



## CCAA BOARD MEMO

Agenda Item: H-3

FlyCarsonCity.com

BOARD MEMO 2022-32

Meeting Date: October 19, 2022

**Agenda Title:** FOR DISCUSSION AND POSSIBLE ACTION: Adoption of updated through the fence fees for the Carson City Airport to reflect the current cost of airport maintenance and amount of hangar space and aircraft parking; and to approve an amendment to the Carson City Municipal Code Title 10.03.060 Fees to reflect the update

**Staff Summary:** The fees are based on a calculation of the Airport operating costs and forecasted pavement maintenance expenses. The fees have not been updated since 2017. This fee adjustment is based on a similar calculation method as the underlying fees and updated for current costs.

**Agenda Action:** Formal Action/Motion

**Time Requested:** 15 Minutes

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### **Proposed Motion**

I move to approve the updated TTF fees, adopt the proposed version of CCMC 19.03.060, and undertake the process with the Board of Supervisors to update CCMC Title 19.

### **CCAA'S Strategic Goal**

Maintain financial stability and support economic activity in the region.

### **Previous Action and Executive Summary**

The Carson City Airport Authority and its predecessor, the City of Carson City, have had through-the-fence (TTF) fees in place well prior to the creation of the Airport Authority in 1989. When the Authority was formed, the TTF fees were a flat annual fee of \$250. In 2008, then Chairman David Corrao reasoned that the fees should reflect the annual costs that aircraft coming through the fence impose on the Airport. He conducted an analysis of the costs of the Airport calculated on a square foot basis of hangar space. The Airport Authority and the City amended CCMC 19.03.060 to reflect the new rates.

In 2016, the FAA conducted a land-use audit of the Carson City Airport. Among other findings, the FAA found that the TTF rate methodology (ie. cost per sq ft) met the FAA standards, but that being 8 years old, such rates were not reflective of current costs, and thus a violation of the FAA Grant Assurances. During that audit, the undersigned was informed by the FAA Auditor that the TTF rates should be updated no later than on 5 year intervals.

In 2017, in response to the audit findings, the Authority and the City amended CCMC 19.03.060 to the existing rates. The FAA found that the updated rates satisfied the audit findings.

In an Airport Counsel Briefing to the Authority dated May 14, 2022, Airport Counsel advised the Authority that it was time to update the TTF rates.

More recently (in the last month or so), while working through some TTF issues, Airport Counsel observed that we are at the 5 year mark and recommended to the Airport Manager that we should calculate and adopt updated rates. The Airport Manager has calculated the per square foot costs and provided those in the attached analysis.

The current provision of CCMC 19.03.060 states:

- **19.03.060 - Fees.**

The following access fee shall be assessed against the permittee. An annual fee in the amount of:

- I. For properties with hangars, the greater of a fee of seven hundred fifty dollars (\$750.00) or thirty-six cents (\$0.36) per square foot times the square footage of the hangar space located on the permittee's property.
- II. For properties with hangars and aircraft parked outside of the hangar, one hundred twenty-five dollars (125.00) per aircraft so parked, in addition to the fee in subsection 1 above.
- III. For each property with a hangar, the fee shall be offset by the amount of real property taxes received by the Airport Authority on said hangar. In the event that the property taxes so received exceed the fees in subsection 1 and 2 above, the property tax will be considered full payment for the annual fee.
- IV. For properties without hangars and with an access permit and no access being presently used, six hundred twenty-five dollars (\$625.00).
- V. For properties without hangars and with aircraft parked on said properties, seven hundred fifty dollars (\$750.00), plus one hundred twenty-five dollars (\$125.00) per each aircraft beyond the first aircraft.

The annual fee for the easement may be adjusted from time to time, to reflect the cost of airport maintenance and the amount of hangar space and aircraft parking.

( Ord. No. 2008-36, § I, 12-4-2008 ; Ord. No. 2017-13, § 1, 6-15-2017)

[https://library.municode.com/nv/carson\\_city/codes/code\\_of\\_ordinances?nodeId=TIT19AIRURECH19.03THNCAIOP](https://library.municode.com/nv/carson_city/codes/code_of_ordinances?nodeId=TIT19AIRURECH19.03THNCAIOP)

The calculations made by the Airport Manager in the attachment show that costs have increased from \$0.36/sqft to \$0.43/sqft, an increase of approximately 20%. Thus the new rates shown reflect the increased sqft cost, and for the flat fees, they were raised 20%. No change was made to the offset for the property taxes. As a result, newly constructed TTF hangars may well offset some or all of the fees by the amount of property taxes received by the Authority. Thus the proposed version of Title 19, Section 19.03.060, for adoption, reads as follows (changed language is underlined):

