

Date May 18, 2009

WHEREAS, Chapter 22 of the Municipal Code of the City of Des Moines gives the Des Moines International Airport Board the power to establish and enforce regulations for the control, operation, supervision, maintenance and security of the Des Moines International Airport and further gives the Board the power to establish rates and charges for the use of the Airport, airport facilities, and airport services; and

WHEREAS, the Airport Board pursuant to section 22-51 of the Municipal Code intends to enact the attached regulation No. 09-60 amending sections 2-1, 2-2, 2-5, 2-6, and 2-9 of the Airport Board Regulations relating to commercial use fees, a part of rates and charges at the Des Moines International Airport; and

WHEREAS, on April 7, 2009, through Resolution A09-066, the Airport Board approved by first reading the proposed regulation, set a public hearing date of May 5, 2009, and set the regulation's effective date as July 1, 2009; and

WHEREAS, on May 5, 2009, in accordance with the duly published notice, the Board held a public hearing, at which no public comments were offered; and

WHEREAS, after the public hearing, at the same meeting, the Board approved by Resolution A09-090 a second reading of the proposed regulation; and

WHEREAS, the Airport Board is required by section 22-51(a)(3) of the Municipal Code to notify the City Council of the intended effective date of proposed regulations and to provide a copy of proposed regulations to the City Council for its review; and

WHEREAS, the City Council, if upon review of the proposed regulation, determines that it is inconsistent with the provisions of the Municipal Code, or is inconsistent with any applicable state or federal law or regulation, or is otherwise objectionable, the City Council may so declare by resolution, and in that event the proposed regulation will not be published and shall not take effect.



Roll Call Number

Agenda Item Number

47

Date May 18, 2009

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF DES MOINES, IOWA:

That the attached communication from the Chairperson of the Des Moines International Airport Board submitting proposed Airport Board Regulation No. 09-60 and duly notifying the Council of the proposed effective date of July 1, 2009, for the regulation is hereby received and filed.

Moved by _____ to adopt.

FORM APPROVED:

David A. Ferree
Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
HENSLEY				
KIERNAN				
MAHAFFEY				
VLASSIS				
MEYER				
TOTAL				
MOTION CARRIED				APPROVED

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

_____ Mayor

_____ City Clerk

May 5, 2009

The Honorable Mayor and Members of City Council
400 Robert D. Ray Dr
Des Moines, IA 50309

RE: Proposed Airport Regulation No. 09-60, Rate Changes

Dear Mayor and Members of the City Council:

The City Council created the Airport Board under Chapter 392 of the Iowa Code for the purpose of governing the operation of the Des Moines International Airport. The Council further delegated the Board the power to establish rates and charges for use of the Airport consistent with its responsibility to maintain a positive cash balance in the Airport Enterprise Fund at all times.

At its meeting of April 7, 2009, the Airport Board approved the first reading of a resolution that would adjust several of the Airport's rates and charges. At its meeting of May 5, 2009, the Board conducted a public hearing on the resolution and, after receiving no comments, approved the second reading. The changes being contemplated are as follows:

- **Terminal Rental Charges – Section 2-1; Landing Fee Rates – Section 2-2; and Apron Use Fees – Section 2-5**

It is proposed to adjust various airline usage fees. These rates are typically adjusted annually to recover operating costs. The operating budget for the fiscal year ended June 30, 2010, incorporates these rates and was approved by the Council after consultation and discussion with the air carriers.

The proposed **Terminal Rent Rate** (Section 2-1) will be lower the present rate. For FY10, this rate will be \$36.67 per square foot per year, down from \$41.35 (a decrease of -11.3%). This can be attributed to two factors; 1) the City and the air carriers have worked together to reduce overall costs in the terminal building, and 2) an accounting change has resulted in more Airport Terminal square footage becoming the fiscal responsibility of the air carriers -- as their allocation of square footage increased, the overall rate decreased.

The proposed **Non-Signatory Landing Fee Rate** (Section 2-2) is also lower for the upcoming year by \$0.04 per thousand pounds of aircraft landed weight (a decrease of -1.5%); the rate becomes \$2.97 in the upcoming fiscal year, down from \$3.01 in the current year. Landing fees

are charged to recover the Airport's costs to maintain the airfield runways and taxiways. The decrease in the upcoming year is largely due to a decrease in the budgeted overall cost to maintain the airfield.

The proposed **Apron Fee Rates** (Section 2-5) have increased slightly (approx 1%). Apron fees are charged to the air carriers in order to recover costs related to the aircraft parking areas surrounding the terminal and cargo facilities. There are a number of factors contributing to these rates; for a more detailed breakdown please refer to the FY2010 operating budget.

- **Vehicle Parking Fees -- Section 2-6(a) & (b)**

The Airport's long-standing policy has been to allow terminal-based employees (those with offices or places of business in the Airport Terminal) and aircraft crew (those working for an air transportation company) to park a vehicle at the Airport for a monthly fee. Employees are provided a lighted, secure facility with shuttle bus service to the terminal. The parking fee for terminal-based employees has been \$17 per month since July 1, 1994. In order to better recover costs, an increase of \$3/month (from \$17 to \$20) appears to be appropriate at this time. The costs to operate the employee parking program have obviously increased more in the past 15 years than the rate change reflects, however, continuing to offer affordable employee parking rates assists in maintaining a positive tenant relationship.

A separate parking rate for air crew employees was first established on July 1, 2000, at a level of \$30 per month. The rationale for having a higher rate for this category of parker was that the air crews park in the facility for longer periods of time than terminal-based employees. However, this has not necessarily been the case, and in fact, air crews require less shuttling than their terminal-based counterpart. This difference in fees for essentially the same service has been an issue of contention for crew members for many years. With the parking for all terminal employees now being co-located with the air crews in a newly-constructed area, it appears to be an appropriate time to level all parking rates at \$20 per month.

- **Telephone and Communications Services -- Section 2-9**

With the current construction of a common room for airline computer storage needs, new fees are proposed for housing this equipment. These monthly fees and room utilization have been discussed with the carriers, and the fee is not expected to be a revenue-generator as much as a control used to prevent excessive, unnecessary equipment storage in the common area.

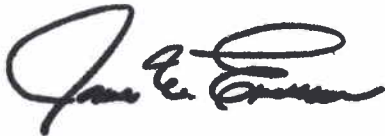
The Airport Board, pursuant to the ordinance regarding its establishment, is required to file any revised Rates and Charges Regulations with the City Clerk and to publish both notice of intent to adopt the Regulation, as well as the time and place of a public hearing. The Airport Board is further required to notify the City Council of the proposed effective date of the Regulation and provide a

Honorable Mayor and Members of City Council
May 5, 2009
Page 3 of 3

copy thereof to the City Council for their review and hold a public hearing on the proposed Regulation. The Board then must adopt the Regulation by Board Resolution and have the City Clerk publish it prior to its effective date, in this case July 1, 2009. The Airport Board plans to read the regulation for the third and final time at its meeting of June 2, 2009.

The Board herewith submits for City Council information and review, the proposed Regulation pursuant to Section 22.51 of the Municipal Code.

Sincerely,



James W. Erickson
Airport Board Chairperson

Enclosure

cc: Richard A. Clark, City Manager

