

April 6, 2023

To: City Clerk

From: Tammi Schreier, Airport Services Manager, Prescott Regional Airport

Re: Justification for Rate Increase

The Prescott Regional Airport will be requesting City Council approval on rate increases and additions to the Rates & Fees – Schedule 'A' at the June 27, 2023 Council meeting. If approved these rates and fees would be effective August 1, 2023. The last increase to the rates and fees occurred September 1, 2017. These modest increases are needed to address recent cost of living and inflation. Federal Aviation Administration Sponsor Grant Assurance 24 requires the airport to maintain fee and rental rates which will make the airport as self-sustaining as possible.

Fees with a modest inflation increase are:

- Overnight parking fees by \$5 per night;
- Airport personnel rates by \$3 an hour
- On-Call Call Out Fee by \$6 per call out

The **Airport Driver Training Fee and Credential** would increase from \$25 to \$100 per credential. This significant increase is to bring the cost of the training and credentials more in line with the expense the Airport incurs in performing this task. The Airport has moved to a computer-based training program which has increased the cost of issuing the credentials.

Below are the new rates and fees the Airport would like to implement:

- **Non-Based Commercial Activity Permit.** This permit will be required of anyone performing commercial activity at the Airport that does not have any other financial arrangement with the Airport. For example, an aircraft washer that is not based at the Airport will be allowed to service aircraft only after they have obtained this necessary permit and met all requirements specified in the Permit.
 - \$20 per day if for 15 days or less per calendar year
 - \$300 per year if over 15 days per calendar year
- **Access Cards.** The Airport is moving from a less secure method (access code) to enter gates to a more secure method (access card). The below fees are needed to implement the access card program.
 - Permittee Access Card – First Two Free per Tenant
 - Non-Permittee Access Card - \$100 per card
 - Reissue of a Permittee Access Card \$25
 - Lost Access Card or Driving Credential Replacement Fee \$100
- **Rules Violation.** The Airport would like to add Rule Violation Fee. Currently fees for safety or security infractions are limited to incursions into Safety Areas or the Runway. This fee would expand this to any documented rule. The fees incurred would be in line with Prescott City Code Section 1-3.

The changes to Schedule 'A' were vetted by the Airport Advisory Committee at the February 21, 2023, Airport Advisory Committee meeting with no objections.