

RATES AND CHARGES 101

*Estimating Market Value and Establishing Market Rent
at Small Airports – ACRP Research Report 213*

Key FAA Guidance and Compliance Considerations

Assurance 24, Fee and Rental Structure

“maintain a fee and rental structure for the facilities and services at the airport which will make the airport as self-sustaining as possible under the circumstances existing at the particular airport, taking into account such factors as the volume of traffic and the economy of collection.”

Policy Regarding the Establishment of Airport Rates and Charges

“rates, fees, rentals, landing fees, and other service charges (‘fees’) imposed on aeronautical users for the aeronautical use of the airport (‘aeronautical fees’) must be fair and reasonable.”

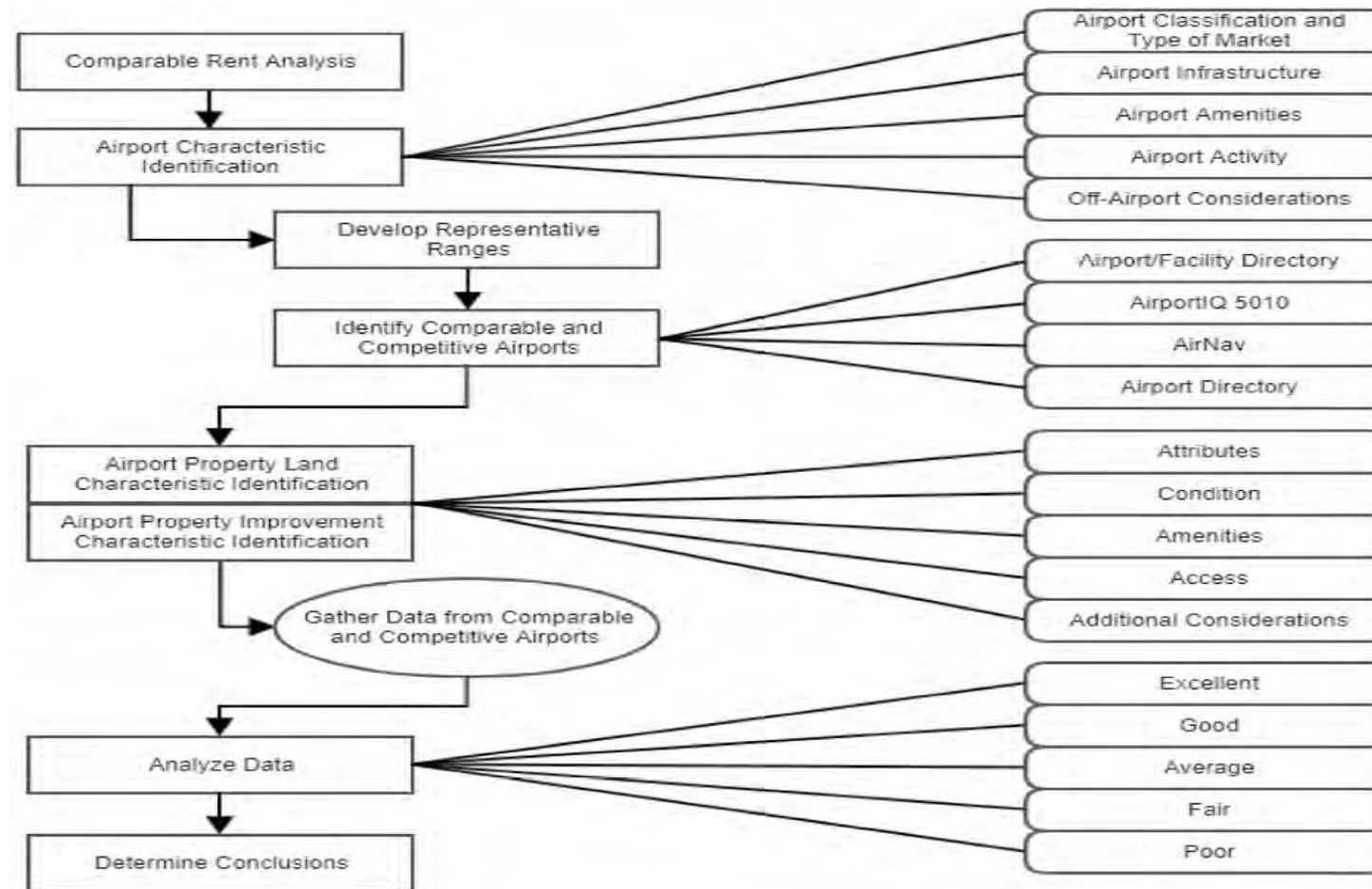
“reasonable methodologies may include, but are not limited to, historic cost valuation, direct negotiation with aeronautical users, or objective determinations of fair market value”

A survey conducted specifically for this report indicated that participants (consisting of airport property developers, airport property real estate agents, airport property lessees, and airport management representatives) believed an appraisal or comparable rent analysis **should be conducted to determine the initial rental structure before initiating negotiations.**

ESTABLISHING MARKET RENT

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“A survey conducted specifically for this report showed that the majority of participants identified an **appraisal or comparable rent analysis** as the preferred method to estimate market value or establish market rent.”



