



Airport Rates and Fees

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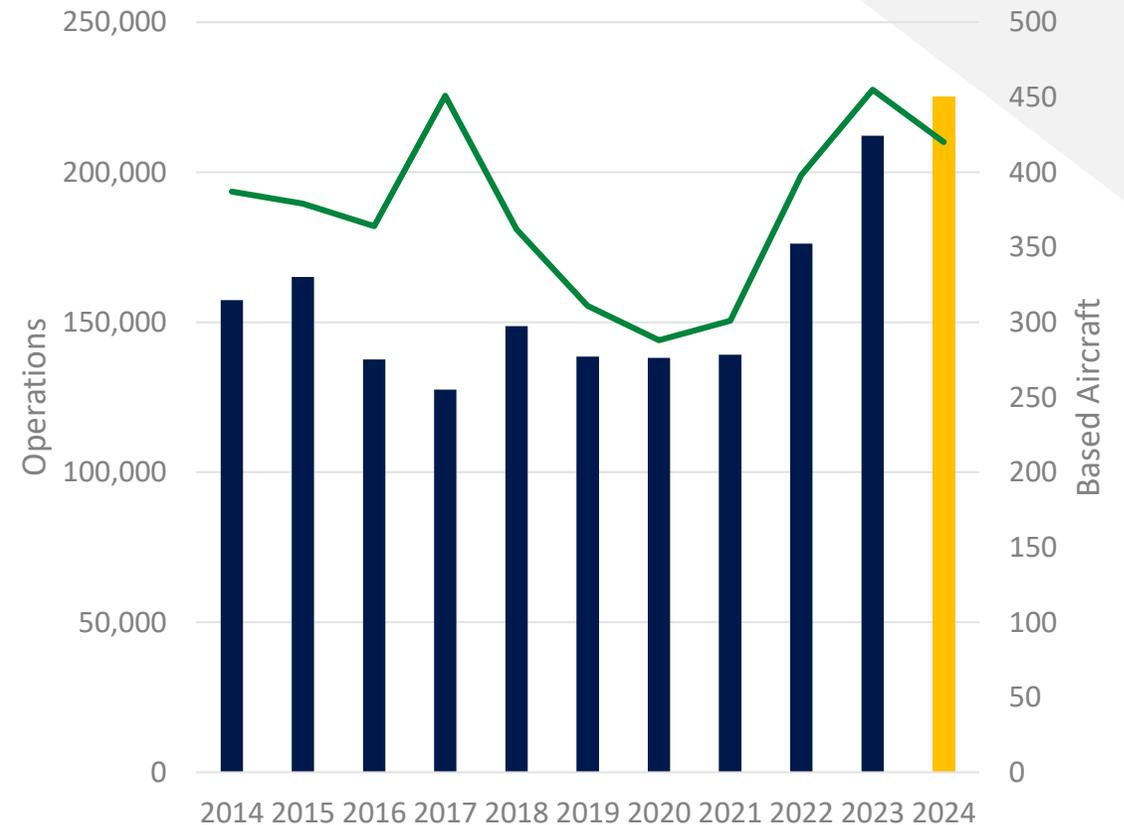
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Airport Financial Conditions

- Substantial growth since 2014
 - Based Aircraft
 - Operations
 - Infrastructure
- Significant growth and infrastructure needs projected over the next 20 years
 - 2021 Study: \$20M+ in infrastructure needs
- Increased commodities, service costs
- Other Financial Obligations:
 - Enterprise Fund: Revenues cover costs
 - Be as “self-sustaining as possible” (FAA)

Operations and Based Aircraft History



Airport Financial Conditions

- Budget deficit in 2 out of previous 5 years
 - Balanced budget using Airport fund balance
 - Airport reduced PT staffing, expenditures
- **Avg. projected annual fund deficit over next 5 years (\$225,000)**, primarily due to:
 - Decrease in Gas Lease Revenue
 - Increase in Debt Service obligations
- If unaddressed:
 - Increasingly limited project funding capacity
 - Increasingly limited operational capacity
 - Eventual exhaustion of fund balance



General Aviation Fee Study

- Agreement approved on Dec. 12, 2023
- Airport Management Consulting Group (AMCG)
- Supports and informs the concurrent Airport Master Plan project
- Scope:
 - General Aviation Fee Study
 - Airport Financial Allocation Analysis (with fee recommendations)
 - Economic Impact Analysis



General Aviation Fee Study

City of Denton

Denton Enterprise Airport

November 12, 2024

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

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.
 - NOTE: General Fund financially supported the Airport Fund through the year 2020.

Discuss Denton

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



Staff and AAB Recommendation

- **Recommendation:**

- 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 appx. 25%

- **Additional Recommendations:**

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

Benefits

- Significantly reduces fund balance loss
- Greater protection against unanticipated costs
- Brings City-owned hangars closer to market cost
- Most in line with a Cost-Center Approach to revenue

Rate and Fee Recommendation Impact

Fund Balance Impacts	Take No Action	Implement Recommendations
FY 2028-29 Change in Fund Balance	(\$238,681)	(\$151)
FY 2028-29 Ending Fund Balance	\$1.924M	\$2.871M
5-Year Fund Impact	(\$1,128,863)	(\$181,049)

User Impacts

- Max. increase in per/gal. fuel cost: **0.9%**
- Avg. permit cost over 5 years: **\$3,750**
- Avg. monthly City hangar increase: **\$130**

Unknowns in 5-year Financial Outlook

- Loop 288 ROW funding
- Additional development
- Additional property reversions
- Fuel sales increases

Direction and Next Steps

- Direction
 - Staff recommends direction to prepare ordinance adopting rates as presented
- Next Steps
 - City Council Consideration on Feb. 11
 - Rate Schedule Effective on April 1