG suggests (consistent with a best practices approach) that the costs being incurred by the City relating to the planning, development, operation (including maintenance and repair), management, and marketing of the Airport that are not being covered by federal or state Airport Improvement Programs (AIP) be identified and quantified to the greatest extent possible.

This would include, but would not necessarily be limited to, the capital and operating costs being incurred by the City (or portion thereof), as follows:

- Airport planning projects not funded through AIP,
- Airport development projects not funded through AIP,
- Airport vehicles and equipment not funded through AIP,
- Airport reserve accounts to provide funding for future planning and development projects and vehicles and equipment that would not be eligible for AIP funding, and
- all other operating costs (e.g., personnel, insurance, utilities, etc.).

Once this is accomplished, general aviation revenues (including rents) should be quantified, and all capital and operating costs should be deducted which results in the cost recovery gap. Consistent with a best practices approach, the City should implement a general aviation fee program designed to close the gap between general aviation related revenues and the associated capital and operating costs.

If the general aviation fees necessary to close the gap are unreasonable or not within the bounds of the market, AMCG recommends that an appropriate portion (or percentage) of the gap should be targeted (cost recovery target).

B. Fees Recommended

1. Fuel Flowage Fee

AMCG recommends the City continue to charge a fuel flowage fee (i.e., aviation fuel delivery fee) at the Airport and analyze existing agreements to ensure fuel flowage fee payments are correct.

Generally, airport sponsors, aviation businesses, and aircraft operators believe a fuel flowage fee is an acceptable way of recovering airport costs. In comparison to other fees, fuel flowage fees are relatively easy to administer as fuel flowage fees are typically collected and remitted (or paid directly) by the fueling entity (commercial and non-commercial) to the airport sponsor.

The most significant downfall with charging fuel flowage fees is that only those aircraft operators who purchase (or dispense) fuel at the airport pay the fuel flowage fee. Therefore, aircraft operators who use the airport, but do not purchase (or dispense) fuel, make no contribution to cover the airport costs through payment of fuel flowage fees.

Further, fuel flowage fees are typically paid on the honor system. In most cases, fueling entities report fuel volumes without audit or there is no requirement to verify or reconcile the amount of fuel sold (or dispensed) by a fueling entity with the amount of fuel delivered. If the City continues charging a fuel flowage fee at the Airport, AMCG suggests fueling entities continue to be required to pay this fee for all gallons delivered to the fuel storage facility (as reported by the fuel supplier) as opposed to basing the fee based on gallons sold (or dispensed).

AMCG recommends the City require fueling entities report all fuel purchased (by type), delivered to the fuel storage facility (by type), and sold (or dispensed) at the Airport (by type and category). This approach provides a mechanism for the City to reconcile the gallons delivered with the gallons dispensed at the Airport.

Additionally, in the case of a discrepancy between the amount of fuel delivered to the fuel storage facility and the amount of fuel sold (or dispensed) at the Airport, the greater amount shall prevail and the fueling entities shall promptly pay all additional fees due the City, plus annual interest on the unpaid balance at the maximum rate allowable by law from the date originally due.

2. Landing Fee

AMCG recommends the City implement a landing fee at the Airport. AMCG believes a landing fee provides the most equitable, cost-recovery, mechanism for the City and a general aviation fee program which includes a landing fee is consistent with a best practices approach. While a fuel flowage fee is only paid by those aircraft operators purchasing (or dispensing) fuel at the Airport, the landing fee is paid by all aircraft operators using the Airport.

AMCG suggests the landing fee be applicable to all aircraft operators (based and transient) using the Airport exceeding 5,000 pounds MGLW (excluding military aircraft). Additionally, AMCG suggests the landing fee apply to all aircraft operators based on a “cents per 1,000 pounds” of MGLW approach (with an established minimum fee) and paid on a per landing basis unless a different weight classification is agreed to in writing by the City.

The City could collect landing fees directly from aircraft operators utilizing systems available to record aircraft registration numbers which, in turn, can be used to generate and send an invoice directly to the aircraft operator.

3. Percentage of Gross Receipts Fees

AMCG recommends the City continue to charge a percentage of gross receipts fee in conjunction with the existing FBO lease agreement.

While this fee has become less common in the industry, the advantage of charging a percentage of gross receipts fee is this provides the City with the opportunity to participate in the success of the FBO (i.e., obtain a percentage of the revenue generated) without taking any additional risk. As revenues increase, the payment to the City increases (i.e., the City participates in the upside). However, the inverse is also true in that as revenue decreases, the payment to the City decreases. This fee can also be viewed as punitive to successful business and could result in similarly situated aeronautical operators paying significantly different fees.

However, the current operating environment of the Airport (i.e., one FBO) and the structure of the percentage of gross receipts fee (i.e., transient hangar and tiedown only) insulates the City and FBO from some of the downsides of the percentage of gross receipts fee.

The City should conduct an annual audit of the FBO lease agreement to ensure the percentage of gross receipts fee paid by the FBO is reflective of the transient hangar and tiedown fees collected by the FBO.

4. Aeronautical Permit Fee

AMCG recommends the City expand the lease development application fee by implementing an aeronautical permit fee. While the lease development application fee is applicable to any development proposal, the aeronautical permit fee is based on the type of aeronautical activity (commercial and non-commercial) being conducted at the Airport.

FBOs and Specialized Aviation Service Operators (SASOs) and operators providing temporary or special activities at the Airport would be charged a commercial aeronautical permit fee for engaging in commercial aeronautical activities at the Airport. A self-fueling entity would be charged a non-commercial aeronautical permit fee for engaging in self-fueling activities at the Airport.

