

CONSULTING SERVICES

Mid-Carolina Regional Airport (RUQ)
Salisbury, North Carolina

May 1, 2023



Rowan County Board of
Commissioners Meeting



INTRODUCTIONS



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AMCG Services, Support, and Resources	Airports	Aviation Businesses	Agencies	Associations	Industry Stakeholders
Strategic Planning/Business Planning	→	→	→	→	
Primary Management and Compliance Documents	→	→	→	→	
Rent Study	→	→	→	→	→
Fee Study	→		→	→	
Appraisal	→	→		→	→
Valuation	→	→			→
Transaction Services	→	→			
RFP Development and Proposal Evaluation	→		→	→	
RFP Proposal Development		→		→	→
Agreement Development and Negotiation	→	→	→	→	→
Through-the-Fence Assessment	→	→	→		→
Assessment	→	→	→		
Market Assessment/Feasibility Study	→	→	→	→	→
Regulatory Compliance	→	→	→	→	→
Interim Management and Transition Services	→	→			
Land Use, Site Planning, Facility Programming	→	→			→
Marketing and Business Development	→	→		→	
Litigation Support and Expert Testimony	→	→	→	→	→

AGENDA

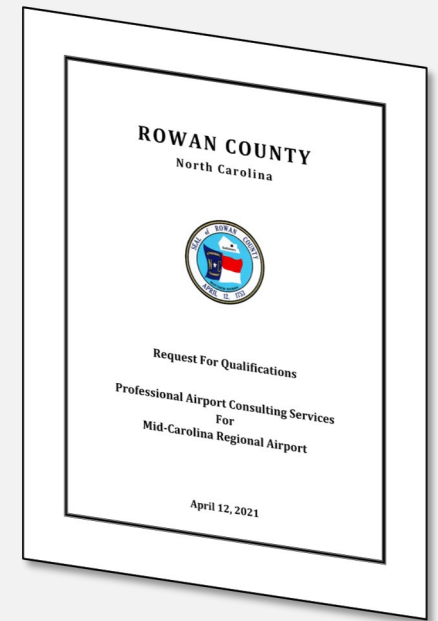


- Key Background
- Scope of Services
 - Element 1: Airport Assessment
 - Element 2: PMCDs
 - Element 3: Airport Advisory Body Bylaws
 - Element 4: Airport Rent Study
 - Element 5: Airport Fee Study
- Recommendations
- Questions and Answers

KEY BACKGROUND



- ➔ **Request for Qualifications** identified a “comprehensive analysis of the safety, general aviation operations, and governance of the Mid-Carolina Regional Airport.



➔ **Airport Sponsor Assurances**

- ➔ To secure Airport Improvement Program (AIP) funds (a grant), an airport sponsor is required to give certain assurances to the FAA known as the Airport Sponsor Assurances.
 - ➔ Grant Assurance 19: **Operation and Maintenance**
 - ➔ Grant Assurance 22: **Economic Non-Discrimination**
 - ➔ Grant Assurance 23: **Exclusive Rights**
 - ➔ Grant Assurance 24: **Fee and Rental Structure**

SCOPE OF SERVICES

- Element 1: Airport Assessment
- Element 2: Primary Management and Compliance Documents (PMCDs)
- Element 3: Airport Advisory Body Bylaws
- Element 4: Airport Rent Study
- Element 5: Airport Fee Study



