

# *memorandum*

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TO: Mayor & City Council

FROM: John Godwin, City Manager

SUBJECT: **RENTAL RATES AT NEW COX FIELD HANGARS**

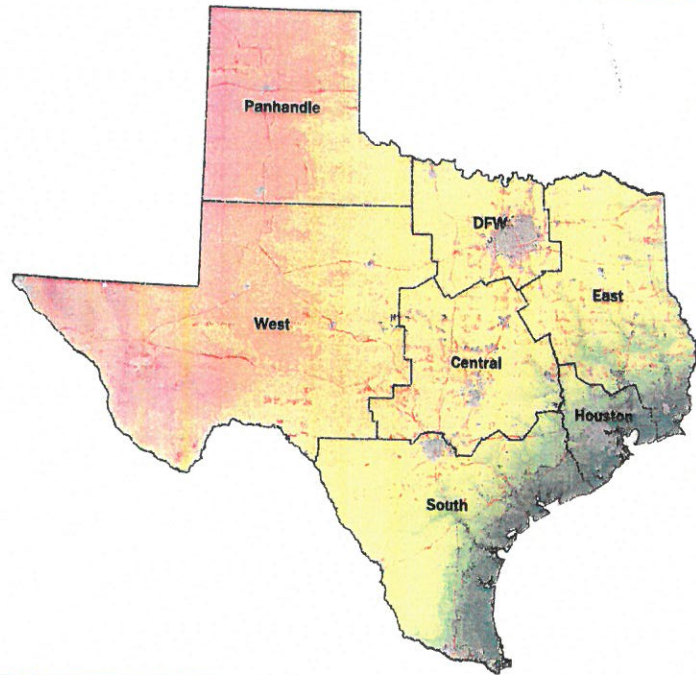
DATE: September 29, 2017

**BACKGROUND:** Four new hangars and related infrastructure at Cox Field are about ready to open, and we need to set a monthly rental rate for each. Our current rates are \$165 per month for hangars of comparable size.

**STATUS OF ISSUE:** At its September 21 regular meeting, the airport board discussed and unanimously approved rental rates of \$185 and \$195, the larger amount being assessed for the outside hangars which have slightly larger storage areas. Also discussed was giving preference for the four new spaces to existing renters (with no history of delinquency) over those currently on a “waiting list.” All members present agreed to this as well, with preference given in order of original tenant lease (oldest first). Persons on the waiting list would then fill in any spots in older hangars that are opened up. All new tenants will be required to execute the new base lease agreement approved in 2016.

