



RESOLUTION NO. 2016-97

A RESOLUTION OF THE COUNCIL OF THE CITY OF FRESNO ADOPTING THE 526th AMENDMENT TO THE MASTER FEE SCHEDULE RESOLUTION NO. 80-420 TO ADJUST RATES AND CHARGES AT FRESNO YOSEMITE INTERNATIONAL AIRPORT

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FRESNO:

THAT the Master Fee Schedule Resolution No. 80-420 be and is hereby amended to add, adjust, revise, or delete various fees. The revised pages of the Master Fee Schedule are attached as Exhibit "A" and are hereby incorporated by reference and made a part of this Resolution.

THAT fees shall become effective July 1, 2016.

CLERK'S CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF FRESNO)ss.
CITY OF FRESNO)

I, YVONNE SPENCE, City Clerk of the City of Fresno, certify that the foregoing Resolution was adopted by the Council of the City of Fresno, California, at a regular meeting thereof, held on the _____ 9th day of _____ June _____, 2016.

AYES: Brand, Brandau, Olivier, Quintero, Soria, Caprioglio
NOES: None
ABSENT: Baines
ABSTAIN: None

Mayor Approval: _____ N/A _____, 2016
Mayor Approval/No Return: _____ June 20th _____, 2016
Mayor Veto: _____ N/A _____, 2016
Council Override Veto: _____ N/A _____, 2016

YVONNE SPENCE, CMC
City Clerk

APPROVED AS TO FORM
CITY ATTORNEY'S OFFICE

BY: 6.22.16
Raj Badhessa, Deputy City Attorney III

Date Adopted: 06/09/2016
Date Approved: 06/20/2016
Effective Date: 07/01/2016

Resolution No. 2016-97

June 10, 2016



RECEIVED

Council Adoption: 6/9/2016
Mayor Approval:
Mayor Veto:
Override Request:

TO: MAYOR ASHLEY SWEARENGIN

FROM: YVONNE SPENCE, CMC
City Clerk

JUN 21 08 11

SUBJECT: TRANSMITTAL OF COUNCIL ACTION FOR APPROVAL OR VETO

At the Council meeting of 6/9/16, Council adopted the attached Resolution No. 2016-97, entitled, **526th amendment to the Master Fee Schedule (MFS) Resolution No. 80-420 to adjust rates and charges to Fresno Yosemite International Airport.** Item No. 2-B., ID#16-653, by the following vote:

Ayes : Brand, Brandau, Caprioglio, Olivier, Quintero, Soria
Noes : None
Absent : Baines
Abstain : None

Please indicate either your formal approval or veto by completing the following sections and executing and dating your action. Please file the completed memo with the Clerk's office on or before June 20, 2016. In computing the ten day period required by Charter, the first day has been excluded and the tenth day has been included unless the 10th day is a Saturday, Sunday, or holiday, in which case it has also been excluded. Failure to file this memo with the Clerk's office within the required time limit shall constitute approval of the ordinance, resolution or action, and it shall take effect without the Mayor's signed approval.

Thank you.

APPROVED/NO RETURN: _____

VETOED for the following reasons: (Written objections are required by Charter; attach additional sheets if necessary.)

Ashley Swearengin, Mayor

Date: _____

COUNCIL OVERRIDE ACTION:

Ayes :
Noes :
Absent :
Abstain :

Date: _____



**CITY OF FRESNO
MASTER FEE SCHEDULE
AMENDMENT SUMMARY**

AIRPORTS DEPARTMENT

Airports Airline Rates & Charges

Beginning July 1, 2016, Airports proposes to apply a four (4) percent annual increase over a five-year (FY 2017 - FY 2021) period to the following airline rates and charges:

- Signatory Landing Fee Rate (LFR) Commercial Operations per 1,000 pound units of Landed Weight (LW);
- Terminal Rental Rate per square foot per year.

Effective July 1, 2016, Airports also proposes to adjust the Non-Signatory LFR Commercial Operations per 1,000 pound units of LW so that the 25% differential between the signatory and the non-signatory rate is maintained throughout the FY 2017 - FY 2021 five-year period.

Finally, effective July 1, 2016, Airports proposes to decrease the Federal Inspection Station (FIS) User Fee per international deplaning passenger from \$14.00 in FY 2016 to \$12.00 in FY 2017.

Fees	Current	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Signatory LFR	\$2.35	\$2.44	\$2.54	\$2.64	\$2.75	\$2.86
Non-Signatory LFR	2.94	3.06	3.18	3.30	3.44	3.57
Terminal Rental Rate	43.00	44.72	46.51	48.37	50.30	52.32
FIS User Fee	14.00	12.00				



**CITY OF FRESNO
MASTER FEE SCHEDULE
AMENDMENT DETAIL**

AIRPORTS DEPARTMENT

**Signatory Landing Fee Rate (LFR) Commercial Operations per 1,000 pound units
of Landed Weight;**

The purpose of this fee is to recover operating and capital costs allocated to the Airfield Area cost center.