SCHEDULE OVERVIEW

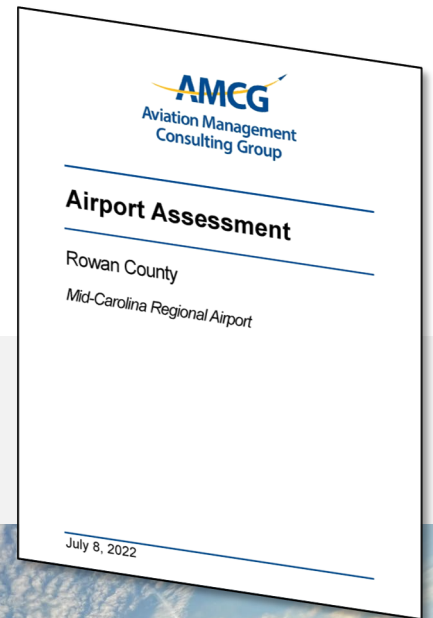


- Final Service Agreement (dated 08/25/2021)
- Information Request (dated 10/14/2021)
- Project Initialization Meeting (conducted 10/21/2021)
- Information Collection (10/14/2021 – 11/09/2021)
- Site Visit (02/21/2022 – 02/23/2022)
- Tenant Survey (07/25/2022 -08/09/2022)
- Public Review Process (11/28/2022 – 12/28/2022)
- **County Commissioner Meeting (05/01/2023)**

ELEMENT 1: AIRPORT ASSESSMENT

Background

- Airport Tenant Interviews and Survey
- Assessment and evaluation of:
 - Airport organization
 - Planning/management/compliance
 - Operations
 - Airside/landside infrastructure
 - Aviation products, services, facilities
 - Airport and community environment
 - Financial systems and performance

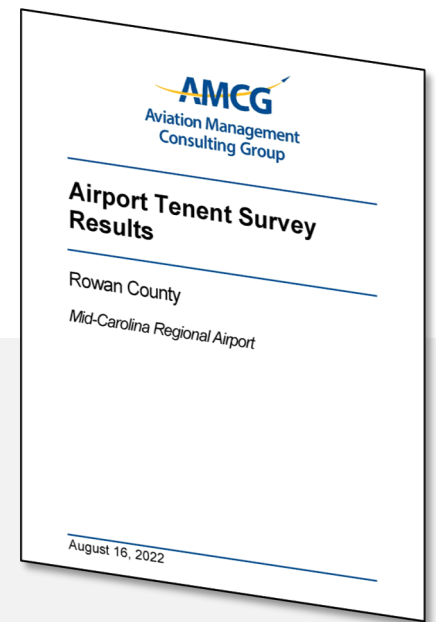


ELEMENT 1: AIRPORT ASSESSMENT

Stakeholder Input

→ Airport Tenant Survey

- Purpose: obtain input on operation and management while identifying strengths and weaknesses
- Schedule: 07/25/2022 – 08/09/2022
- Participants: commercial operators (4) and based tenants (22)
- Key Comments
 - Overall satisfaction with FBO products and services
 - Desire additional aircraft storage options
 - Strengths:
 - Airport management and staff
 - Infrastructure and fuel pricing
 - Weaknesses:
 - Availability of hangars and skydiving operations
 - County policies and effectiveness of Advisory Body



ELEMENT 1: AIRPORT ASSESSMENT

Overview

Short-Term Recommendations

- ✈ Agreement compliance review
- ✈ Agreement templates
- ✈ Accounting protocols
- ✈ Fuel pricing program
- ✈ FBO services enhancements
- ✈ Airfield inspection protocols
- ✈ Tenant and community engagement
- ✈ Leasing/Rents and Fees Policy
- ✈ Annual hangar inspection protocols

Long-Term Recommendations

- ✈ Terminal area plan
- ✈ Airport operations manual
- ✈ Airport master plan
- ✈ North T-hangars (T1-T20) agreement
- ✈ Environmental compliance
- ✈ Information management system
- ✈ Security enhancements
- ✈ Airport staffing plan
- ✈ Increment weather procedures*
- ✈ Air Traffic Control Development

Current Initiatives: revenue enhancements, Rules and Regulations, Minimum Standards, Airport Advisory Body Bylaws

ELEMENT 2: RULES AND REGULATIONS

Background



Definition

- Sets forth the **rules** and **regulations** for the **safe, orderly**, and **efficient** use of the Airport
- Conveys general provisions and definitions (key terms)

