



**Roll Call Number**

**Agenda Item Number**

36-I

**Date** May 10, 2010

WHEREAS, Chapter 22 of the Municipal Code of the City of Des Moines gives the Des Moines International Airport Board the power to establish and enforce regulations for the control, operation, supervision, maintenance and security of the Des Moines International Airport and further gives the Board the power to establish rates and charges for the use of the Airport, airport facilities, and airport services; and

WHEREAS, the Airport Board pursuant to section 22-51 of the Municipal Code intends to enact the attached regulation No. 10-61 amending sections 2-1, 2-2, 2-5, 2-7, and 2-20 of the Airport Board Regulations relating to commercial use fees, a part of rates and charges at the Des Moines International Airport; and

WHEREAS, on April 6, 2010, through Resolution A10-059, the Airport Board approved by first reading the proposed regulation, set a public hearing date of May 4, 2010, and set the regulation's effective date as July 1, 2010; and

WHEREAS, on May 4, 2010, in accordance with the duly published notice, the Board held a public hearing, at which no public comments were offered; and

WHEREAS, after the public hearing, at the same meeting, the Board approved by Resolution A10-087 a second reading of the proposed regulation; and

WHEREAS, the Airport Board is required by section 22-51(a)(3) of the Municipal Code to notify the City Council of the intended effective date of proposed regulations and to provide a copy of proposed regulations to the City Council for its review; and

WHEREAS, the City Council, if upon review of the proposed regulation, determines that it is inconsistent with the provisions of the Municipal Code, or is inconsistent with any applicable state or federal law or regulation, or is otherwise objectionable, the City Council may so declare by resolution, and in that event the proposed regulation will not be published and shall not take effect.

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NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF DES MOINES, IOWA:

That the attached communication from the Chairperson of the Des Moines International Airport Board submitting proposed Airport Board Regulation No. 10-61 and duly notifying the Council of the proposed effective date of July 1, 2010, is hereby received and filed.

Moved by \_\_\_\_\_ to adopt.

FORM APPROVED:



David A. Ferree  
Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GREISS				
HENSLEY				
MAHAFFEY				
MEYER				
MOORE				
<b>TOTAL</b>				

MOTION CARRIED

APPROVED

\_\_\_\_\_  
Mayor

**CERTIFICATE**

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

\_\_\_\_\_  
City Clerk

May 4, 2010

The Honorable Mayor and Members of City Council  
400 Robert D. Ray Dr  
Des Moines, IA 50309

**RE: Proposed Airport Regulation No. 10-61, Rate Changes**

Dear Mayor and Members of the City Council:

The City Council created the Airport Board under Chapter 392 of the Iowa Code for the purpose of governing the operation of the Des Moines International Airport. The Council further delegated the Board the power to establish rates and charges for use of the Airport consistent with its responsibility to maintain a positive cash balance in the Airport Enterprise Fund at all times.

At its meeting of April 6, 2010, the Airport Board approved the first reading of a resolution that would adjust several of the Airport's rates and charges. At its meeting of May 4, 2010, the Board conducted a public hearing on the resolution and, after receiving no comments, approved the second reading. The changes being contemplated are as follows:

• **Terminal Rental Charges – Section 2-1; Landing Fee Rates – Section 2-2; and Apron Use Fees – Section 2-5**

The terminal rental rates, landing fee rates, and apron use fees have been, where applicable, calculated in accordance with the Signatory Airline Operating Agreement and Terminal Lease (the Signatory Agreement). The Signatory Agreement dictates annual adjustments to the rates and, although the rates are calculated through the Signatory Agreement, they are set forth in Airport Regulations as well. By including them in the Airport Regulations, charges to non-signatory users remain consistent with those paid by the signatory carriers.

The proposed rates have been established, where appropriate, using the rate formulas in the Signatory Agreement and are based on the approved FY11 operating budget. The rates that do not directly coincide to signatory rates were established using historical usage and cost information, and have been updated to reflect current conditions. The security charge for non-signatory carriers has been adjusted to reflect a "per passenger" methodology, rather than charging by aircraft type. By setting the non-signatory airline rates and charges in this manner, the Airport has met the City's obligation to charge rates that are fair and non-discriminatory.

There are a number of costing factors contributing to these particular rates; for a more detailed breakdown of the underlying costs and rate-setting methodology, please refer to the FY11 budget approved by the Board on January 5, 2010.

- **Airport Security and Access Control Fees -- Section 2-7**

The Transportation Security Administration (TSA) uses a clearinghouse to process applications for those seeking airport identification media. Included in the required review process is a security threat assessment. The clearinghouse provides comprehensive vetting services for the commercial aviation community and has evolved to meet a series of new TSA requirements through several generations of changes.

The TSA will process, maintain, and retain individual records related to the security threat assessment, including future status updates, and has determined the need to charge a one-time processing fee of \$11 for each applicant. This fee is charged to the Aviation Department as each applicant is processed. Through this proposed regulation change, the Department will be able to pass the direct cost to the individual.