- **19.03.060 - Fees.**

The following access fee shall be assessed against the permittee. An annual fee in the amount of:

- I. For properties with hangars, the greater of a fee of nine hundred dollars (\$900.00) or thirty-six cents (\$0.43) per square foot times the square footage of the hangar space located on the permittee's property.
- II. For properties with hangars and aircraft parked outside of the hangar, one hundred fifty dollars (150.00) per aircraft so parked, in addition to the fee in subsection 1 above.
- III. For each property with a hangar, the fee shall be offset by the amount of real property taxes received by the Airport Authority on said hangar. In the event that the property taxes so received exceed the fees in subsection 1 and 2 above, the property tax will be considered full payment for the annual fee.
- IV. For properties without hangars and with an access permit and no access being presently used, seven hundred fifty dollars (\$750.00).
- VI. For properties without hangars and with aircraft parked on said properties, nine hundred dollars (\$900.00), plus one hundred fifty dollars (\$150.00) per each aircraft beyond the first aircraft.

The annual fee for the easement may be adjusted from time to time, to reflect the cost of airport maintenance and the amount of hangar space and aircraft parking

The rates are charged to all TTF permittees. Thus they are non-discriminatory.

### **Financial Information**

Is there a fiscal impact?

No  Yes

If yes, account name/number & amount: 3099 General Fund

General Fund/ Federal Share:

The fee will be offset by property tax according to Title 19. Each permit will have to be assessed individually to determine if there will be any additional charge.

Is it currently budgeted?

No

## Alternatives

Do not approve the new fees

### **Board Action Taken:**

Aye/Nay

**(Vote Recorded By)**

10/19/2022

## Carson City Airport Authority—"Through-the-Fence" Access Fee, Analysis, Recap and Proposal

This analysis was done to determine/allocate the costs at the Carson City Airport in maintaining the infrastructure to support safe operations for takeoff and taxiing of aircraft. This is an update of costs; the last analysis being done in 2017.

In making the annual estimate for pavement maintenance and other items considered essential to the airport to support day and night operations, the following has been used to closely approximate those criteria used in previous analyses.

1. It is assumed that all paving is in a good condition and is not needing replacement;
  2. The average industry standard for sealing and maintaining pavement at this time is, according to our engineer, every 5 years. This increment is used in this estimate for annualizing paving maintenance and repair costs;
  3. Crack sealing is based on having one (1) crack in need of repair every 30 square yards of paving; and
  4. Lighting and other maintenance items, insurance, and accounting/legal, and other expenses, etc., are based on the average annual cost forecasted by the Carson City Airport Authority between 2022 and 2027 and are taken from the Airport Capital Improvement Plan generated by the airport engineering consultant Armstrong Engineering.

Total 5-year cost analysis for pavement maintenance for Runway, Taxiways, and Aprons (spreadsheet provided by Armstrong Consultants), is \$746,725. Therefore, the annualized (per year) cost is estimated at approximately \$149,345.

Costs considered in estimating operational costs (including administrative costs and burden and administrative expenses) applicable to "Through-the-Fence" fees, are as follows:

Description	Annualized Cost	Totals
Maintenance/Repair of runway/taxiways/aprons/Engineering	\$149,345.00	
AWOS/Website	\$7,268.00	
Contract Services	\$3,583.33	
Electrical	\$9395.13	
Insurance	\$11,312.85	
Subtotal – annualized airport operation costs		\$180,904.31
Legal/Accounting at 20%	\$18,502.42	
Management – General repairs & maintenance at 25%	\$9,778.17	
Management – Salaries and Benefits at 25%	\$47,462.50	
Subtotal – allocations of Administration costs		\$75,743.09
Total Operating Costs + Admin and Burden allocation		\$256,647.40

Based on the above, the total operating costs (\$256,647.40) divided by the existing hangar square footage (588,871 sf) yields a close approximation of the actual cost per square foot of hangar space that needs to be applied, i.e., \$0.43 per square foot.

Examples of annual TTF fees, based on hangar size:

50 x 50	2500	\$1,075
60 x 55	3300	\$1,419
80 x 80	6400	\$2,752
100 x 100	10000	\$4,300

Following the criteria used in the past, the proposal is to assess each off-airport property that has a "Through-the-Fence" agreement as follows (based on an increase of 20%):

Properties with hangars: Minimum of \$900.00 annually OR Square foot cost x Square footage of hangar space, whichever is greater.

With aircraft parked outside-  
In addition to hangar space \$150.00

Properties without hangars:

Access agreement only, No access	\$750.00 annually
Aircraft parked – first (1) aircraft	\$900.00 annually
Each add aircraft	\$150.00 annually