Role/Purpose

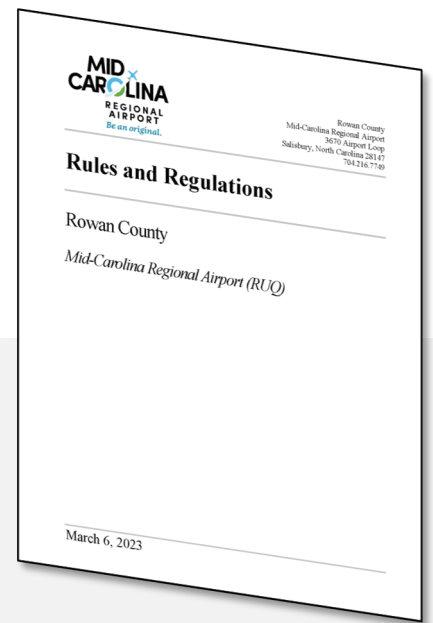
- Protects the public health, safety, interest, and welfare on the Airport
- *Applies to all persons using the Airport – at all times – for any purpose*

Purpose: develop new Airport Rules and Regulations

Process: tenant interviews, public review, comment response

ELEMENT 2: RULES AND REGULATIONS

Overview



→ Document Structure

- Introduction, General, Aircraft, Vehicles, Tenant, Aviation Fueling, General Provisions, Definitions

→ Supporting Documents

- General Aviation Operator and Lessee Application
- Supplemental Information Request
- Non-Commercial Self Fueling Permit
- Special Events Permit

→ Key Implications

- Aircraft maintenance and use of County-owned hangars
- Non-Commercial Flying Club structure
- Skydiving approval mechanisms and compliance requirements
- Non-Commercial Self-Fueling compliance requirements
- Based aircraft registration and non-airworthy aircraft

ELEMENT 2: MINIMUM STANDARDS

Background

Definition

Sets forth the **minimum requirements** that need to be **met** to **engage** in **commercial aeronautical activities** at the Airport

Role/Purpose

- Establishes **consistent threshold requirements** – which **levels the playing field** and **promotes fair competition** among operators (minimum “ante”)
- *Applies to entities who want to engage in commercial aeronautical activities at the Airport*

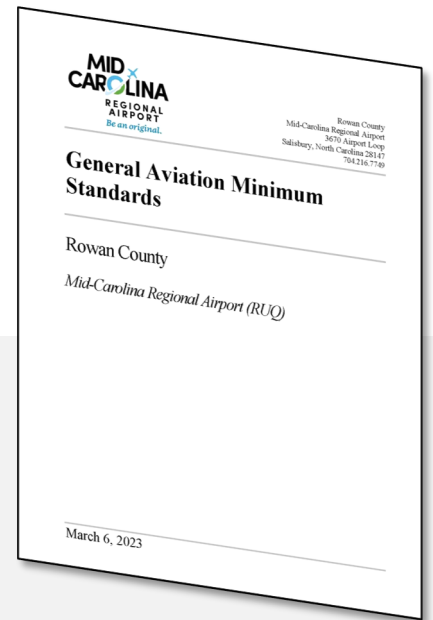


Purpose: develop new Airport Minimum Standards

Process: tenant interviews, questionnaires, public review, comment response

ELEMENT 2: MINIMUM STANDARDS

Overview



→ Document Structure

- Introduction, General Requirements, Aircraft Maintenance, Avionics/Instruments Maintenance, Aircraft Rental/Flight Training, Charter/Management, Sales, Independent Operators, Commercial Skydiving, Other, Temporary, Commercial Operator Permit