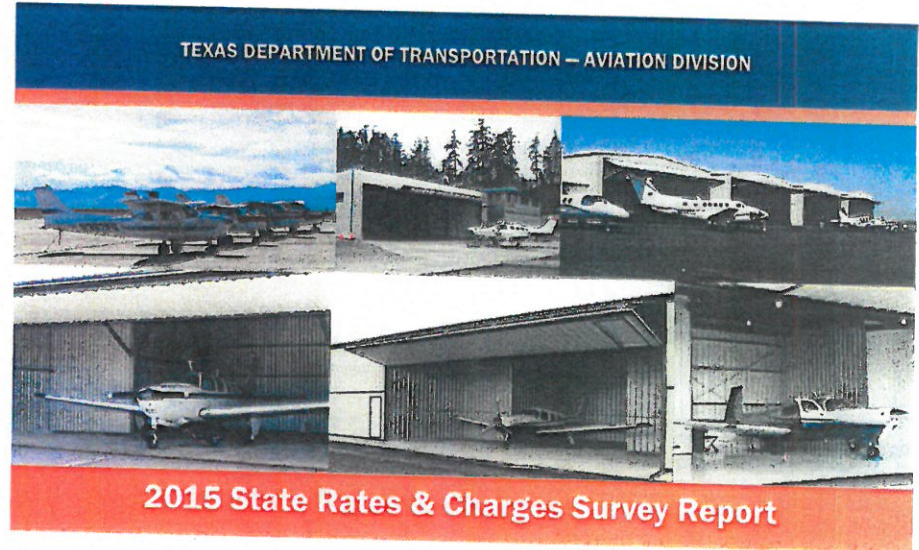
**BUDGET:** N/A

**RECOMMENDATION:** Approve recommended rates of \$185 and \$195 per month.



**State Regional Averages At a Glance:**

	Panhandle	West	South	DFW	East	Houston	Central
Daily T-Hangar rate	\$14.00	\$12.00	\$14.00	\$19.00	\$11.00	—	\$9.00
Monthly T-Hangar rate	\$113.00	\$117.00	\$211.00	\$238.00	\$136.00	\$401.00	\$185.00
Daily Box Hangar rate	\$28.00	\$75.00	\$63.00	\$168.00	\$40.00	—	\$99.00
Monthly Box Hangar rate	\$328.00	\$519.00	\$421.00	\$1,061.00	\$384.00	\$888.00	\$688.00
Daily Tie-Down rate	\$10.00	\$5.00	\$13.00	\$8.00	\$14.00	\$8.00	\$9.00
Monthly Tie-Down rate	\$71.00	\$30.00	\$65.00	\$78.00	\$40.00	\$100.00	\$43.00
Ground Lease rate	\$0.15	\$0.12	\$1.00	\$0.16	\$0.12	\$17.00	\$0.26
Fuel flow fee	\$0.07	\$0.62	\$0.10	\$0.12	\$0.07	\$0.20	\$0.08



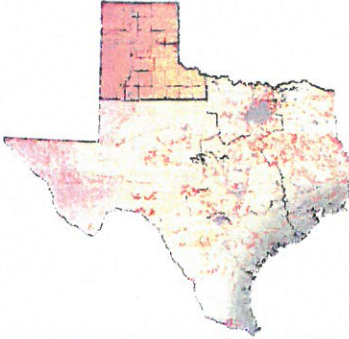
The Texas Department of Transportation-Aviation Division periodically surveys Texas' public use airports for information regarding local rates and charges and related aviation activities. The survey is intended to be a snapshot to be utilized as a comparative tool in helping airports gauge financial practices and needs. In March 2015, a survey was distributed to all public use airports in Texas. Participants were asked to complete a questionnaire which consisted of 24 questions; TxDOT received 177 responses or roughly a 45% response rate. Respondents were organized into seven regions (Panhandle, West, South, DFW, Houston and Central) and tabulated to give a regional snapshot.

This summary report indicates an overview of the data that resulted from the survey responses. We encourage airports to receive Fair Market Value (FMV) or better when developing rates and charges. For this report, rate information ranges have been provided for the following points:

- Daily T-Hangar Rates
- Monthly T-Hangar Rates
- Daily Box Hangar Rates
- Monthly Box Hangar Rates
- Daily Tie Down Rates
- Monthly Tie Down Rates
- Monthly Ground Lease Rate
- Fuel Flow Fee

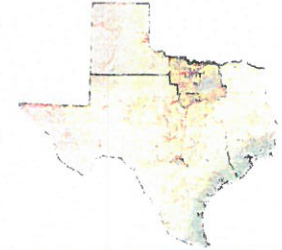
### Panhandle

	Range:	Average:
Daily T-Hangar rate	\$10.00 - \$25.00	\$14.00
Monthly T-Hangar rate	\$50.00 - \$270.00	\$113.00
Daily Box Hangar rate	\$15.00 - \$35.00	\$28.00
Monthly Box Hangar rate	\$150.00 - \$650.00	\$328.00
Daily Tie-Down rate	\$10.00 - \$10.00	\$10.00
Monthly Tie-Down rate	\$50.00 - \$100.00	\$71.00
Ground Lease rate (/sqft)	\$0.05 - \$0.40	\$0.15
Fuel flow fee (/gal)	\$0.05 - \$0.10	\$0.07



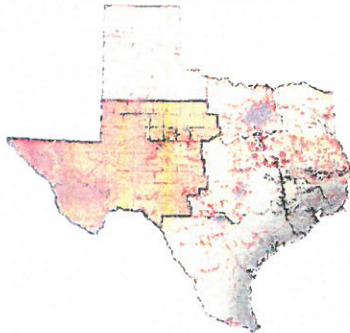
### DFW

	Range:	Average:
Daily T-Hangar rate	\$10.00 - \$60.00	\$19.00
Monthly T-Hangar rate	\$65.00 - \$650.00	\$238.00
Daily Box Hangar rate	\$5.00 - \$750.00	\$168.00
Monthly Box Hangar rate	\$175.00 - \$3,000.00	\$1,061.00
Daily Tie-Down rate	\$2.00 - \$25.00	\$8.00
Monthly Tie-Down rate	\$5.00 - \$250.00	\$78.00
Ground Lease rate	\$0.05 - \$0.35	\$0.16
Fuel flow fee	\$0.05 - \$0.25	\$0.12