5. Airport Access Fees

AMCG recommends the City modify the airport access fee at the Airport to an annual fee basis.

Individuals approved for access to the Airport will be charged an airport access fee. The access fee is charged based on the issuance of a gate card or key permitting access to the airfield.

C. Fees Not Recommended

1. Aircraft Parking Fees

With regard to recovering the costs associated with the aircraft parking areas at the Airport, AMCG believes that the City has two primary options, as follows:

- The City could lease the aircraft parking areas to commercial operators and/or non-commercial tenants and charge market rent (Option 1).
- The City could allow transient aircraft to use aircraft parking areas and charge a transient parking fee for such use (Option 2).

Based on a review of the current FBO lease agreement and historical lease practices, AMCG understands the City has implemented Option 1 for all available aircraft parking areas. As such, a separate aircraft parking fee is not necessary.

2. Based Aircraft Fee

AMCG does not recommend the City implement a based aircraft fee in conjunction with the landing fee. If implemented, the based aircraft fee, applicable to all based aircraft at the Airport, would be paid on an annual basis, rather than on a per landing basis. However, given the significant variability in utilization of based aircraft, AMCG believes a landing fee program applicable to based and transient aircraft is most appropriate.

3. Through-the-Fence Fee

AMCG understands through-the-fence activities are not occurring at the Airport. As such, a through-the-fence fee is not necessary. However, if the City does allow future through-the-fence access, AMCG recommends the through-the-fence access agreement and related fee are based on an appropriate rental basis for all adjacent off-Airport property with aeronautical-related access.

D. Adjustment of Fees

AMCG recommends the general aviation fees be reviewed annually based on the prior year's financial statements and next year's budget for the Airport. Any deficits should be carried forward and considered when updating the fees in the future and that any surplus be: (1) used for non-AIP funded Airport planning or development projects (including capital expenditures relating to non-AIP funded Airport improvements, vehicles, and equipment), (2) set aside in reserve accounts for future non-AIP funded planning or development projects, or (3) carried forward for consideration in establishing fees for the following period.

Also, and equally important, general aviation fees should not be imbedded in future lease agreements with commercial operators or non-commercial tenants. Conversely, general aviation fees should be established in a separate general aviation fee schedule. AMCG suggests a provision be included in all applicable lease agreements and lease amendments to the effect of: “To recover the costs being incurred by the City relating to the planning, development, operation (including maintenance and repair), management, and marketing of the Airport (that are not being covered by federal or state AIP funds), the lessee agrees to pay the general aviation fees set forth in the Airport’s General Aviation Fee Schedule.”

If it is necessary to include general aviation fees in a lease agreement, language should be included in the lease agreement stipulating that the City may, at the City’s discretion, adjust general aviation fees from time to time and the lessee agrees to pay such general aviation fees to help recover the costs incurred by the City relating to the planning, development, operation (including maintenance and repair), management, and marketing of the Airport (that are not being covered by federal or state AIP funds).

VI. GENERAL AVIATION FEES

A. Fees Selected

Airport management has selected the following fees for the Airport, which are subject to the City’s approval prior to being implemented at the Airport:

- Fuel Flowage Fee
- Landing Fee
- Percentage of Gross Receipts Fee
- Aeronautical Permit Fee
- Airport Access Fee

B. Financial Analysis

AMCG recast the financial statements for the Airport to determine the gap between the Airport revenues and costs being incurred by the City based on *Fiscal Year 2023*. The financial recast (Table 4 and Table 5) identifies (1) all revenues generated by the Airport, (2) all costs incurred by the City related to the planning, development, operation (including maintenance and repair), management, and marketing of the Airport that are not covered by federal or state AIP, and (3) capital expenses related to historical, current, and reserves for future development projects. Table 5 reflects an operating income of \$45,756. This is before a Capital Project reserve of \$250,000. This reserve is for future capital projects not eligible for AIP funding or the City’s AIP match. Including this reserve results in a \$204,244 deficit.

Table 4 – Financial Analysis Summary (Revenues)

Operating Revenues	Airport	
	% of Total	Amount
Aeronautical Rent		
Land Rent	51.26%	\$ 777,020
Ramp Rent	16.04%	\$ 243,145
Hangar Rent	10.39%	\$ 157,544
Percentage of Gross Receipts	-16.03%	\$ (243,034)
<i>Total Revenue</i>		\$ 934,675
<i>% of Total Revenue</i>		61.67%
Fees		
Fuel Flowage Fees	20.24%	\$ 306,706
Percentage of Gross Receipts	16.03%	\$ 243,034
<i>Total Fees Revenue</i>		\$ 549,740
<i>% of Total Revenue</i>		36.27%
Other Income		
Agricultural Leases	0.46%	\$ 6,993
Other Revenues	1.60%	\$ 24,300
<i>Total Other Income Revenue</i>		\$ 31,293
<i>% of Total Revenue</i>		2.06%
Summary		
TOTAL REVENUE		\$ 1,515,708
GROSS MARGIN		\$ 1,515,708

It is important to note the revenue generated by the existing general aviation fee program of \$549,740 are included in Table 4 and Table 5 but removed when determining the total cost recovery amount.