COMPARABLE AND COMPETITIVE

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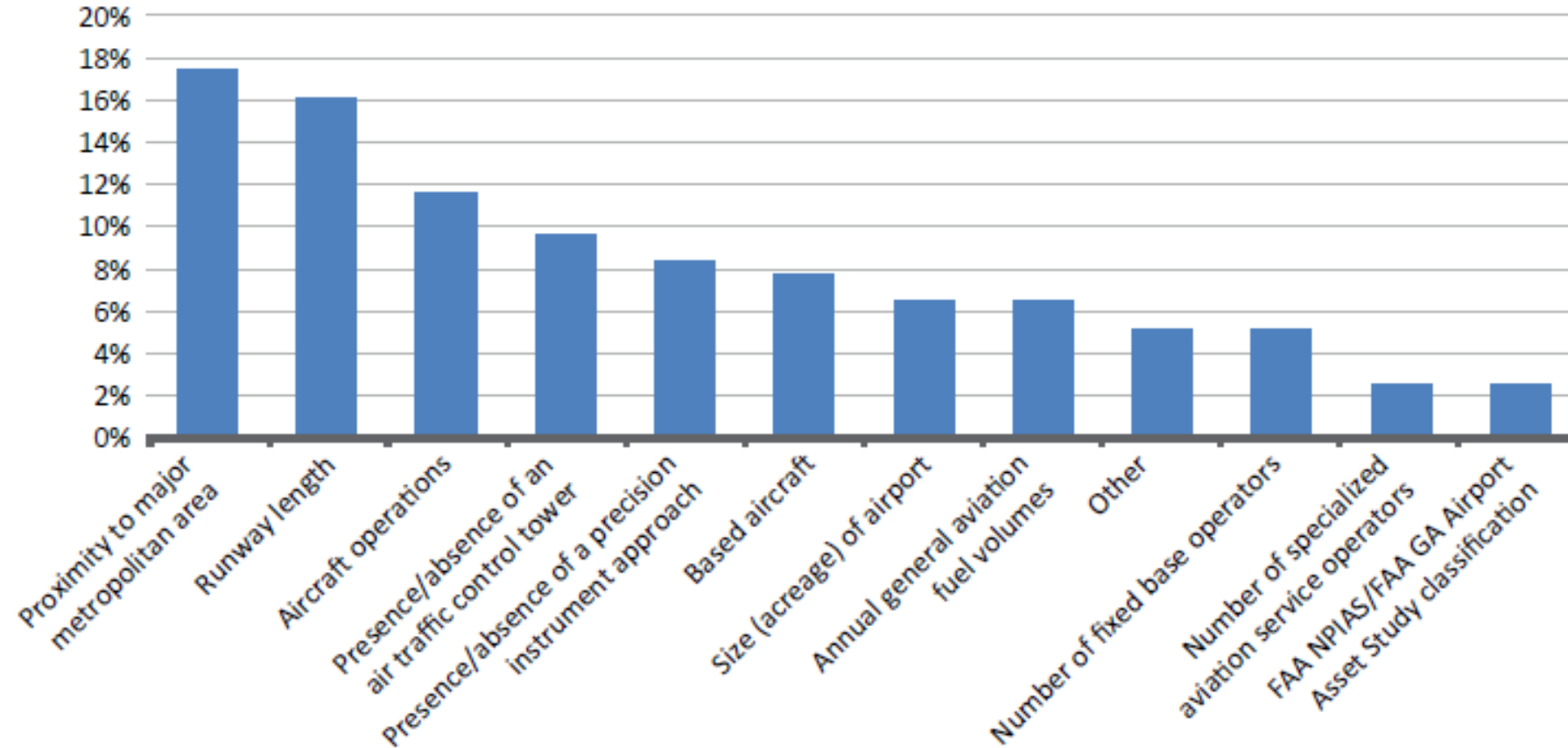
Analyzing the survey conducted for this research indicated that participants believed utilization of existing rental rates for similar properties at **competitive/local airports** was more appropriate than utilization of existing rental rates for similar properties at the **subject airport** or **comparable airports**.