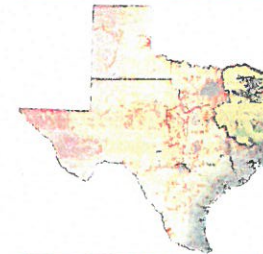
### West

	Range:	Average:
Daily T-Hangar rate	\$5.00 - \$35.00	\$12.00
Monthly T-Hangar rate	\$10.00 - \$500.00	\$117.00
Daily Box Hangar rate	\$75.00 - \$75.00	\$75.00
Monthly Box Hangar rate	\$10.00 - \$1,200.00	\$519.00
Daily Tie-Down rate	\$5.00 - \$5.00	\$5.00
Monthly Tie-Down rate	\$5.00 - \$35.00	\$30.00
Ground Lease rate (/sqft)	\$0.04 - \$0.45	\$0.12
Fuel flow fee (/gal)	\$0.04 - \$1.8	\$0.62



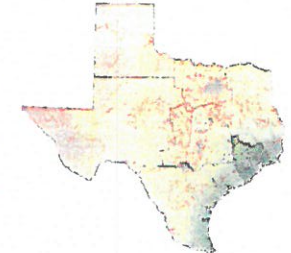
### East

	Range:	Average:
Daily T-Hangar rate	\$15.00 - \$25.00	\$11.00
Monthly T-Hangar rate	\$25.00 - \$225.00	\$136.00
Daily Box Hangar rate	\$25.00 - \$50.00	\$40.00
Monthly Box Hangar rate	\$80.00 - \$1,150.00	\$384.00
Daily Tie-Down rate	\$3.00 - \$100.00	\$14.00
Monthly Tie-Down rate	\$4.00 - \$50.00	\$40.00
Ground Lease rate	\$0.02 - \$0.22	\$0.12
Fuel flow fee	\$0.03 - \$0.10	\$0.07



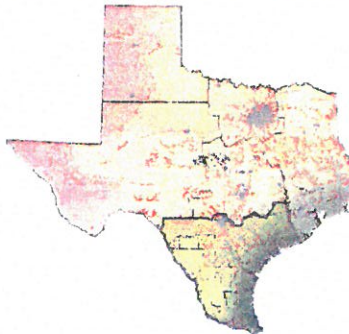
### Houston

	Range:	Average:
Daily T-Hangar rate	—	—
Monthly T-Hangar rate	\$250.00 - \$575.00	\$401.00
Daily Box Hangar rate	—	—
Monthly Box Hangar rate	\$275.00 - \$1,500.00	\$888.00
Daily Tie-Down rate	\$5.00 - \$15.00	\$8.00
Monthly Tie-Down rate	\$75.00 - \$150.00	\$100.00
Ground Lease rate	\$0.15 - \$50.00	\$17.00
Fuel flow fee	\$0.20 - \$0.20	\$0.20



### South

	Range:	Average:
Daily T-Hangar rate	\$4.00 - \$25.00	\$14.00
Monthly T-Hangar rate	\$75.00 - \$700.00	\$211.00
Daily Box Hangar rate	\$25.00 - \$100.00	\$63.00
Monthly Box Hangar rate	\$50.00 - \$1,500.00	\$421.00
Daily Tie-Down rate	\$4.00 - \$35.00	\$13.00
Monthly Tie-Down rate	\$25.00 - \$185.00	\$65.00
Ground Lease rate (/sqft)	\$0.02 - \$0.25	\$1.00
Fuel flow fee (/gal)	\$0.07 - \$0.20	\$0.10



### Central

	Range:	Average:
Daily T-Hangar rate	\$5.00 - \$20.00	\$9.00
Monthly T-Hangar rate	\$50.00 - \$360.00	\$185.00
Daily Box Hangar rate	\$40.00 - \$180.00	\$99.00
Monthly Box Hangar rate	\$140.00 - \$2,000.00	\$688.00
Daily Tie-Down rate	\$2.00 - \$66.00	\$9.00
Monthly Tie-Down rate	\$15.00 - \$75.00	\$43.00
Ground Lease rate	\$0.08 - \$1.80	\$0.26
Fuel flow fee	\$0.04 - \$0.20	\$0.08