Table 5 – Financial Analysis Summary (Expenses)

Operating Expenses	Airport	
	% of Total	Amount
Operating Expenses		
Bad Debts	0.13%	\$ 1,899
Communications and Connectivity	0.18%	\$ 2,585
Dues/Subscriptions	0.25%	\$ 3,739
Employee Benefits	6.78%	\$ 99,693
Insurance	2.82%	\$ 41,513
License, Fees, and Business Taxes	0.02%	\$ 282
Maintenance	-0.33%	\$ (4,780)
Marketing and Public Relations	0.02%	\$ 323
Payroll	37.31%	\$ 548,487
Payroll Taxes	2.55%	\$ 37,542
Professional Services	3.01%	\$ 44,202
Supplies and Materials	0.55%	\$ 8,022
Training	0.21%	\$ 3,064
Travel, Meals, and Entertainment	0.10%	\$ 1,537
Utilities	3.84%	\$ 56,507
Vehicle/Equipment Operations	2.12%	\$ 31,129
Pension Expense	8.89%	\$ 130,637
Admin Transfers	30.99%	\$ 455,497
Bond Sales Expense	0.55%	\$ 8,074
OPERATING EXPENSES		\$ 1,469,952
OPERATING INCOME (EBITDA)		\$ 45,756
Capital Expenditure		
Capital Projects Funding/Reserves	100.00%	\$ (250,000)
Deficit		\$ (204,244)

C. Establishment of Fees

As indicated previously, regardless of the types of general aviation fees the City ultimately decides to charge, AMCG suggests (consistent with a best practices approach) that all costs relating to the planning, development, operation (including maintenance and repair), management, and marketing of the Airport (not covered by federal or state AIP) be identified and quantified to the greatest extent possible.

Once this is accomplished, revenues should be deducted from costs to determine the gap and the City should establish a general aviation fee program that closes the gap (if reasonable, 100% of the gap should be targeted by the City).

As identified in Table 5, the deficit is \$204,244. AMCG eliminated the existing general aviation fee revenue (\$549,740) to determine the annual full cost recovery total of \$753,984 for Fiscal Year 2024.

1. Fee Calculation Analysis

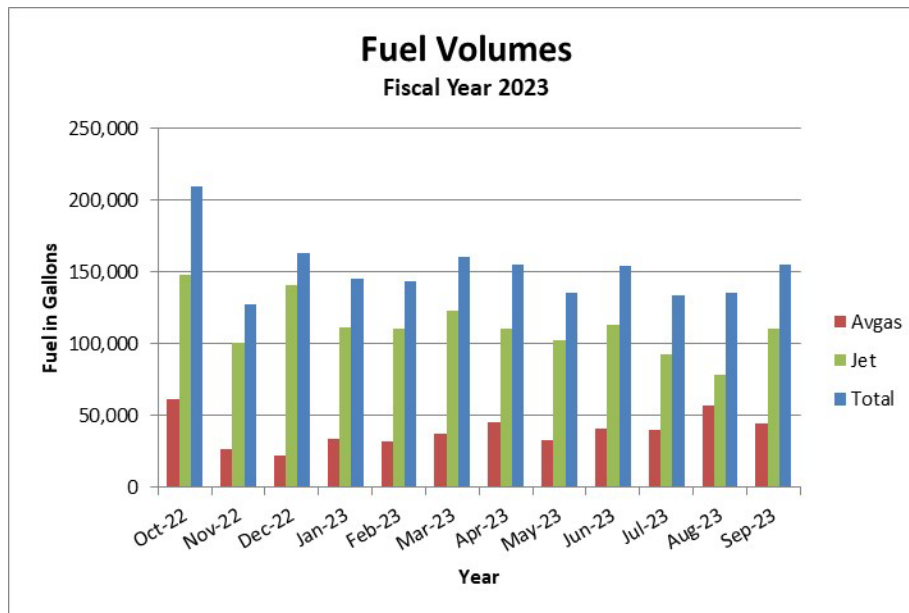
Based on the full cost recovery total, AMCG calculated the rate for each of the general aviation fees selected by Airport management. Table 6 outlines the fee calculations, the recommended fee structure, and the resulting rate calculated for each general aviation fee.

The following key underlying assumptions were utilized in development of the general aviation fees:

a. Key Underlying Assumptions

- General aviation fuel volumes based on Fiscal Year 2023 actual fuel volumes.

Figure 1 – General Aviation Fuel Volumes



- Percentage of Gross Receipts based on Fiscal Year 2023 revenue consistent with current lease agreements.
- Landing Fee based on analysis of Virtower aircraft operations from January 1, 2024 – June 30, 2024.

Figure 2 – Non-Based Aircraft Arrivals

Landing Fees	Total Arrivals (6 Months)	Arrivals (6 Months)	Percent of Arrivals	Arrivals (12 Months)	Average MGLW (per arrival)	Average MGLW (per 1,000 lbs.)
Non-Based Aircraft Operations						
Light Sport	25,450	45	0.18%	90	Less than 5,000	N/A
Piston Single-Engine		23,417	92.01%	46,834	Less than 5,000	N/A
Turbine Single-Engine		243	0.95%	486	8,250	8.25
Piston Multi-Engine		593	2.33%	1,186	5,485	5.49
Turbine Multi-Engine		514	2.02%	1,028	13,185	13.19
Business Jet		453	1.78%	906	22,125	22.13
Helicopter		155	0.61%	310	Less than 5,000	N/A
Other/Military		30	0.12%	60	N/A	N/A

- Aeronautical Permit Fee based on existing number of aeronautical operators.
- Airport Access Fee is based on the current number of access media issued.

Utilizing a cost recovery approach with consideration given to the findings from the comparable and competitive airports, AMCG calculated the rate for each fee selected by Airport management. The calculated rates are conveyed in the *Aeronautical Fee Schedule* provided in Section VII.

