



# STAFF REPORT

**Report To:** Board of Supervisors

**Meeting Date:** June 1, 2017

**Staff Contact:** Steven E. Tackes, Esq

**Agenda Title:** FOR POSSIBLE ACTION: TO INTRODUCE, ON FIRST READING, BILL NO. \_\_\_, AN ORDINANCE AMENDING THE CARSON CITY MUNICIPAL CODE TITLE 19 , AIRPORT RULES AND REGULATIONS, SECTION 19.03.060, THROUGH THE FENCE FEES, TO ADJUST FOR THE CURRENT COST OF AIRPORT MAINTENANCE AND UPDATED AIRPORT HANGAR SPACE AND PARKING AREA.

**Staff Summary:** At a regular meeting of the Carson City Airport Authority on April 19, 2017, publicly noticed for that purpose, the Authority approved an increase in the Through the Fence fees to reflect current costs and hangar space. The rates were previously calculated in 2001 and are being updated per current cost data..

**Agenda Action:** Formal Action/Motion

**Time Requested:** 10min

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## **Proposed Motion**

I MOVE TO INTRODUCE, ON FIRST READING, BILL NO. \_\_\_, AN ORDINANCE AMENDING THE CARSON CITY MUNICIPAL CODE TITLE 19 , AIRPORT RULES AND REGULATIONS, SECTION 19.03.060, THROUGH THE FENCE FEES, TO ADJUST FOR THE CURRENT COST OF AIRPORT MAINTENANCE AND UPDATED AIRPORT HANGAR SPACE AND PARKING AREA.

## **Board's Strategic Goal**

N/A

## **Previous Action**

N/A

## **Background/Issues & Analysis**

The Carson City Airport Authority conducts its management of the Carson City Airport via CCMC Title 19, which was adopted both by the Airport Authority and Carson City.

During a recent FAA inspection at the Airport, the FAA noted that the Through the Fence fees were appropriately calculated on the basis of Airport costs but that they had not been updated since 2001.

CCMC 19.03.060 currently states as follows:

"19.03.060 - Fees.

- The following access fee shall be assessed against the permittee. An annual fee in the amount of:
  - I. For properties with hangars, the greater of a fee of three hundred dollars (\$300.00) or fourteen cents (\$0.14) per square foot times the square footage of the hangar space located on the permittee's property.
  - II. For properties with hangars and aircraft parked outside of the hangar, fifty dollars (\$50.00) per aircraft so parked, in addition to the fee in subsection 1

above.

III. For each property with a hangar, the fee shall be offset by the amount of real property taxes received by the Airport Authority on said hangar. In the event that the property taxes so received exceed the fees in subsection 1 and 2 above, the property tax will be considered full payment for the annual fee.

IV. For properties without hangars and with an access permit and no access being presently used, two hundred fifty dollars (\$250.00).

V. For properties without hangars and with aircraft parked on said properties, three hundred dollars (\$300.00), plus fifty dollars (\$50.00) per each aircraft beyond the first aircraft.

- The annual fee for the easement may be adjusted from time to time, to reflect the cost of airport maintenance and the amount of hangar space and aircraft parking."

As provided in the last provision, the ordinance permits the Authority to adjust the fee to reflect current costs of maintenance and the amount of hangar space/aircraft parking. The Authority Chairman pulled together the updated costs and hangar space, and performed the recalculation of the TTF fees using the same expense elements contained in the underlying ordinance.

Thus the amended Section 19.03.060 should read as follows:

"19.03.060 - Fees.

- The following access fee shall be assessed against the permittee. An annual fee in the amount of:

I. For properties with hangars, the greater of a fee of seven hundred fifty dollars (\$750.00) or thirty-six cents (\$0.36) per square foot times the square footage of the hangar space located on the permittee's property.

II. For properties with hangars and aircraft parked outside of the hangar, one hundred twenty-five dollars (\$125.00) per aircraft so parked, in addition to the fee in subsection 1 above.