→ Supporting Documents

- Commercial Operator Permit

→ Key Implications

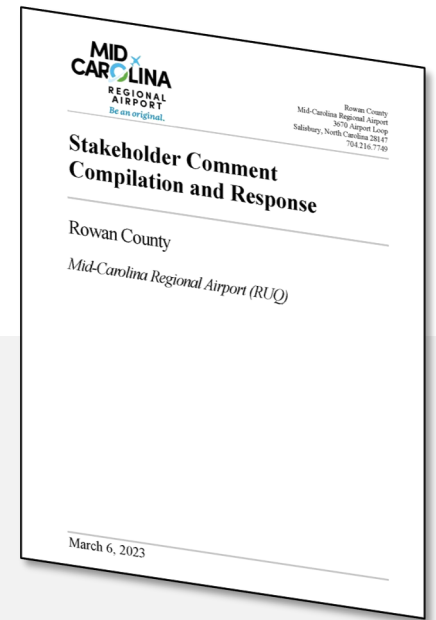
- Utilization of SASO rather than LFBO
- Agreement requirement for commercial activities
- Structure for independent operators (aircraft maintenance and flight training)
- Introduction of Commercial Operator Permit

ELEMENT 2: PMCDs

Stakeholder Input

→ Stakeholder Comment Compilation and Response

- Purpose: obtain input draft Rules and Regulations and draft Minimum Standards
- Schedule: 11/28/2022 – 12/28/2022
- Participants: Airport Advisory Body and tenants
- Key Comments
 - Feels a bit “big” – seems larger than works for the Airport
 - Concern of how rules and requirements impact users
 - Concern for County overreach into Operator pricing
 - Specific identification of County proprietary exclusive rights
 - Non-Commercial Flying Club structure



ELEMENT 3: AIRPORT ADVISORY BODY BYLAWS

Background

- ➔ Established on February 16, 2009, and last amended on January 20, 2020
- ➔ Established to assist and advise Board of Commissioners and County officials
- ➔ Ensure Airport is maintained and developed in high-quality manner and is a good neighbor



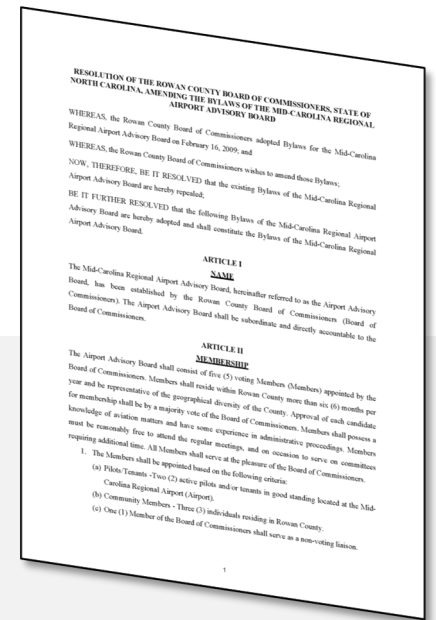
ELEMENT 3: AIRPORT ADVISORY BODY BYLAWS

Overview



Key Implications

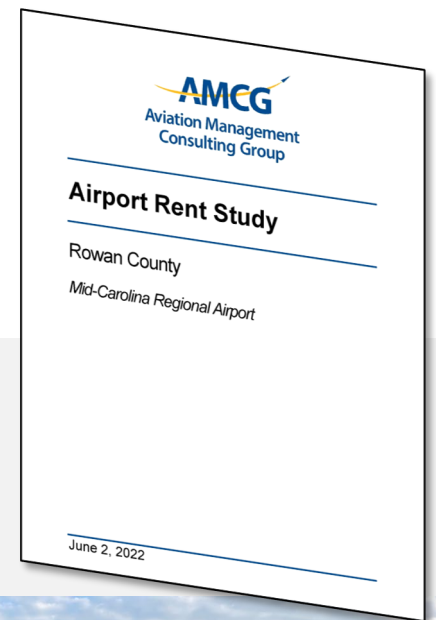
- ➔ Enhancements to membership criteria
- ➔ Meeting frequency adjustments
- ➔ Clarifications to meeting attendance
- ➔ Responsibility to review plans, policies, special events, agreements, and development at the discretion of the Airport Director