Table 6 – Fee Calculation

General Aviation Fee Calculation		Assumptions		Fee	Revenue
Fuel Flowage Fee		Gallons (CY 2022)		Fee (per gallon)	Revenue
Avgas (Commercial)		476,312		\$0.22	\$104,789
Jet (Commercial)		1,344,331		\$0.22	\$295,753
Avgas/Jet (Non-Commercial)		0		\$0.34	\$0
Percentage of Gross Receipts				Percentage	Revenue
Hangar/Tiedown				12%	\$243,034
Landing Fee		Number of Annual Arrivals	Average MGLW (per 1,000 lbs.)	Fee	Total
All Non-Based Aircraft					
<i>Light Sport</i>		90	Less than 5,000	\$0.00	\$0
<i>Piston Single-Engine</i>		46,834	Less than 5,000	\$0.00	\$0
<i>Turbine Single-Engine</i>		486	8.25	\$1.75	\$7,017
<i>Piston Multi-Engine</i>		1,186	5.49	\$1.75	\$11,394
<i>Turbine Multi-Engine</i>		1,028	13.19	\$1.75	\$23,729
<i>Business Jet</i>		906	22.13	\$1.75	\$35,087
<i>Helicopter</i>		310	Less than 5,000	\$0.00	\$0
<i>Other/Military</i>		60	N/A	N/A	N/A
Aeronautical Permit Fee		Number of Operators		Fee (Annual)	Revenue
Fixed Base Operator		1		\$1,500.00	\$1,500
Aircraft Maintenance Operator		5		\$750.00	\$3,750
Avionics or Instrument Maintenance Operator		3		\$750.00	\$2,250
Aircraft Rental or Flight Training Operator					
<i>Small (10 or less aircraft)</i>		1		\$500.00	\$500
<i>Medium (11-25 aircraft)</i>		2		\$750.00	\$1,500
<i>Large (more than 25 aircraft)</i>		2		\$1,000.00	\$2,000
Aircraft Charter or Aircraft Management Operator		4		\$750.00	\$3,000
Aircraft Sales Operator		3		\$750.00	\$2,250
Aircraft Storage Operator		6		\$750.00	\$4,500
Other Commercial Aeronautical Activities		4		\$750.00	\$3,000
Independent Operator		2		\$500.00	\$1,000
Non-Commercial Flying Club		2		\$750.00	\$1,500
Self-Fueling Permittee		0		\$500.00	\$0
Training Facility		2		\$750.00	\$1,500
Airport Access Fee		Number of Applicants		Fee	Revenue
Annual Renewal		450		\$25.00	\$11,250

2. Projected Fee Revenue

Table 7 summarizes the revenue projected based on the findings of Table 6 for each of the fees selected by Airport management, identifies the City’s revenue potential (predicated on the underlying assumptions), and a cost recovery target of 100%.

It is important to note that while the general aviation fees are cost recovery based, general aviation fees should be within the bounds of the market to minimize an overly negative impact on airport activity and overall demand.

Table 7 – Projected General Aviation Fee Revenue

Projected General Aviation Fee Revenue	Total	Percent of Goal
Fuel Flowage Fee	\$400,541	52.68%
Percentage of Gross Receipts Fee	\$243,034	31.97%
Landing Fee	\$77,227	10.16%
Aeronautical Permit Fee	\$28,250	3.72%
Airport Access Fee	\$11,250	1.48%
Potential Fees Revenue	\$760,303	
Full Cost Recovery Total	\$753,984	
Cost Recovery Target (Percent)	100%	
Cost Recovery Target (Amount)	\$753,984	
Cost Recovery Reconciliation	\$6,319	

The projected fee revenue is predicated on the below implementation:

- The Fuel Flowage Fee program will be modified to \$0.22 per gallon (commercial) and \$0.27 (non-commercial).
- The Percentage of Gross Receipts Fee will continue in a manner consistent with existing lease agreements.
- A Landing Fee for aircraft over 5,000 pounds MGLW (excluding military aircraft) will be implemented.
- An Aeronautical Fee for different types of operators will be implemented.
- Airport Access Fee will be modified to an annual basis.

VII. GENERAL AVIATION FEE SCHEDULE

TYPE OF FEE	FEE
Fuel Flowage Fee	
<i>Avgas (Commercial)</i>	\$0.22
<i>Jet (Commercial)</i>	\$0.22
<i>Avgas/Jet (Non-Commercial)</i>	\$0.34
Percentage of Gross Receipts	
<i>Hangar/Tiedown</i>	12% for existing agreements
Landing Fee	
All Non-Based Aircraft	
<i>Light Sport</i>	\$0.00
<i>Piston Single-Engine</i>	\$0.00
<i>Turbine Single-Engine</i>	\$1.75 per 1,000 MGLW
<i>Piston Multi-Engine</i>	\$1.75 per 1,000 MGLW
<i>Turbine Multi-Engine</i>	\$1.75 per 1,000 MGLW
<i>Business Jet</i>	\$1.75 per 1,000 MGLW
<i>Helicopter</i>	\$0.00
<i>Other/Military</i>	N/A
Aeronautical Permit Fee	
<i>Fixed Base Operator</i>	\$1,500.00
<i>Aircraft Maintenance Operator</i>	\$750.00
<i>Avionics or Instrument Maintenance Operator</i>	\$750.00
<i>Aircraft Rental or Flight Training Operator</i>	
<i>Small (10 or less aircraft)</i>	\$500.00
<i>Medium (11-25 aircraft)</i>	\$750.00
<i>Large (more than 25 aircraft)</i>	\$1,000.00
<i>Aircraft Charter or Aircraft Management Operator</i>	\$750.00
<i>Aircraft Sales Operator</i>	\$750.00
<i>Aircraft Storage Operator</i>	\$750.00
<i>Other Commercial Aeronautical Activities</i>	\$750.00
<i>Independent Operator</i>	\$500.00
<i>Non-Commercial Flying Club</i>	\$750.00
<i>Self-Fueling Permittee</i>	\$500.00
<i>Training Facility</i>	\$750.00
Airport Access Fee	
<i>Annual Renewal</i>	\$25.00
Other Fees	
<i>Aircraft Waitlist Fee</i>	\$100.00

