

Memorandum



CITY OF DALLAS

DATE January 4, 2019

TO Honorable Mayor and Members of the City Council

SUBJECT **Update on Love Field General Aviation Landing Fees**

As briefed via Council memo dated August 24, 2018, the City delayed the implementation of the collection of the General Aviation (GA) Landing Fee at Dallas Love Field to further consult with the affected parties, and to ensure compliance with all FAA regulations regarding any new airport fees. As you may recall, the GA Landing Fee was created to offset costs incurred for airfield operations and to ensure that the all users paid their fair share given the increased airfield traffic. The Landing Fee is calculated by Annual Airfield Requirement (airfield costs less airfield revenues) divided by Total Landed Weight of Signatory Airlines. The commercial airlines currently pay \$2.20 (signatory) and \$2.75 (non-signatory) per 1,000 lbs. which is budgeted at approximately \$19.5M in revenue for FY17-18, and the GA users paid fuel flowage fees of approximately \$1.3 M in FY 17-18.

After City Council approved the ordinance implementing the landing fee, City staff held several meetings with the Love Field Pilot's Association (LFPA) to answer questions and provide clarification about the new fee structure. The LFPA had concerns that the landing fee was being implemented at a high rate to discourage general aviation activity at Love Field; however, after full examination of how the fee was calculated, and how the fee will only be used to offset actual costs, the LFPA is in agreement with the methodology.

Additionally, Love Field staff consulted with the City Attorney's Office (CAO) for a formal opinion regarding the ordinance. The CAO advised that the ordinance's intent was to waive fuel flowage fees in lieu of a GA Landing Fee. As a result, staff recalculated the GA Landing Fee and notified all the Fixed Based Operators to waive the fuel flowage fees for those paying a GA Landing Fee. Procedures have been drafted and data verification has been completed. Because of these changes, implementation of the GA Landing Fee was delayed with a January 1, 2019 effective date.

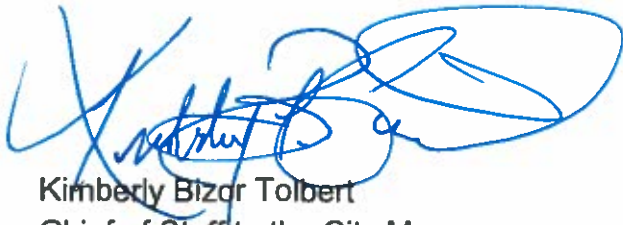
The new GA Landing Fee was calculated using the rates and charges model on an annual basis in a similar manner for the Signatory Airlines established rate minus the Fuel Flowage Fees. This rate is:

General Aviation: \$5.15 per 1,000 pounds of maximum certificated landing weight (MLW), rounded to the nearest thousand pounds;

Non-Signatory Commercial: \$3.14 per 1,000 pounds of maximum certificated landing weight, rounded to the nearest thousand pounds.

All government, Angel flights, and maintenance-only operations will be exempt from landing fees but are still subject to Fuel Flowage Fees. These operations will be reviewed on a case-by-case basis to determine whether the nature of the activity would fall outside of the requirements of the ordinance.

Should you have any questions, please contact Mark Duebner, Director of Aviation, at (214) 670-6077.



Kimberly Bizor Tolbert
Chief of Staff to the City Manager

c: Chris Caso, City Attorney (I)
T.C. Broadnax, City Manager
Carol A. Smith, City Auditor (I)
Biliera Johnson, City Secretary
Preston Robinson, Administrative Judge
Majed A. Al-Ghafry, Assistant City Manager

Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer
M. Elizabeth Reich, Chief Financial Officer
Directors and Assistant Directors