ELEMENT 4: AIRPORT RENT STUDY

Background and Process

- ✈️ Public outreach and site inspection
- ✈️ Develop Airport profile
- ✈️ Identify comparable, competitive, and National Guard airports
- ✈️ Obtain rental rates for aeronautical uses from the comparable, competitive, and National Guard airport
- ✈️ Analyze the data (including AMCG national and regional data)
- ✈️ Analyze national and regional data
- ✈️ Develop opinion of market rent



ELEMENT 4: AIRPORT RENT STUDY

Basis for Research Airports

Comparable Airports

- ✈ No Airport Traffic Control Tower
- ✈ Precision approach
- ✈ Runway length
- ✈ Acreage
- ✈ FAA NPIAS classification

Subject Airport	GA Itinerant Operations	GA Total Operations	Based Aircraft
High	42,000	75,000	125
Operations	25,000	51,000	90
Low	12,000	25,000	60

Competitive Airports

- ✈ Distance (40 **nautical miles** and 1 hour **drive time**)

National Guard Airports

- ✈ Battle Creek, Des Moines, Duluth, Fort Dodge, Milwaukee, Fargo, Minneapolis, Sioux Falls, Sioux City

ELEMENT 4: AIRPORT RENT STUDY

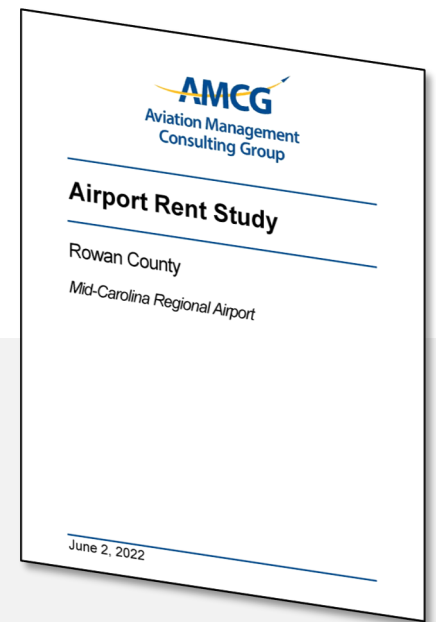
Findings

Component	Current Rental Rates	Market Rent Opinion
Community Hangar	\$1.09 - \$3.08	\$4.30 - \$6.30
Executive Hangar	\$0.90 - \$4.48	\$3.20 - \$4.70
Medium T-Hangar	\$263.00- \$302.50	\$345.00
Large T-Hangar	\$289.00 - \$342.00	\$460.00
T-Hangar Storage	Included in hangar rent	\$4.40
Office	Included in hangar rent	\$6.85 - \$9.00
Shop/Storage	Included in hangar rent	\$4.60 - \$4.85
Improved Land	N/A	\$0.25 - \$0.40
Asphalt Apron	N/A	\$0.50 - \$0.55
Vehicle Parking	N/A	\$0.40 - \$0.43

ELEMENT 4: AIRPORT FEE STUDY

Background and Process

- ✈ Establish GA fees utilizing a cost recovery approach – not a market-based approach
- ✈ Not a financial audit – based on FY 2022 Revised Budget
- ✈ Identified elements of the existing GA fee program
- ✈ Identified current industry practices
- ✈ Obtained and analyzed GA fees from the comparable, competitive, and National Guard airports identified
- ✈ Provided recommendations for the structure of the GA fees



ELEMENT 4: AIRPORT FEE STUDY

GA Fee Summary

Type of GA Fee	Current Situation	Industry Practices	Recommendation
Fuel Flowage Fee	Yes	Most Common	Yes
Throughput Fee	No	Less Common	No
Transient Aircraft Handling Fee	Yes	Less Common	Yes
Landing Fee	No	Moderately Common	No
Aircraft Parking Fee	Yes	Moderately Common	Yes
Based Aircraft Fee	No	Less Common	No
Percentage of Gross Receipts	No	Less Common	No
Aeronautical Permit Fee	No	Moderately Common	Yes
Airport Access Fee	No	Moderately Common	No