VIII. RENTAL RATE COMMENTS

In addition to the cost-recovery general aviation fee analysis, Airport management requested input on the current rental rates for Airport property consisting of land and hangars. Based on the current *Airport Rates and Charges Schedule* and an appraisal report conducted by *Airport & Aviation Appraisals, Inc.* (dated November 27, 2022), AMCG understands the following:

- Rent for aeronautical land range from \$0.33 to \$0.41 per square foot per year
- Rent for Small T-Hangars (961 sf) is \$350 per unit per month
- Rent for Medium T-Hangars (1,132 square feet) is \$400 per unit per month
- Rent for Large T-Hangars (1,332 square feet) is \$600 per unit per month
- Rent for Box Hangars (1,287 square feet) is \$4.90 per square foot per year

Consistent with FAA guidance, AMCG recommends rent for airport land and improvements be established through a market-based approach (based on similar land and improvements at comparable and competitive airports), rather than a cost-recovery approach. The appraisal report conducted by *Airport & Aviation Appraisals, Inc.* utilizes a market-based approach, and the conclusions are reasonable and within the market. While there is room within the market to increase the rental rates, the current rental rates do not appear to be unreasonably low for the Airport or market.

AMCG recommends conducting a market-based analysis at least every five years with an index-based adjustment (e.g., consumer price index) adjustment on an annual basis.



Airport Rates and Fees

Ryan Adams

Airport Director

Contents

- Background
 - Summary of Financial Condition
 - Fee Study Recommendations
 - Requested Information
- Rate and Fee Alternatives
- Public Feedback Summary
- Staff Recommendation
- Next Steps

Summary of Financial Condition

1. Substantial operational growth over the previous 10 years and into the future.
2. There are significant infrastructure needs.
3. Increasing costs and declining gas well revenues.
 - Revenues are not sufficient to meet expenditures, particularly project debt
 - The Airport is using its limited fund balance to make up the difference
4. Based on FY25 budget projections, the Airport Fund will deplete its reserve in FY 2028-29.
 - Operations and safety will be impacted
 - Potential violations of FAA grant assurances

General Aviation Fee Study Recommended Alternatives

- Increase:
 - Fuel Flowage Fee
- Implement:
 - Landing Fee (larger aircraft)
 - Aeronautical Permit Fee (annual)
 - Airside Access Fee
 - Hangar Waitlist Fee
- No Change:
 - Hangar/Tie Down Fee
- Further Evaluation
 - City-Owned Hangar Rental Rates

TYPE OF FEE	FEE
Fuel Flowage Fee	
<i>Avgas (Commercial)</i>	\$0.22
<i>Jet (Commercial)</i>	\$0.22
<i>Avgas/Jet (Non-Commercial)</i>	\$0.34
Percentage of Gross Receipts	
<i>Hangar/Tiedown</i>	12% for existing agreements
Landing Fee	
All Non-Based Aircraft	
<i>Light Sport</i>	\$0.00
<i>Piston Single-Engine</i>	\$0.00
<i>Turbine Single-Engine</i>	\$1.75 per 1,000 MGLW
<i>Piston Multi-Engine</i>	\$1.75 per 1,000 MGLW
<i>Turbine Multi-Engine</i>	\$1.75 per 1,000 MGLW
<i>Business Jet</i>	\$1.75 per 1,000 MGLW
<i>Helicopter</i>	\$0.00
<i>Other/Military</i>	N/A
Aeronautical Permit Fee	
<i>Fixed Base Operator</i>	\$1,500.00
<i>Aircraft Maintenance Operator</i>	\$750.00
<i>Avionics or Instrument Maintenance Operator</i>	\$750.00
<i>Aircraft Rental or Flight Training Operator</i>	
<i>Small (10 or less aircraft)</i>	\$500.00
<i>Medium (11-25 aircraft)</i>	\$750.00
<i>Large (more than 25 aircraft)</i>	\$1,000.00
<i>Aircraft Charter or Aircraft Management Operator</i>	\$750.00
<i>Aircraft Sales Operator</i>	\$750.00
<i>Aircraft Storage Operator</i>	\$750.00
<i>Other Commercial Aeronautical Activities</i>	\$750.00
<i>Independent Operator</i>	\$500.00
<i>Non-Commercial Flying Club</i>	\$750.00
<i>Self-Fueling Permittee</i>	\$500.00
<i>Training Facility</i>	\$750.00
Airport Access Fee	
<i>Annual Renewal</i>	\$25.00
Other Fees	
<i>Aircraft Waitlist Fee</i>	\$100.00

