

Mayor and Council Communication

DATE: 03/09/21

M&C FILE NUMBER: M&C 21-0181

LOG NAME: 55AMEND TO SCHEDULE OF RATES AND CHARGES

SUBJECT

(CD 2, CD 6, and CD 7) Adopt the Proposed Amendment to the Schedule of Rates and Charges to Reflect New Signatory and Non-Signatory Landing Fee Rates for Alliance Airport for the Current Fiscal Year

RECOMMENDATION:

It is recommended that the City Council adopt the proposed amendment to the Schedule of Rates and Charges to reflect new signatory and non-signatory landing fee rates for Alliance Airport for the current fiscal year.

DISCUSSION:

The Schedule of Rates and Charges (Rates) is a record of published rates and charges for City of Fort Worth Aviation Department. The purpose of this recommendation is to revise the rates pertaining to commercial landing fees for Alliance Airport to align with proposed signatory carrier landing fee rates to be effective April 1, 2021 in the new cargo carrier operating agreements for Federal Express Corporation and Amazon.com Services Inc's Affiliates which necessitates revisions to the current published Rates.

Landing fee rates for cargo carriers operating at Alliance Airport are based on Maximum Gross Landing Weight (MGLW). Signatory rates are assessed for operators with an executed cargo carrier operating agreement and non-signatory rates are assessed for operators landing at Alliance Airport absent a cargo carrier operating agreement. Establishing a lower rate for signatory airlines recognizes they operate at a much higher volume than non-signatory airlines and allows for long term financial security for both the Airport and the Airlines.

In order to align landing fees with the new cargo carrier operating agreements, the following revisions are proposed to the Rates:

- Non-Signatory Commercial Landing Fee Rate to increase from \$1.80 per 1,000 lbs. (\$100 min) to \$1.98 per 1,000 lbs. (\$100 min) (This is 120% of the Signatory Commercial Landing Fee Rate.)
- Signatory Commercial Landing Fee Rate to increase from \$1.49 per 1,000 lbs. (\$70 min) to \$1.65 per 1,000 lbs. (\$85 min) The Signatory Commercial Landing Fee Rate is calculated pursuant to the formula set forth in the City's standard Cargo Carrier Operating Agreement ("Signatory Rate").

Signatory Rates shall be subject to an increase on October 1st of any given year based on the upward percentage change in the Consumer Price Index for the Dallas-Fort Worth Metropolitan area.

There will be no other changes to the previously approved rates and fees in the current fiscal year Schedule of Rates and Charges.

Fort Worth Municipal Airports are located in COUNCIL DISTRICTS 2, 6, 7.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that this action will have no material effect on City funds.

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