Variability of Public Use Airports

AIRPORT CHARACTERISTICS

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Airport Characteristics Impacting Market Value and Market Rent

CHARACTERISTIC	Newport News/Williamsburg	Chesapeake Regional	Adjustment	Hampton Roads Executive	Adjustment	Suffolk Executive	Adjustment	Williamsburg Jamestown	Adjustment	Manassas	Adjustment
	PHF	CPK		PVG		SFQ		JGG		HEF	
Size of metropolitan area/population	1,728,733	1,728,733		1,728,733		1,728,733		1,728,733		6,216,589	
Size of city/population	180,719	244,076		244,076		90,237	3%	67,009	3%	39,300	3%
Surrounding demographic profile and economic character	Urban	Rural	2%	Urban		Rural	2%	Suburban		Suburban	
Location of the airport	9 mi NW of Newport News	12 mi S of Norfolk		7 mi SW of Norfolk		3 mi SW of Suffolk		3 mi SW of Williamsburg		28 mi WSW DC	2%
Distance from PHF	0 miles	44 mi - 1 hr 15 min	2%	32 mi - 50 min	1%	43 mi - 1 hr 10 min	3%	21 mi - 30 min	1%	154 mi - 2hr 37 min	
Presence/absence of a precision instrument approach	ILS/DME	ILS/DME		NAV (GPS)	2%	NAV (GPS)	2%	NAV (GPS)	2%	ILS	
Air Traffic Control facilities	YES	NO	5%	NO	5%	NO	5%	NO	5%	YES	
Attendance	Continuous	0800-2000	1%	0630-2130	1%	0800-1700	1%	0800-1900	1%	0630-2230	
Security	YES	YES		NO	1%	NO	1%	NO	1%		
Runway(s)											
Length	8003 - 6526	5500	2%	5350 - 3625	2%	5007 - 3750	2%	3204	3%	6200 - 3712	
Orientation	7/25 - 2/20	5/23		10/28 - 2/20		4/22 - 7/25		13/31		16L/34R - 16R/34L	
Surface	asphalt/grooved - concrete/grooved	asphalt/grooved	2%	asphalt/grooved - asphalt	2%	asphalt		asphalt		asphalt/grooved - asphalt	
Condition	Good Condition - Good Condition	Good Condition		Good Condition - Poor Condition		Excellent - Good Condition		Fair Condition	2%	Good Condition - Good Condition	
Airport											
Classification	Primary Commercial Service	General Aviation		Reliever		General Aviation		General Aviation		General Aviation	
Ownership	Public	Public		Private		Public		Private		Public	
Size											
Function	Non-hub	Regional		Regional		Local		Local		Regional	
Number of Operations and other activity statistics											
Enplanements	199421	1		0		0		0		0	
Aircraft operations	188/day	127/day		191/day		112/day		80/day		237/day	
	34% military	67% local GA		72% transient		88% local GA		52% local GA		68% transient	
	28% transient	27% transient		25% local GA		9% transient		38% transient		30% local GA	
	22% local GA	4% air taxi		2% air taxi		2% air taxi		9% air taxi		1% military	
	11% air taxi	2% military		<1% military		1% military		<1% military		1% air taxi	
	5% commercial										
Number of local general aviation flights	41	85		47		98		42		71	
Flights per day/number of based aircraft	0.28	0.78		0.33		1.66		0.71		0.19	
Number of based aircraft	148	109		141		59		59		366	
Fixed base operators and services											
Number of FBO's	2	2		0		0		1			
Fuel Available	100LL Jet-A	100LL Jet-A		100LL Jet-A		100LL Jet-A MOGAS		100LL Jet-A		100LL JET-A	
Parking	hangars & tiedowns	hangars & tiedowns		hangars & tiedowns		hangars & tiedowns		hangars and tiedowns		hangars and tiedowns	
Airframe Service	MAJOR	MAJOR		MAJOR		MAJOR		MAJOR		MAJOR	
Powerplant service	MAJOR	MAJOR		MAJOR		MAJOR		MAJOR		MAJOR	
Bottled Oxygen	Low	None		None		None		None		LOW	
Bulk Oxygen	None	None		None		None		None		HIGH/LOW	
Monthly Rental Rate (\$/sq ft)											
T-hangar (manual doors)	0.39	0.34	0.39	N/A		0.28	0.33			0.33	0.35
T-hangar (power doors)	0.45	0.29	0.33	0.37	0.42	N/A		0.39	0.46	0.37	0.39
Private executive hangar (2000-3000)	0.49	N/A		N/A		N/A				0.50	0.53
Private executive hangar (3000-4000)	0.53	0.78	0.89	N/A		N/A				0.56	0.59
Access Doors	YES			NO							
Electrical Meters	Group	Group				Group					
Demand	Wait List (25)	Wait List (30)		Availability		No Availability/No Wait List		Wait List		Wait List (200)	
Customs and Border Control	YES	NO		NO		NO		NO		YES	