



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** December 8, 2009  
**TO:** Mayor and Councilmembers  
**FROM:** Airport Administration, Airport Department  
**SUBJECT:** Establish General Aviation Landing Fees

**RECOMMENDATION:** That Council:

- A. Approve the establishment of a general aviation landing fee to be assessed on all Federal Aviation Regulation (FAR) Part 135 operations and all transient (non-based aircraft, which shall be defined as all aircraft not listed on the annual Santa Barbara County Unsecured Property Assessment and Taxation System, California Department of Aeronautics Report of Aircraft) aircraft 10,000 pounds of gross landed weight or greater, to assist in recovery of expenses related to the operation and maintenance of the airfield; and
- B. Authorize the Airport Director to negotiate and execute an Agreement to Collect and Remit Landing Fees, subject to approval of the form of the agreement by the City Attorney, with the two fixed base operators, Signature Flight Support and Atlantic Aviation, effective January 1, 2010.

**DISCUSSION:**

Purpose and Background

As an Enterprise Fund the Airport Department generates its revenues from rental of property and fees from various aviation related activities. Historically, commercial/industrial revenue has subsidized the general aviation cost centers.

The purpose of a general aviation landing fee is to establish an equitable system to recover Santa Barbara Airport's airfield costs. Approximately 30% or \$3.5 million of the Airport Department's Operational budget is allocated to the airfield. Revenues from the use of the airfield are received from commercial airlines landing fees of \$1.1 million and fuel flowage fees from general aviation and other users totaling \$130,000 annually. The balance of airfield expenses, \$2,270,000, is covered by commercial/industrial revenues.

Airport staff contacted other airports within and outside the State of California to gather information on landing fee policies and practices. Numerous airports charge landing fees to general aviation users. Of the 21 airports contacted, the majority had an exemption for certain aircraft by weight. The weight exemption ranged from none to 35,000 lbs. The average exemption was for aircraft weighing 10,000 lbs. or less.

### Proposed Policy Statement

To collect a general aviation landing fee from all FAR Part 135 operations (air taxi) and all non-based aircraft weighing 10,000 pounds of gross landed weight or greater. Non-based aircraft is defined as all aircraft **not listed** on the annual Santa Barbara County Unsecured Property Assessment and Taxation System, California Department of Aeronautics Report of Aircraft. The following aircraft users will be exempted from payment of the general aviation landing fee: Angel Flights, Life Guard, Medical Emergency, Federal, State, and Military aircraft. This particular landing fee will not apply to commercial aircraft. Additionally, the Airport Director, at her/his sole discretion, may waive landing fees under special circumstances. This policy shall be effective January 1, 2010.

An example of the type of aircraft this policy will apply to includes the Cessna Citation, weighing between 11,000 to 30,000 pounds gross landed weight, with landing fees of \$21.78 to \$61.38 per landing.

### Public Review of Proposed Policy

The Airport Commission, General Aviation Subcommittee, met on three occasions, March 3, August 19, and October 5, 2009, to discuss the concept of a general aviation landing fee. As a result of those meetings, staff surveyed other airports, met with the two fixed base operators to discuss application of the fee, collection and remittance of fees, and prepared a public information program to disseminate information on the new landing fee. Additional comments were received at the September 16, 2009 Airport Commission meeting.

### Implementation Procedures

#### **Public Information**

Informational flyers will be prepared and provided to the Fixed Base Operators for their tenants. An article will be included in the General Aviation Newsletter. The Airport's website will be updated to add the general aviation landing fee. Additionally, the Federal Aviation Administration, Airport/Facility Directory will be updated.

### **Agreement to Collect and Remit Landing Fees**

The Airport will enter into an Agreement with the Fixed Based Operators, Signature Flight Support and Atlantic Aviation, handling transient aircraft to collect the landing fee. Under the Agreement, appropriate landing fees will be collected and a report will be prepared and submitted monthly to the Airport detailing all fees collected on specified aircraft. Ninety percent of the fees collected by the Fixed Based Operators shall be remitted to the Airport. The Fixed Base Operators may retain ten percent of the collected landing fees for administrative costs. The Landing Fee collection will be included in the Airport's annual audit program.

Landing fees will be adjusted annually on July 1. General aviation landing fees shall be the same fee as charged to commercial aircraft using the Airport. The current rate is \$1.98 per thousand pounds of gross landed weight.

### Revenue Projection

Based on transient operations data from Signature Flight Support, it is anticipated that during a 12-month period, the general aviation landing fee will generate approximately \$266,000 in annual revenue.

### Airport Commission

The Airport Commission at the regularly scheduled meeting on November 18, 2009, recommended approval to impose a general aviation landing fee to be effective January 1, 2010.

**PREPARED BY:** Hazel Johns, Assistant Airport Director

**SUBMITTED BY:** Karen Ramsdell, Airport Director

**APPROVED BY:** City Administrator's Office