Like other small hubs, Airports has historically charged a Signatory LFR below cost recovery pricing, in an effort to financially partner with the carriers. The current effective Signatory LFR is \$2.35 per 1,000 pound units of landed weight; the cost-recovery rate is \$3.11. The Signatory LFR has not been adjusted since FY 2009.

The proposed amendment is consistent with this approach. As shown below, the Signatory LFR would be increased annually by a four (4) percent factor over a five-year period. The pricing adjustment would offset modest anticipated increases in operating expenses allocated to the Airfield Area, allowing Airports to continue to recover about 40% of airfield costs from the airlines, roughly equal to the current share. At the end of the five-year period (FY 2021), the Signatory LFR would be low by industry standards, and below the cost-recovery rate.

Signatory Landing Fee Rate: Proposed Amendment FY 2017 - FY 2021					
FY 2016	Projection Period				
	2017	2018	2019	2020	2021
\$2.35	\$2.44	\$2.54	\$2.64	\$2.75	\$2.86
	4.00%	4.00%	4.00%	4.00%	4.00%

Fee to be effective July 1, 2016
MFS Amendment 526 (June 2016)



**CITY OF FRESNO
MASTER FEE SCHEDULE
AMENDMENT DETAIL**

AIRPORTS DEPARTMENT

Non-Signatory Landing Fee Rate (LFR) Commercial Operations per 1,000 pound units of Landed Weight;

The purpose of this fee is to recover operating and capital costs allocated to the Airfield Area cost center.

Consistent with industry practice, Airports has historically charged a Non-Signatory LFR that is 25% higher than the Signatory LFR. Only carriers that have executed an airport/airline lease are eligible for the Signatory LFR. The intent of the non-signatory price premium is to incentivize carriers to sign a lease. Executed airport/airline leases are considered credit enhancements by the rating agencies because they indicate a strong willingness to serve the market.

As shown below, the proposed amendment maintains the 25% differential between signatory and non-signatory rates throughout the five-year projection period:

Non-Signatory Landing Fee Rate: Proposed Amendment FY 2017 - FY 2021					
FY 2016	Projection Period				
	2017	2018	2019	2020	2021
\$2.94	\$3.06	\$3.18	\$3.30	\$3.44	\$3.57
	Signatory Landing Fee Rates				
\$2.35	\$2.44	\$2.54	\$2.64	\$2.75	\$2.86
	Non-Signatory Landing Fee Rate Premium				
25%	25%	25%	25%	25%	25%

Fee to be effective July 1, 2016
MFS Amendment 526 (June 2016)



**CITY OF FRESNO
MASTER FEE SCHEDULE
AMENDMENT DETAIL**

AIRPORTS DEPARTMENT

Terminal Rental Rate per Square Foot per Year

The purpose of this fee is to recover operating and capital costs allocated to the Terminal Area cost center.

Like other small hubs, Airports has historically charged a Terminal Rental Rate below cost recovery pricing, in an effort to financially partner with the carriers. The current effective Terminal Rental Rate is \$43.00 per square foot per year; the cost-recovery rate is \$51.31. The Terminal Rental Rate was consolidated and slightly increased in FY 2014 - prior to that it had not been adjusted since FY 2009.

The proposed amendment is consistent with a below cost recovery pricing approach. As shown below, the Terminal Rental Rate would be increased annually by a four (4) percent factor over a five-year projection period. This pricing adjustment would offset modest anticipated increases in operating expenses allocated to the Terminal Area, allowing Airports to continue to recover about 30% of terminal costs from the airlines, roughly equal to the current share. At the end of the five-year projection period (FY 2021), the Terminal Rental Rate would be low by industry standards, and below the cost-recovery rate.

Terminal Rental Rate: Proposed Amendment FY 2017 FY 2021					
FY 2016	Projection Period				
	2017	2018	2019	2020	2021
\$43.00	\$44.72	\$46.51	\$48.37	\$50.30	\$52.32
	4.00%	4.00%	4.00%	4.00%	4.00%

Fee to be effective July 1, 2016
MFS Amendment 526 (June 2016)



**CITY OF FRESNO
MASTER FEE SCHEDULE
AMENDMENT DETAIL**

AIRPORTS DEPARTMENT

Federal Inspection Station (FIS) User Fee per Deplaning International Passenger

The purpose of this fee is to recover staffing and other costs required to operate the FIS facility. The FIS fee was reduced from \$15.00 to \$14.00 in FY 2011, and has remained constant over the last five years.

Customs and Border Patrol (CBP) has repeatedly postponed the assignment of Port of Entry (POE) status to Fresno Yosemite International (FAT) – Airports meets all the requirements. The POE designation would transfer staffing costs to CBP and likely result in a reduced FIS User Fee. CBP’s posture forces Airports to charge an FIS User Fee that is among the highest in the country.

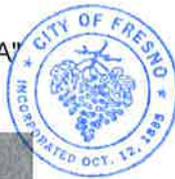
FY 2016 international deplaning passengers are estimated to be eighteen (18) percent higher than FY 2015 passengers. Higher international passengers allow Airports to reduce the FIS User Fee from \$14.00 to \$12.00, and still recover sufficient operating and capital costs consistent with the Federal Aviation Administration rate-setting guidance.

