



Airport Business Solutions

"Valuation and Consulting Services to the Aviation Industry"

90 Fort Wade Road, Suite 100, Ponte Vedra, Florida 32081-5114

Office (813) 855-3600

www.airportbusiness.net

December 22, 2023

Ms. Kelly Gerads, A.A.E.
Assistant Director of Reliever Airports
Metropolitan Airports Commission
6040 28th Avenue South
Minneapolis, Minnesota 55450

RE: Fuel Flowage Fee Review
Six MAC Reliever Airports
Minneapolis, Minnesota

Dear Ms. Gerads:

In accordance with your request, **Airport Business Solutions ABS**) has completed an analysis of fuel flowage fees in terms of reasonableness for the six reliever airports owned and operation by the Metropolitan Airports Commission (MAC). The following is a summary of our analysis and recommendations for the six airports.

Pursuant to FAA Grant Assurances, all airports within the MAC system must account for their costs of operation to attain financial self-sustainability. For most general aviation airports, fuel flowage fees (FFFs) are typically collected based upon fuel delivered to an FBO and corporate self-fuelers at an airport. However, busier general aviation airports with higher activity levels of larger aircraft will often impose landing fees based upon the weight of the aircraft. Most general aviation airports that impose landing fees also charge fuel flowage fees. Both landing fees and fuel flowage fees are designed to be a revenue source that is directly attributed to the operation and maintenance of the airfield. At the six MAC reliever airports, the MAC charges a fuel flowage fee to the FBOs and corporate fuelers to help offset operational expenses. In addition, they charge landing fees at St. Paul Downtown, Flying Cloud, and Anoka County-Blaine airports to aircraft operators that require Jet fuel (whether based or transient). The following is a summary of the current (2023) and pending (2024) fuel flowage fees (per gallon) for both Jet-A and 100LL/Avgas at each of the six MAC reliever airports.

Airport	2023 Jet-A	2023 100LL/Avgas	2024 Jet-A	2024 100LL/Avgas
St. Paul Downtown	\$0.148	\$0.202	\$0.154	\$0.211
Flying Cloud	\$0.148	\$0.202	\$0.154	\$0.211
Anoka County-Blaine	\$0.148	\$0.202	\$0.154	\$0.211
Crystal	\$0.162	\$0.162	\$0.168	\$0.168
Airlake	\$0.162	\$0.162	\$0.168	\$0.168
Lake Elmo	\$0.162	\$0.162	\$0.168	\$0.168

Solutions as Unique as the Problems . . .

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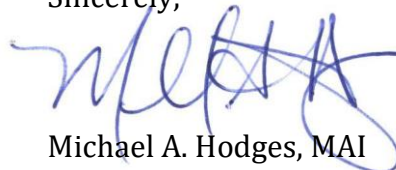
FAA Airport Compliance Manual Order 5190.6B, dated September 30, 2009, requires airports to maintain all airport facilities as shown on their Airport Layout Plan (ALP). Airport costs include capital cost, operational expenses, environmental fees and charges and noise mitigation. Those primary airfield costs are only a portion of the operational expenses of the six MAC reliever airports which should be accommodated by the revenues derived from tenants and users of the six airports, primarily via ground rents, landing fees, and fuel flowage fees.

The current structure of fuel flowage fee charges at the MAC reliever airports is appropriate in terms of reflecting different levels of charges based upon the type and complexity of airport operations, as well as the impact of landing fees at three of the airports. Airports that accommodate a higher volume of turbine aircraft, which are generally larger and heavier, create a greater level of wear and tear on the airport's infrastructure. In addition, the higher rate of fees for 100LL/Avgas is warranted in that the typical uploads of this type of fuel generally reflect lower volumes, whereby higher per gallon fees are often imposed.

Based upon our review of the current and pending fuel flowage fee rates (2023 and 2024), with an emphasis on rates at similar and competing airports throughout the surrounding region, the current rates and proposed rates are deemed reasonable and generally consistent with prevailing market levels. However, it is suggested that given the recent improvements at the Airlake Airport and current transition of activity to accommodate larger and more frequent turbine activity, an ongoing assessment of the activity trends at this airport are suggested to determine if a change to a slightly higher rate or implementation of a landing fee may be warranted in the future.

We appreciate this opportunity to be of service to you on this project. If you should have any further questions, or request additional information or clarification, please advise.

Sincerely,



Michael A. Hodges, MAI
President/CEO