III. For each property with a hangar, the fee shall be offset by the amount of real property taxes received by the Airport Authority on said hangar. In the event that the property taxes so received exceed the fees in subsection 1 and 2 above, the property tax will be considered full payment for the annual fee.

IV. For properties without hangars and with an access permit and no access being presently used, six hundred twenty-five dollars (\$625.00).

V. For properties without hangars and with aircraft parked on said properties, seven hundred fifty dollars (\$750.00), plus one hundred twenty-five dollars (\$125.00) per each aircraft beyond the first aircraft.

- The annual fee for the easement may be adjusted from time to time, to reflect the cost of airport maintenance and the amount of hangar space and aircraft parking."

At present there are only 2 TTF permits outstanding. No opposition was raised at the Authority meeting to the rate changes.

### **Applicable Statute, Code, Policy, Rule or Regulation**

NRS 844 Airport Authority Act

### **Financial Information**

Is there a fiscal impact?  Yes  No

If yes, account name/number: 5250 Through the Fence income

Is it currently budgeted?  Yes  No

Explanation of Fiscal Impact: slight increase in revenue

### **Alternatives**

**Board Action Taken:**

Motion: \_\_\_\_\_

- 1) \_\_\_\_\_
- 2) \_\_\_\_\_

Aye/Nay

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(Vote Recorded By)

SUMMARY—An ordinance amending Title 19 of the CCMC adjusting the Through-the-Fence fees.

ORDINANCE NO. \_\_\_\_\_

BILL NO. \_\_\_\_\_

AN ORDINANCE AMENDING TITLE 19, AIRPORT RULES AND REGULATIONS, SECTION 19.030.060 TO ADJUST THE THROUGH-THE-FENCE FEES BASED ON INCREASED COSTS OF OPERATION OF THE AIRPORT, AND OTHER MATTERS PROPERLY RELATED THERETO.

THE BOARD OF SUPERVISORS OF CARSON CITY DO ORDAIN:

SECTION 1:

That Section 19.030.060 of the Carson City Municipal Code is hereby amended as follows:

“19.03.060 - Fees.

The following access fee shall be assessed against the permittee. An annual fee in the amount of:

I. For properties with hangars, the greater of a fee of ~~three~~ *seven* hundred *fifty* dollars (\$~~300.00~~ *750.00*) or ~~fourteen~~ *thirty-six* cents (\$~~0.14~~ *0.36*) per square foot times the square footage of the hangar space located on the permittee's property.

II. For properties with hangars and aircraft parked outside of the hangar, *fifty one hundred twenty-five* dollars (\$~~50.00~~ *125.00*) per aircraft so parked, in addition to the fee in subsection 1 above.

III. For each property with a hangar, the fee shall be offset by the amount of real property taxes received by the Airport Authority on said hangar. In the event that the property taxes so received exceed the fees in subsection 1 and 2 above, the property tax will be considered full payment for the annual fee.

IV. For properties without hangars and with an access permit and no access being presently used, ~~two~~ *six* hundred ~~fifty~~ *twenty-five* dollars (\$~~250.00~~ *625.00*).

V. For properties without hangars and with aircraft parked on said properties, ~~three~~ *seven* hundred *fifty* dollars (\$~~300.00~~ *750.00*), plus *fifty one hundred twenty-five* dollars (\$~~50.00~~ *125.00*) per each aircraft beyond the first aircraft.

The annual fee for the easement may be adjusted from time to time, to reflect the cost of airport maintenance and the amount of hangar space and aircraft parking.”

April 5, 2001  
 Carson City Airport  
 Through the Fence Access Fee Determination

The purpose of this analysis is to determine the actual cost incurred to the Carson Airport in maintaining an infrastructure to support safe operations for takeoff, landing and taxi of aircraft.

In making the annual estimate for pavement maintenance and other items considered essential to an airport to support day and nighttime operations, the following has been used:

1. We will assume that all paving is currently in a good state not needing replacement.
2. The average industry standard for sealing and maintaining pavement is every 4 years. This increment will be used in our estimate for annual cost.
3. Lighting, other maintenance items, insurance and accounting will be based on the average annual cost at Carson for the last 3 years.
4. Crack sealing will be based on having 1 crack in need of repair every 30 SY.

