

# Rates and Charges

Tenant Information Meeting

Wednesday, May 22, 2024

3:00 P.M. & 7:00 P.M.



# MAC General Aviation Rates and Charges

- MAC Ordinance No. 119

Governs the rental rates and other charges assessed to users of the MAC's Reliever Airports.

Adopted in June 2014.

- MAC Ordinance No. 115

Governs, among other provisions, the fuel flowage fee applicable to general aviation aircraft operating at MSP.

Adopted in August 2012.



# Objectives

## ESTABLISH RATES & CHARGES STRUCTURE

- ✓ Financially support the Reliever system
- ✓ Comply with federal requirements & state law
- ✓ Retain balanced and reasonable rate structure within GA system of airports





# Changes Under Consideration

- Remove the sublease license fee
- Reduce the ground rental rate escalator
- Adjust rates and charges paid by commercial tenants
- Adjust the fuel-flowage fees
- Harmonize the fuel-flowage fee assessed at MSP with those assessed at the Reliever Airports





# Impacts to Aircraft Storage Tenants



- Reducing the annual ground rental rate escalator from 3.33% to 3% following initial implementation to rate study recommendation
- Eliminating the sublease license fee

# Aircraft Storage Ground Rent – Chart A

Current & Proposed Aircraft Storage Rates - Ord 119 Chart A							
	2024	2025	2026	2027	2028	2029	2030
<b>STP</b>	\$ 0.915	<del>\$0.945</del> <u>\$0.94</u>	<del>\$0.976</del> <u>\$ 0.96</u>	<del>\$1.008</del> <u>\$ 0.99</u>	<del>\$1.041</del> <u>\$1.02</u>	<del>\$1.075</del> <u>\$ 1.05</u>	<del>\$1.110</del> <u>\$ 1.08</u>
<b>FCM</b>	\$ 0.784	<del>\$0.810</del> <u>\$0.79</u>	<del>\$0.837</del> <u>\$ 0.82</u>	<del>\$0.865</del> <u>\$ 0.84</u>	<del>\$0.893</del> <u>\$ 0.87</u>	<del>\$0.923</del> <u>\$ 0.89</u>	<del>\$0.954</del> <u>\$ 0.92</u>
<b>ANE</b>	\$ 0.784	<del>\$0.810</del> <u>\$0.79</u>	<del>\$0.837</del> <u>\$ 0.80</u>	<del>\$0.865</del> <u>\$ 0.81</u>	<del>\$0.893</del> <u>\$ 0.82</u>	<del>\$0.923</del> <u>\$ 0.83</u>	<del>\$0.954</del> <u>\$ 0.84</u>
<b>MIC</b>	\$ 0.689	<del>\$0.712</del> <u>\$0.70</u>	<del>\$0.736</del> <u>\$ 0.72</u>	<del>\$0.761</del> <u>\$ 0.74</u>	<del>\$0.787</del> <u>\$ 0.76</u>	<del>\$0.813</del> <u>\$ 0.79</u>	<del>\$0.841</del> <u>\$ 0.81</u>
<b>LVN</b>	\$ 0.596	<del>\$0.616</del> <u>\$0.62</u>	<del>\$0.637</del> <u>\$ 0.65</u>	<del>\$0.659</del> <u>\$ 0.67</u>	<del>\$0.681</del> <u>\$ 0.70</u>	<del>\$0.705</del> <u>\$ 0.72</u>	<del>\$0.729</del> <u>\$ 0.75</u>
<b>21D</b>	\$ 0.596	<del>\$0.616</del> <u>\$0.61</u>	<del>\$0.637</del> <u>\$ 0.62</u>	<del>\$0.659</del> <u>\$ 0.64</u>	<del>\$0.681</del> <u>\$ 0.66</u>	<del>\$0.705</del> <u>\$ 0.68</u>	<del>\$0.729</del> <u>\$ 0.70</u>

# Impacts to Commercial Tenants

- Three-year incremental adjustment, followed by a 3% annual escalator
- Percentage Rent unchanged (1.5% of gross sales)
- Landing Fee methodology unchanged (Jet A operations at STP, FCM & ANE)