Additional Comparative Information

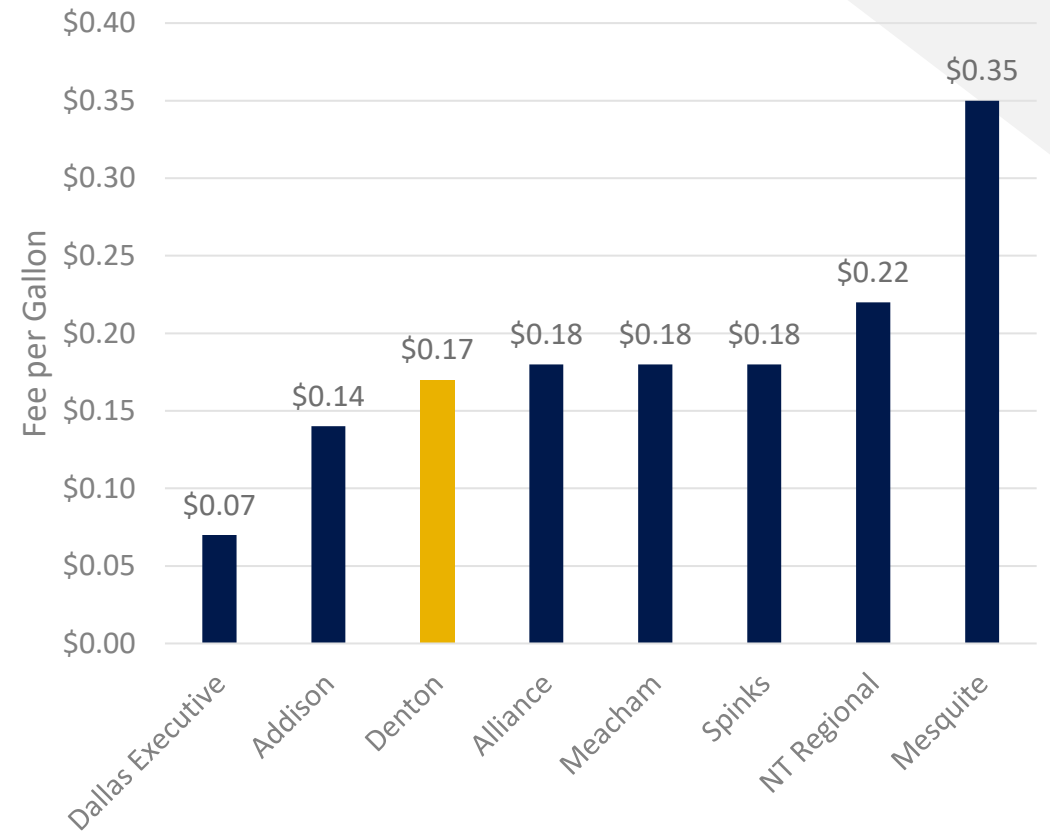
Financially Self-Supporting Airports

- Addison
- Meacham
- Spinks
- Alliance
- Arlington*
- McKinney*
- North Texas Regional

Undetermined

- Dallas Executive
- Mesquite

Fuel Flowage Fees (Competitive Airports)



Future Infrastructure Investments

- 5-Year CIP

- FAA Funding: \$15.3M
- BIL Funding: \$3.7M
- Airport Funding: \$2.8M
- **Total: \$21.8M**

- Project scoping will refine costs and timelines; updated annually
- Infrastructure expenditures will not stay constant and may increase in the 5-year financial window.

2025

- Taxilane/Taxiway Design
- Fleet Replacements

2026

- Taxilane Reconstruction
- Fleet Replacements
- Security Enhancements

2027

- Taxilane Reconstruction

2028

- Taxilane Reconstruction
- Fleet Replacements

2029

- Taxiway Design/Reconstruction

Rate and Fee Options Summary

A

No rate of fee changes

Anticipate Loop 288 ROW funding in FY26-27

B

Anticipate Loop 288 ROW funding in FY26-27

Addition of Access, Waitlist, and Permit Fees

25% Increase in City-Owned Hangar Rent

\$0.05 Fuel Flowage Fee Increase

C

Anticipate Loop 288 ROW funding in FY26-27

Addition of Access, Waitlist, and Permit Fees

25% Increase in City-Owned Hangar Rent

\$0.03 Fuel Flowage Fee Increase; \$0.02 Increase in FY26-27

Option A

A

No rate of fee changes

Anticipate Loop 288 ROW funding in FY26-27

- Impact:
 - Appx. \$190,000 increase in annual land lease revenue from Sites 9, 10, and 11
 - Appx. \$100,000 increase in annual hangar rent revenue from four (4) reverted properties
 - Fund exhaustion delayed beyond 5-year planning time fame

	Option A
FY 2028-29 Change in Fund Balance	(\$169,077)
FY 2028-29 Ending Fund Balance	\$2.988M
FY 2028-29 Fund Balance Loss/Growth	Increasing Loss
5-Year Fund Impact	(\$64,908)
5-Year Fund Impact (without TxDOT funding)	(\$1.128M)

Option B

B

Anticipate Loop 288 ROW funding in FY26-27

Addition of Access, Waitlist, and Permit Fees

25% Increase in City-Owned Hangar Rent

\$0.05 Fuel Flowage Fee Increase

- Impact:
 - Appx \$42,000 in hangar rent revenue; \$37,500 in misc. revenue
 - Estimated \$90,000 increase in annual fuel flowage revenue
 - \$0.05/gal to FBO; \$0.08/gal to private fuelers
 - Marginal change in our place compared to the overall market
 - An estimated maximum 0.9% increase in per gallon cost passed on to customer.

	Option B
FY 2028-29 Change in Fund Balance	\$69,454
FY 2028-29 Ending Fund Balance	\$3.935M
FY 2028-29 Fund Balance Loss/Growth	Decreasing Growth
5-Year Fund Impact	\$882,906
5-Year Fund Impact (without TxDOT funding)	(\$181,049)

Option C

C

Anticipate Loop 288 ROW funding in FY26-27

Addition of Access, Waitlist, and Permit Fees

25% Increase in City-Owned Hangar Rent

\$0.03 Fuel Flowage Fee Increase; \$0.02 Increase in FY26-27

- Impact

- Same as option B, but:
- Implements fuel flowage fee increase over 18 months
 - \$0.03/gal increase in April 2025
 - \$0.02/gal increase in Oct. 2026
- Net loss of \$70,000 to the fund over 5 years (when compared with Option B)