Federal Inspection Station User Fee	
Current	Proposed
FY 2016	2017
\$14.00	\$12.00

Fee to be effective July 1, 2016
MFS Amendment 526 (June 2016)

**CITY OF FRESNO
MASTER FEE SCHEDULE**

"Exhibit A"



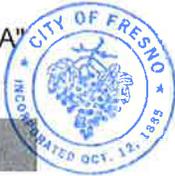
AIRPORT FEES

FRESNO YOSEMITE INTERNATIONAL AIRPORT

<u>Fee Description & Unit/Time</u>	<u>Current</u>	<u>Proposed</u>	<u>Amnd</u>
Federal Inspection Station User Fee			489
Per deplaned passenger using the Federal Inspection Station	14.00	12.00	526
Fuel Flowage Fee			464
Fresno Yosemite International Airport (per gallon)	0.10		
General Aviation International Arrivals Clearance Fee			456
Per inspection	150.00		
Keys (provided to tenants)			500
Each key over first 6 issued	10.00		
Landing fee			
Signatory Commercial Operations			
Each 1,000 pounds MCGLW* (effective 7/1/16)	2.35	2.44	526
Each 1,000 pounds MCGLW* (effective 7/1/17)		2.54	
Each 1,000 pounds MCGLW* (effective 7/1/18)		2.64	
Each 1,000 pounds MCGLW* (effective 7/1/19)		2.75	
Each 1,000 pounds MCGLW* (effective 7/1/20)		2.86	
Minimum per landing	24.48		500
Non-Signatory Commercial Operations			
Each 1,000 pounds MCGLW* (effective 7/1/16)	2.94	3.06	526
Each 1,000 pounds MCGLW* (effective 7/1/17)		3.18	
Each 1,000 pounds MCGLW* (effective 7/1/18)		3.30	
Each 1,000 pounds MCGLW* (effective 7/1/19)		3.44	
Each 1,000 pounds MCGLW* (effective 7/1/20)		3.57	
Minimum per landing	30.60		464
Commercial Aviation Permit Operators (CAPO)			
0 to 7,000 pounds MCGLW* / per landing	11.08		464
7,001 to 12,500 pounds MCGLW* / per landing	14.89		464
Over 12,500 pounds MCGLW*			
Each 1,000 pounds MCGLW*	2.65		464
Late Payment Charge (unless specified otherwise by contract)			
Per Month - Delinquent invoices / minimum \$1 each calendar month until paid	0.02		
Maintenance Charges (per hour, one hour minimum)			409
Electrician	51.06		
Airport Building Maintenance Technician	43.31		
Airport Operations Specialist	41.00		
Custodian	35.22		
Security Escort			
Per hour (based upon individual used)	35.22 - 51.06		
Less than one hour	No Charge		

**CITY OF FRESNO
MASTER FEE SCHEDULE**

"Exhibit A"



AIRPORT FEES

FRESNO YOSEMITE INTERNATIONAL AIRPORT

<u>Fee Description & Unit/Time</u>	<u>Current</u>	<u>Proposed</u>	<u>Amnd</u>
Security Reimbursement			440
Signatory Commercial Operations Per enplaned passenger	1.00		
Non-Signatory Commercial Operations Per enplaned passenger	1.00		
Commercial Aviation Permit Operators (CAPO) Per enplaned passenger	1.00		
Storage and Tie-Down Fees			409
4 to 24 hours:			
Less than 7,500 pounds MCGLW*	3.00		
7,501 to 12,500 pounds MCGLW*	4.20		
12,501 to 20,000 pounds MCGLW*	6.60		
20,001 to 35,000 pounds MCGLW*	10.80		
35,001 to 50,000 pounds MCGLW*	16.80		
50,001 to 80,000 pounds MCGLW*	25.80		
More than 80,000 pounds MCGLW*			
Each 1,000 pounds MCGLW*	0.40		
Per Month:			
Less than 7,500 pounds MCGLW*	60.00		
7,501 to 12,500 pounds MCGLW*	84.00		
12,501 to 20,000 pounds MCGLW*	132.00		
20,001 to 35,000 pounds MCGLW*	216.00		
35,001 to 50,000 pounds MCGLW*	336.00		
50,001 to 80,000 pounds MCGLW*	516.00		
More than 80,000 pounds MCGLW*			
Each 1,000 pounds MCGLW*	7.92		
Terminal Conference Room**			409
Daily rate (8:00 am - 5:00 pm)	100.00		
Half Day (8:00 am - 12:00 pm or 12:00 pm - 5:00 pm)	50.00		
Hourly rate (per hour basis)	12.50		
Terminal rent			513
Square foot per year (effective 7/1/16)	43.00	44.72	526
Square foot per year (effective 7/1/17)		46.51	
Square foot per year (effective 7/1/18)		48.37	
Square foot per year (effective 7/1/19)		50.30	
Square foot per year (effective 7/1/20)		52.32	

* Maximum Certificated Gross Landing Weight (MCGLW).

** Cancellation Policy: A 72-hour notice is required for full refund.