Cost to be considered in estimating maintenance fees applicable for "Through The Fence Fees".

	Unit Cost	Unit
Fog Seal	0.15	Sq. Yard
Slurry Seal	1.00	Sq. Yard
Crack Sealing	0.90	Sq. Yard
R/W Striping	0.65	Sq. Yard
T/W Striping	0.45	Lineal Foot
Apron Striping	0.20	Sq. Yard
Snow Removal	3,500.00	Each Occurrence
Light Maintenance	1,200.00	Annual
AWOS Maintenance	1,400.00	Annual
Drainage Maintenance	1,600.00	Each Occurance
Vegetation Control	1,000.00	Each Occurance
Electricity	7,250.00	Annual
Insurance	4,298.00	Annual
Accounting/Legal	21,250.00	Annual
Engineering (general)	3,200.00	Annual
Management	12,000.00	Annual

Paved Areas	Area (SY)	Fog Seal	Slurry Seal	Crack Seal	Striping	Total
Runway (5907x 75')	49,225		49,225	1,477	31,896	82,698
Taxiway A (5907x 35')	22,972	3,446		689	2,658	6,793
Taxiway B (3100x 35')	12,055	1,808		362	1,395	3,565
Taxiway C (3200x 50')	17,778	2,667		533	1,440	4,640
Main Apron (1400x 450')	70,000	10,500		2,100	14,000	26,600
North Apron (800x 500')	44,444	6,667		1,333	8,889	16,889
Engineering	12000					12,000
<b>Total Cost</b>						<b>153,185</b>

**Estimated Annual Operational and Maintenance Based on Above Costs**

Paving Maintenance Annual Pro-rated Cost (4 years)	38,298
Snow Removal (2.5 times/Yr)	8,750
Light Maintenance	1,200
AWOS Maintenance	1,400
Drainage Maintenance (1 time/Yr)	2,000

Vegetation Control (1 time/yr)	1,000
Electricity (adjusted for increase in cost, less general lighting/gates)	4,260
Insurance	4,298
20% of Accounting/Legal	4,250
25% of Management	3,000
Professional/Engr.	3,200
<b>Total Annual Operational and Maintenance Cost</b>	<b><u>\$71,654</u></b>

The Cost/SF for annual maintenance will be derived by accounting for all the currently built hangar space. This square footage applied against the Annual Maintenance Cost yields a close approximation of the actual cost per SF of hangar space that needs to be applied.

To determine Through The Fence Access Fees, this amount would be multiplied by the total SF of hangar space of each person or entity wishing access.

Area Number Sht 1 of 9	Existing SF Hangar	Potential SF Hangar	
26 - Corrao	12,000		
25 - Brooks	12,000		
24A - Sierra Mtn North	18,400		
24B - Sierra Mtn South	19,800		
23 - Contri	10,000		
22 - Crystal Bay	80,800		
21 - WT Investments	105,000		
20 - Fuel Farm			
19 - Fuel Storage			
18 - El Aero	7,000		
17 - El Aero	20,000		
16 - Cubix	10,800		
15 - Shadetree	13,600		
13 - Port-a-Port	45,000		
12 - Byard	11,400		
11 - American Warbirds	10,000		
10 - Weaver	9,600		
09 - El Aero	7,000		
08 - EAA Bld.			
07 - State of Nevada			
06 - Yesterdays Flyers	7,000		
05 - Silver Flight	29,700		
04 - Comstock Aviation	48,000		
02 - Silver Sky Aviation	6,400		
** Off Airport Hangars **			
Melshimer	9,000		
Waddel	12,000		
Mike Brown	2,200		
Charlie Hutter	1,800		
Nv.State	4,200		
<b>Total Current Sq. Ft</b>	<b>512,700</b>	<b>0</b>	<b>512,700</b>
<b>Cost Per Sq. Ft Hangar</b>			<b>\$0.140</b>