# Commercial Ground Rent – Chart C

**Current & Proposed Commercial Rates – Ord 119 Chart C**

	2024	2025	2026	2027	2028	2029	2030
<b>STP</b>	\$ 0.464	<del>\$ 0.481</del> <u>\$ 0.52</u>	<del>\$ 0.498</del> <u>\$ 0.57</u>	<del>\$ 0.516</del> <u>\$ 0.62</u>	<del>\$ 0.533</del> <u>\$ 0.64</u>	<del>\$ 0.552</del> <u>\$ 0.66</u>	<del>\$ 0.571</del> <u>\$ 0.68</u>
<b>FCM</b>	\$ 0.445	<del>\$ 0.461</del> <u>\$ 0.48</u>	<del>\$ 0.477</del> <u>\$ 0.52</u>	<del>\$ 0.494</del> <u>\$ 0.56</u>	<del>\$ 0.512</del> <u>\$ 0.58</u>	<del>\$ 0.530</del> <u>\$ 0.60</u>	<del>\$ 0.549</del> <u>\$ 0.61</u>
<b>ANE</b>	\$ 0.314	<del>\$ 0.326</del> <u>\$ 0.38</u>	<del>\$ 0.339</del> <u>\$ 0.44</u>	<del>\$ 0.351</del> <u>\$ 0.51</u>	<del>\$ 0.365</del> <u>\$ 0.52</u>	<del>\$ 0.379</del> <u>\$ 0.54</u>	<del>\$ 0.393</del> <u>\$ 0.55</u>
<b>MIC</b>	\$ 0.314	<del>\$ 0.326</del> <u>\$ 0.34</u>	<del>\$ 0.339</del> <u>\$ 0.37</u>	<del>\$ 0.351</del> <u>\$ 0.40</u>	<del>\$ 0.365</del> <u>\$ 0.41</u>	<del>\$ 0.379</del> <u>\$ 0.42</u>	<del>\$ 0.393</del> <u>\$ 0.43</u>
<b>LVN</b>	\$ 0.276	<del>\$ 0.287</del> <u>\$ 0.30</u>	<del>\$ 0.298</del> <u>\$ 0.32</u>	<del>\$ 0.310</del> <u>\$ 0.34</u>	<del>\$ 0.322</del> <u>\$ 0.35</u>	<del>\$ 0.334</del> <u>\$ 0.36</u>	<del>\$ 0.348</del> <u>\$ 0.37</u>
<b>21D</b>	\$ 0.276	<del>\$ 0.287</del> <u>\$ 0.28</u>	<del>\$ 0.298</del> <u>\$ 0.28</u>	<del>\$ 0.310</del> <u>\$ 0.28</u>	<del>\$ 0.322</del> <u>\$ 0.29</u>	<del>\$ 0.334</del> <u>\$ 0.30</u>	<del>\$ 0.348</del> <u>\$ 0.31</u>



# Fuel Flowage Fees

- Fuel Flowage fees equalized across the system and across grades of fuel

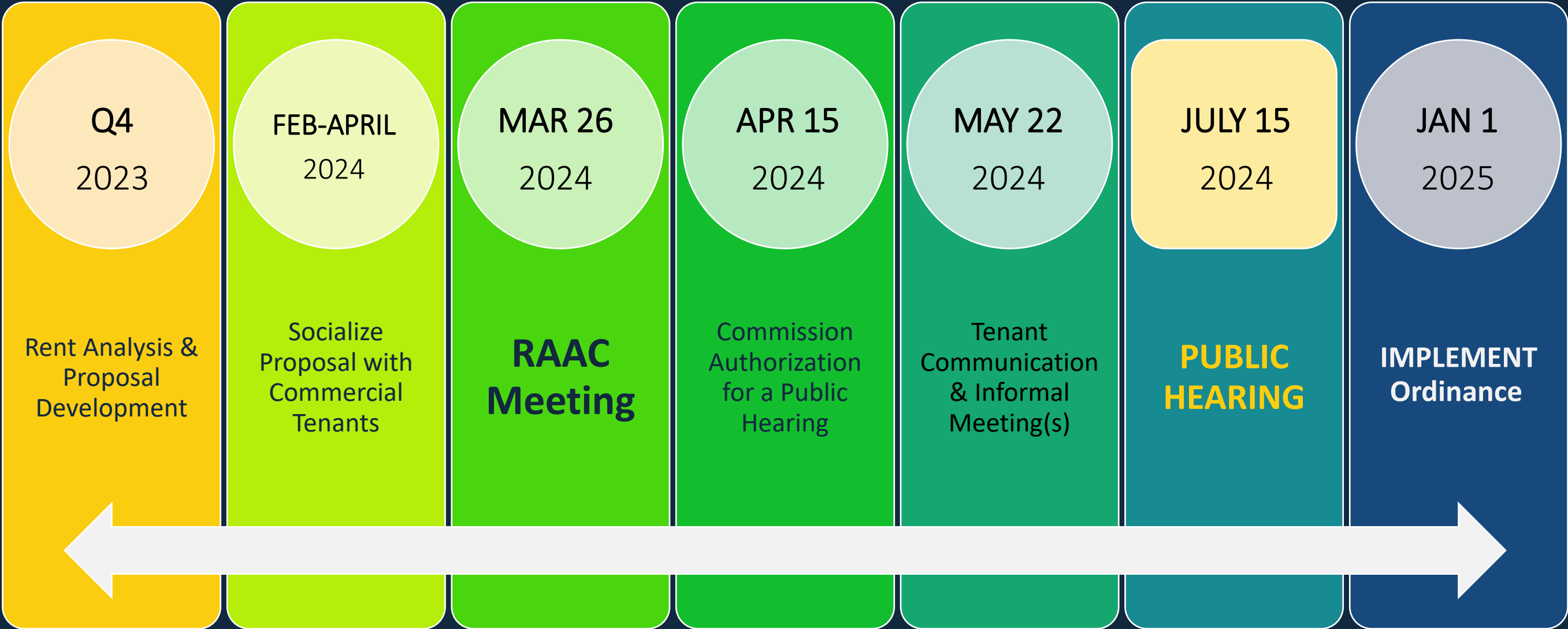
**2024 current fee:**

\$0.154 per gallon - Jet A for STP, FCM and ANE  
\$0.168 per gallon - Jet A for MIC, LVN and 21D  
\$0.211 per gallon - 100LL across the Relievers

**2025 Proposed Fuel Flowage Fee:**

\$0.211 per gallon – Relievers & MSP GA

# Timeline & Process





# Public Hearing Process – Tentative Schedule