	Option C
FY 2028-29 Change in Fund Balance	\$62,731
FY 2028-29 Ending Fund Balance	\$3.859M
FY 2028-29 Fund Balance Loss/Growth	Decreasing Growth
5-Year Fund Impact	\$805,993
5-Year Fund Impact (without TxDOT funding)	(\$257,963)

Rate and Fee Options Impact

	A	B	C
FY 2028-29 Change in Fund Balance	(\$169,077)	\$69,454	\$62,731
FY 2028-29 Ending Fund Balance	\$2.988M	\$3.935M	\$3.859M
FY 2028-29 Fund Balance Loss/Growth	Increasing Loss	Decreasing Growth	Decreasing Growth
5-Year Fund Impact	(\$64,908)	\$882,906	\$805,993
5-Year Fund Impact (less TxDOT funding)	(\$1.128M)	(\$181,049)	(\$257,963)

Percent Increase in per/gallon fuel cost:

0.9%

Avg. Permit Cost over 5 years:

\$3,750

Avg. Monthly City Hangar Increase:

\$130

Public Feedback Summary

- Few concerns with access, waitlist, and permit fees
- Fuel Flowage Fee increases are not desired, but are acceptable if no better option
- Mixed feedback on landing fees
 - Impact on businesses and itinerant traffic
 - Could it be applied to based aircraft in the future
 - Some support for landing fees in comparison to fuel flowage fee increases
- Desire for general fund support in recognition of the airport's economic impact.

Discuss Denton

- 124 total visits
- 3 comments relating to city-owned hangar rent

Staff Recommendation

- **Option B**

- Implements Access, Permit, and Waitlist Fees
- Increases Fuel Flowage Fee:
 - \$0.05 for Fixed Base Operators
 - \$0.08 for Private Use Fuelers
- Increases City-Owned Hangar Rent by 25%

- **Additional Recommendations:**

- Evaluate and report on ownership or management alternatives for City-owned hangars

Benefits

- Healthiest Fund Balance
- Creates 70K additional project funding over Option C
- Greater protection against unanticipated costs
- Brings City-owned hangars closer to market cost
- Most in line with a Cost-Center Approach to revenue
- No fuel flowage rate increases since 2018

Next Steps

- AAB Recommendation on Dec. 11
- Staff Report to City Council on Jan. 10
- City Council Work Session on Jan. 14
- City Council Consideration on Feb. 11
- Rate Schedule Effective on April 1



www.discussdenton.com/airport



City of Denton

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www.cityofdenton.com

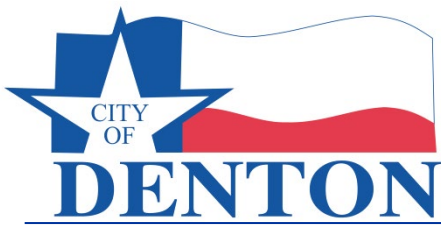
Legislation Text

File #: AAB24-048, Version: 1

AGENDA CAPTION

Staff Reports:

1. Monthly Operations Report - December 2024
2. Administrative Update - December 2024
3. Airport Advisory Board-City Council Airport Related Items Matrix - December 2024



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MONTHLY OPERATIONS REPORT December 2024

The following tables provide details on operations, fueling, based aircraft, alerts, incidents, and wildlife management efforts. Historical Airport Operations, **Exhibit 1**, and Historical Fuel Flowage, **Exhibit 2**, provides airport historical operations and fuel flowage data from 2014-2024.

OPERATIONS (Calendar Year)						
Operation Type	Nov-23	Nov-24	% Change	2023 YTD	2024 YTD	% Change
IFR Itinerant	960	1,023	6.6%	8,639	11,084	28.3%
VFR Itinerant	7,536	8,465	12.3%	76,924	96,464	25.4%
Local	10,364	9,426	-9.1%	108,660	99,785	-8.2%
Total	18,860	18,914	0.3%	194,223	207,333	6.7%
FUELING (Fiscal Year)						
Type	Oct-23	Oct-24	% Change	2023 YTD	2024 YTD	% Change
AvGas	42,075	63,222	50.3%	42,075	63,222	50.3%
Jet A	110,769	78,671	-29.0%	110,769	78,671	-29.0%
Total	152,844	141,893	-7.2%	152,844	141,893	-7.2%

ALERTS		
Date	Type	Description
11/13/2024	Alert III	An RV-8 touched down on RWY18L, and veered to the right, eventually rolling off the west edge of the runway pavement approximately 200' south of 5000' remaining sign. One of the main gears was broken and the aircraft had to be retrieved. Unfortunately, the main aircraft retrieval company was unavailable. So, with the owner's permission, we were able to utilize an outside vendor to coordinate the removal efforts. The aircraft was then lifted and taken back to the hangar.

INCIDENTS	
Date	Description
11/21/2024	The pilot in a Piper Cherokee reported a flat tire as they rolled clear of Rwy. 18L at A4. The pilot was the tugged back to parking without further incident.
11/21/2024	An aircraft taxiing out of Echo ran it's left main gear off the pavement and became stuck in the soft ground. Airport ops closed taxiway Bravo between Foxtrot and taxiway Alpha. Maintenance crew quickly set to work jacking up the aircraft and placing a platform underneath the landing gear. The aircraft was then able to taxi without further incident.

ADMINISTRATIVE UPDATE December 2024

Hallo-Wing Event: The 2024 Hallo-Wing event took place on October 12, 2024, from 10:00 AM to 2:00 PM, drawing an impressive crowd of approximately 3,500 attendees. Hosted at the airport, the event combined aviation-themed activities with family-friendly fun, featuring food trucks, aircraft displays, and interactive experiences. Reserved parking was managed through three on-site lots with 590 spots available, split into two time slots, while off-site parking at DATCU Stadium was supported by shuttle services, including an added shuttle to meet increased demand.