ELEMENT 4: AIRPORT FEE STUDY

GA Fee Recommendations

Type of Fee	Methodology	Current Situation	Recommendation
Fuel Flowage Fee	Typically paid on a “cents per gallon” basis and typically ranges from \$0.05 to \$0.40 per gallon	Non-Commercial Self-Fueling \$0.20 per gallon for 0 – 149,999 gallons \$0.15 per gallon for 150,000 – 199,999 gallons \$0.10 per gallon more than 200,000 gallons	\$0.20 per gallon
Transient Aircraft Handling Fee	Charged in accordance with an established schedule and a minimum fee may be specified	\$100.00 for turbine aircraft with a MGTOW less than 10,000 pounds which is waived with a minimum fuel purchase of 100 gallons \$150.00 for turbine aircraft with a MGTOW in excess of 10,000 pounds which is waived with a minimum fuel purchase of 150 gallons	\$35.00 - \$200.00 (all aircraft)

ELEMENT 4: AIRPORT FEE STUDY

GA Fee Recommendations

Type of Fee	Methodology	Current Situation	Recommendation
Aircraft Parking Fee	Charged in accordance with an established schedule and a minimum fee may be specified. In the alternative, aircraft parking fees may be charged on a “cents per 1,000 pounds” approach and a minimum fee may be specified.	\$15.00 per night piston aircraft (first night waived for a minimum fuel purchase) \$50.00 per night turbine aircraft (first night waived for a minimum fuel purchase of 100 gallons)	\$15.00 - \$150.00
Aeronautical Permit Fee	Typically based on a flat amount paid annually to obtain a permit to operate a commercial business	N/A	\$750.00 (annually)

ELEMENT 4: AIRPORT FEE STUDY

GA Fee Schedule



- ➔ Cost recovery target of 30% with existing rent structure and County General Fund Contribution of approximately \$546,000
- ➔ Implementation of new rent structure results in required County General Fund Contribution of approximately \$40,000



Mid-Carolina Regional Airport Aeronautical Fee Schedule Calendar Year 2023

TYPE OF FEE		FEE		
Fuel Flowage Fee				
County Retail Fueling		\$0.20		
Non-Commercial Self-Fueling		\$0.20		
Transient Aircraft Handling Fee				
All Transient Aircraft (waived with fuel purchase)				
Single-Engine Piston		\$35.00		
Multi-Engine Piston		\$35.00		
Turboprop		\$200.00		
Jet		\$35.00		
Helicopter		\$35.00		
Aircraft Parking Fee				
Aircraft Type		Daily (4 to 12 hours)*	Overnight (more than 12 hours per day)	Monthly
	Single-Engine Piston	\$15.00	\$20.00	\$120.00
	Multi-Engine Piston	\$19.00	\$25.00	\$150.00
	Turboprop	\$38.00	\$50.00	\$300.00
	Jet	\$19.00	\$25.00	\$150.00
	Helicopter	\$19.00	\$25.00	\$150.00
Aeronautical Permit Fee				
Aircraft Maintenance Operator		\$750.00		
Avionics or Instrument Maintenance Operator		\$750.00		
Aircraft Rental or Flight Training Operator		\$750.00		
Aircraft Charter or Aircraft Management Operator		\$750.00		
Aircraft Sales Operator		\$750.00		
Other Commercial Aeronautical Activities		\$750.00		
Temporary Specialized Aviation Service Operator		\$750.00		
Self-Fueling Permittee		\$750.00		

* Aircraft parking less than 4 hours not charged an Aircraft Parking Fee

RECOMMENDATIONS

- Adopt new Rules and Regulations
- Adopt new Minimum Standards
- Adopt new Airport Advisory Body Bylaws
- Implement new rents and fees
- Identify financial and operational capabilities for remaining assessment items



QUESTIONS

- Key Background
- Scope of Services
 - Element 1: Airport Assessment
 - Element 2: PMCDs
 - Element 3: Airport Advisory Body Bylaws
 - Element 4: Airport Rent Study
 - Element 5: Airport Fee Study
- Recommendations



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