**Example of Annual Through the Fence Fee Based on Hangar Size**

Size	Sq. Ft.	Cost
50 x 60	2,500	349
60 x 66	3,300	461
80 x 80	6,400	894
100 x 100	10,000	1,398

**Proposal Would Be To Assess Each Off Airport Property With Through-The-Fence Access Agreements As Follows:**

**Properties With Hangars:**

**Minimum \$300 Annually or  
Square Foot Cost X Sq. Footage of Hangar  
Space, Whichever is Greater**

**With Aircraft Parked Outside in  
Addition to Hangar Space**

**\$50 Annually per Aircraft**

**Properties Without Hangars:**

**Access Agreement Only, No Access  
Aircraft Parked - 1 Aircraft  
Each Additional Aircraft**

**\$250 Annually  
\$300 Annually  
\$50 Annually**

April 10, 2017

Carson City Airport Authority –“Through-the-Fence” Access Fee, Analysis, Recap, and Proposal

This analysis was done to determine/allocate the actual costs incurred at the Carson City Airport in maintaining the infrastructure to support safe operations for takeoff, landing, and taxiing of aircraft. This is an update of costs, the last analysis being done in 2001.

In making the annual estimate for pavement maintenance and other items considered essential to the airport to support day and night operations, the following has been used to closely approximate those criteria used in previous analyses.

1. It is assumed that all paving is currently in a good state, not needing replacement;
2. The average industry standard for sealing and maintaining pavement at this time is, according to our engineer, every 5 years. This increment is used in this estimate for annualizing paving maintenance and repair costs;
3. Crack sealing is based on having one (1) crack in need of repair every 30 square yards of paving; and
4. Lighting and other maintenance items, insurance, and accounting/legal, and other expenses, etc., are based on the average annual cost incurred by the Carson City Airport Authority over the last preceding three (3) years, FYs 2014, 2015, 2016, and are taken from financial statements included in annual reports prepared by Kohn & Company.

Total 5-year cost analysis for pavement maintenance for Runway, Taxiways, and Aprons (spreadsheet provided by Atkins Engineering), is \$562,876.80. Therefore the annualized (per year) cost is estimated at approximately \$112,575.

Costs considered in estimating operational costs (including administrative costs and burden and administrative expenses) applicable to “Through-the-Fence” fees, are as follow:

Description	Annualized cost	Totals
Maintenance/Repair of runway/taxiways/aprons	\$ 112,575.36	
AWOS/Website	\$ 6,669.00	
Contract Services	\$ 8,862.33	
Electrical - Operations only (36 month average)	\$ 8,188.58	
Insurance	\$ 5,841.33	
Engineering - General	\$ 7,156.67	
Subtotal - annualized airport operation costs		\$ 149,293.27
Legal/Accounting at 20%	\$ 12,810.60	
Management - General repairs & maintenance at 25%	\$ 5,671.42	
Management - Admin electrical costs at 25%	\$ 4,945.28	
Management - Salaries and benefits at 25%	\$ 37,049.75	
Subtotal - allocations of Administration costs		\$ 60,477.05
Total Operating Costs + Admin and Burden allocation		\$ 209,770.32

Based on the above, the total operating costs (\$209,770.32) divided by the existing hangar square footage (588,871 sf) yields a close approximation of the actual cost per square foot of hangar space that needs to be applied, i.e., \$0.36 per square foot.

Examples of annual TTF fees, based on hangar size:

50 x 50	2,500	\$	0.36	\$ 900.00
60 x 55	3,300	\$	0.36	\$ 1,188.00
80 x 80	6,400	\$	0.36	\$ 2,304.00
100 x 100	10,000	\$	0.36	\$ 3,600.00

Following the criteria used in the past, the proposal is to assess each off-airport property that has a “through-the-fence” agreement as follows:

- Properties with hangars: Minimum of \$750.00 annually OR  
Square foot cost x Square footage of hangar space, whichever is greater
- With aircraft parked outside –  
In addition to hangar space \$125 annually per aircraft

Properties without hangars:

- Access agreement only, No access \$625 annually
- Aircraft parked – first (1) aircraft \$750 annually
- Each added aircraft \$125 annually