

## **CALCULATION OF AIRLINE RATES AND CHARGES**

### Airline Terminal Building Rental Rate

The Airline Terminal building rental rate is calculated by adding the allocation of the Airport maintenance and operating costs, Council mandated reserves, the building's debt service, and the amortization amount for Airport cash funded capital projects. The Total Terminal Cost budgeted for FY 2020 equals \$10,085,878.

Revenue generated from Terminal passengers in the rental car, gift and food and beverage concessions is deducted from the Total Terminal Cost, leaving a Terminal Building Requirement of \$7,513,629 that needs to be recovered from airline rentals.

The rental rate charged to the airlines is calculated by dividing the amount to be recovered (\$7,513,629) by the total Terminal building square footage (67,586). The result of that calculation is an annual Terminal Building square footage rate of \$111. However, a rate of \$110 was negotiated.

### Boarding Bridge Fee

This cost center only applies to airlines that use the passenger boarding bridges.

The boarding bridge fee is calculated by adding the allocation of maintenance and operating costs, Council mandated reserves, and the debt service amount attributed to the three boarding bridges which equals the Boarding Bridge Requirement to be recovered, or \$216,500.

The fee charged to the airlines is calculated by estimated the number of times the airlines will use the boarding bridges during the year based on their schedules. Each use of the bridge is called a "turn". It is estimated that there will be 5,512 "turns". The Passenger Boarding Bridge Requirement to be recovered (\$216,500) is divided by the number of "turns" (5,512) which equals \$39, the fee charged for each use of the boarding bridge.

### Remain Over Night Fee

A Remain Over Night Fee (RON) was instituted in FY 2017. The FY 2020 fee is equal to the boarding bridge fee of \$39. The fee will be charged to all aircraft parked overnight on the ramp. This fee will not be assessed to Aircraft attached to loading bridges, since they pay Boarding Bridge Fees.

### Airline Landing Fee

The Landing Fee is a residual fee. The costs for maintenance and operation, the net debt service requirement, Council mandated reserves, and the amortization amount for Airport cash-funded capital projects are added together for a total Airport Cost Base of \$22,143,000.

The Cost Base Amount is then reduced by the total revenue projected from Commercial/Industrial properties, all other non-airline revenues, the projected Airline Terminal Building space rental, commercial airline fuel flowage fees, RON fees, and the Boarding Bridge fees. The remaining amount equals \$2,602,193, which is the Airline Landing Fee Requirement.

Next the Projected Airline Landed Weight is estimated by using the airline schedules to project the number of landings and aircraft type and weight for the year. The weight used for each aircraft type is based on the published maximum gross landed weight. The landed weight projection for FY 2020 is 652,298 (1,000-pound units).

The Airline Landing Fee Requirement (\$2,602,193) is divided by the projected landed weight (652,298) which equals the landing fee rate (per 1,000 lbs. of landed weight) of \$3.99.

Per Turn Rate

This cost center only applies to non-signatory commercial carriers providing less than 12 months of service at the Airport for the use of the Gates and Hold Room, Bag Claim/Inbound Baggage, and Bag Makeup Areas.

A non-signatory premium of 25% is added to the annual Terminal square footage rate of \$110, which equals \$138. The square footage (10,292) of the Gates and Hold Room and Bag Makeup Areas is multiplied by the rental rate of \$138 for a total amount to recover of \$1,420,296. This amount is divided by projected enplanements of 464,850 to yield a per enplanement charge of \$3.06.

A non-signatory premium of 25% is added to the annual Terminal square footage rate of \$110, which equals \$138. The square footage (6,309) of the Bag Claim/Inbound Baggage Areas is multiplied by the rental rate of \$138 for a total amount to recover of \$870,642. This amount is divided by projected deplanements of 464,850 to yield a per deplanement charge of \$1.87.