The Hallo-Wing event was a resounding success, as reflected in positive feedback from 222 survey responses. Attendees praised the event's organization and thoughtful planning. Suggestions for improvement include additional shade, more activities, expanded food options, and enhanced communication regarding parking and transportation.

Looking ahead to 2025, plans are underway to incorporate these recommendations: adding more shaded areas, increasing food truck capacity, enhancing volunteer coordination, and introducing new attractions like family entertainment and interactive games. Adjustments to the event timing and expanded outreach for aircraft displays aim to make next year's Hallo-Wing even more memorable. By building on this year's successes and addressing key areas for improvement, the team is committed to delivering an even more engaging and enjoyable experience for the community.

Airport Food Truck Pilot Program: The Food Truck Pilot Program began based on feedback from a Spring 2024 Airport Town Hall, in which attendees expressed support for having on-airport meal options, if only intermittently at first.

Staff began outreach to permitted food service vendors the following summer to gauge their interest in participating in a pilot program where food trucks would provide lunchtime service on select dates at the Airport. The City hosted two food trucks across 8 dates beginning on Aug. 9, 2024 and ending on Nov. 1, 2024. The following food truck vendors participated at least once:

- H&S Tex Mex
- Hot Box BBQ
- Groovy Chicken and Waffles
- Donut NV
- El Cucuy Burritos
- Amante Wood Fired Pizza
- Irie Smokehouse

- Betty's Wingz and Thingz
- El Molcajete Bravo
- Las Lomas Taqueria
- Seasoned Grills BBQ

Each event was promoted through the website, social media, and the Airports email list. The Airport made adjustments throughout the pilot program to better serve the needs of the food trucks and support their sales.

Staff will next inquire if any of the participating vendors would have an interest in a regular or recurring presence at the Airport. If there is sufficient interest, the Airport will work with the City of Denton Development Services to determine what requirements would be needed, if any, for recurring food truck events. Staff will also confirm that this activity would not violate any FAA regulations.

Airport Advisory Board/City Council Airport Related Items				
**Council Airport Committee – Dissolved 09/28/2021				
***Legal Review				
Description	Airport Advisory Board		City Council	
	Date	Action	Date	Action
Pending Items				
Airport Rates and Fees	12/11/2024	Pending	01/14/2025	Work Session
Airport Land Lease – Construction Timelines	Pending	Pending	Pending	Pending
Chapter 3 Amendment	Pending	Pending	Pending	Pending
GKY Holdings 1, LLC – Lease Agreement (7B/Tract 2)	Pending	Pending	Pending	Pending
Completed Items with Airport Advisory Board and City Council				
HC Commercial – Lease Agreement – Site 10	11/13/2024	Approved 5-0	11/19/2024	Approved 7-0
First Financial Resources – Lease Assignment	11/13/2024	Approved 5-0	11/19/2024	Approved 7-0
Airport Leasing and Development Policy	09/11/2024	Approved 6-0	10/15/2024	Approved 7-0
US Trinity Aviation, LLC – Lease Agreement – Site 9	10/09/2024	Approved 7-0	10/15/2024	Approved 7-0
GKY Holdings 1, LLC – Lease Amendment	08/14/2024	Approved 5-0	09/17/2024	Approved 7-0
Airport Master Plan	03/20/2024	Approved 5-0	04/02/2024	Approved 7-0
Airport Financial Update	03/20/2024	Work Session	N/A	N/A
Roanoke Air and Auto, Inc – Lease Agreement	03/20/2024	Approved 5-0	04/02/2024	Approved 7-0
Hangar 10 Flying Museum – Lease Assignment	02/14/2024	Approved 6-0	02/20/2024	Approved 7-0
GKY Holdings 1, LLC – Lease Amendment	12/06/2023	Approved 4-0	12/12/2023	Approved 6-0
Financial Analysis	12/06/2023	Approved 4-0	12/12/2023	Approved 6-0
Nebrig Properties, LP – Lease Assignment	12/06/2023	Approved 4-0	12/12/2023	Approved 6-0
TxDOT – Primary Runway Reconstruction Project	10/11/2023	Approved 4-0	10/24/2023	Approved 6-0
Victory Aviation Supplies, LLC – Consent to Subsublease	09/13/2023	Approved 4-0	09/26/2023	Approved 7-0
Ronald J. Gowan – Lease Assignment	09/13/2023	Approved 4-0	09/26/2023	Approved 7-0
Petersen Hangars, LLC – Lease Assignment	09/13/2023	Approved 4-0	09/26/2023	Approved 7-0
Dave Austin – Lease Assignment	08/09/2023	Approved 5-0	08/15/2023	Approved 7-0

Airport Advisory Board/City Council Airport Related Items				
**Council Airport Committee – Dissolved 09/28/2021				
***Legal Review				
Description	Airport Advisory Board		City Council	
	Date	Action	Date	Action
DTO 4858, LLC – Lease Assignment	08/09/2023	Approved 5-0	08/15/2023	Approved 7-0
US Trinity – Lease Assignment	02/23/2023	Approved 4-0	03/07/2023	Approved 6-0
TxDOT – Runway Rehabilitation Project	12/14/2022	Approved 7-0	1/10/2023	Approved 5-0
THP Air, LLC – Lease Amendment	12/14/2022	Approved 7-0	1/10/2023	Approved 5-0
Sykes-Vaughan Investments, LLC – Lease Assignment x 6	11/9/2022	Approved 6-0	12/15/2022	Approved 7-0
Airport Rates and Fees Schedule	9/14/2022	Approved 5-0	9/27/2022	Approved 7-0