- **Customer Facility Charge – Section 2-20**

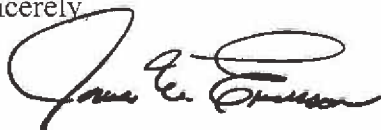
The change to the Customer Facility Charge (CFC) section establishes the CFC rate in the regulations and allows the Airport Board to adjust the rate in the future if necessary.

On April 6, 2010, through Resolution No. 10-059, the Board established the date of public hearing and approved the first reading of proposed regulation 10-61. This is the second of three required readings and the proposed implementation date is July 1, 2010.

The Airport Board, pursuant to the ordinance regarding its establishment, is required to file any revised Rates and Charges Regulations with the City Clerk and to publish both notice of intent to adopt the Regulation, as well as the time and place of a public hearing. The Airport Board is further required to notify the City Council of the proposed effective date of the Regulation and provide a copy thereof to the City Council for their review and hold a public hearing on the proposed Regulation. The Board then must adopt the Regulation by Board Resolution and have the City Clerk publish it prior to its effective date, in this case July 1, 2010. The Airport Board plans to read the regulation for the third and final time at its meeting of June 1, 2010.

The Board herewith submits for City Council information and review, the proposed Regulation pursuant to Section 22.51 of the Municipal Code.

Sincerely



James W. Erickson  
Airport Board Chairperson

Enclosure

cc: Richard A. Clark, City Manager

**PROPOSED AIRPORT REGULATION NO. 10-61**

**AN ENACTMENT codifying the Airport Board Regulations of the Des Moines International Airport pursuant to section 22-51 of the Municipal Code of the City of Des Moines, 2000, by amending by amending sections 2-1, 2-2, 2-5, 2-7 and 2-20 relating to rates and charges at the Des Moines International Airport**

The Des Moines International Airport Board has authorized and directed that the following proposed regulation be published. This proposed regulation is on file with the City Clerk and will be considered by the Des Moines International Airport Board in a Public Hearing on May 4, 2010, at 8:00 o'clock a.m. in the Cloud Room on the second floor of the Terminal Building of the Des Moines International Airport. The proposed regulation, if passed, will become effective on July 1, 2010.

**Section 1.** That the Des Moines International Airport Board hereby proposes to enact the following described Airport Board Regulation relating to rates and charges.

**CHAPTER 2.**

**RENTAL CHARGES AND AIRPORT USE FEES**

**2-1. LAND AND BUILDINGS.**

(a) Unless otherwise specified by separate lease agreement, charges for the use of terminal building and associated area space by air transportation companies shall be based upon square footage per annum at a rate of ~~\$36.67~~ \$34.54, except as noted below:

(1)	Concourse Garage/Storage	\$21.00
(2)	Concourse Office	\$30.00
(3)	Concourse Hallways and Restrooms	\$21.00
(4)	Concourse Maintenance Garage	<del>\$18.00</del> \$17.00

(b) Unless otherwise specified by separate lease agreement, charges for the use of conference rooms shall be as follows:

<u>Room</u>	<u>Hourly Rate</u>	<u>Daily Rate</u>
Cloud Room	\$100.00	\$400.00
Conference Room 3	\$ 50.00	\$200.00
All other Conference Rooms	\$ 25.00	\$100.00

~~Note: Conference Room 1 contains Iowa Communications Network (ICN) equipment. Use of the ICN is subject to separate rates pursuant to the Iowa Code and other State of Iowa regulations.~~

A minimum rental of one hour is required.

The rental rates include standard set-up of tables and chairs.

Additional charges are as follows:

TV/VCR combo	\$25.00
Conference calling equipment	\$10.00
Room set-up fee	\$45.00 / staff hour

The aviation director may also assess a damage/cleanup fee. The aviation director may waive rental rates for functions sponsored by airport terminal tenants or the city depending on the purpose of usage. Alcohol is prohibited in the Cloud Room and conference rooms, except for the following permitted events:

- (1) Aviation tenant sponsored events.
- (2) Events sponsored by a governmental entity or business organization when the event is for the promotion of the ~~Des Moines International~~ airport and its tenants or other aviation related purpose as determined by the aviation director.

~~(f) — The aviation director shall assign and allocate terminal building space and cargo building space as he or she determines necessary. The aviation director shall establish policies and operating procedures not established by ordinance, regulation or airport use agreement.~~

~~(10-61) (09-60) (08-55) (07-54) (06-53) (06-52) (05-48) (04-46) (03-40) (02-35) (01-26) (00-22) (99-19) (98-15) (97-14) (96-10) (95-07) (95-06) (95-05) (94-01)~~

## 2-2. LANDING FEES, INSURANCE AND FEDERAL REQUIREMENTS.

(a) All commercial aircraft operators using the airport shall pay to the city landing fees as prescribed herein, except for those operators which may be exempted from paying such fees in accordance with the provisions of a lease agreement approved by the ~~Des Moines International~~ Airport Board or City Council.

~~(b) — For those commercial aircraft operators having a signatory airline agreement with the City, the landing fees shall be calculated in accordance with the Signatory Airline Agreement. The current Signatory landing fee shall be \$2.34 per 1,000 pounds of Maximum Certified Gross Landing Weight (MCGLW) for each landing, or \$14.04, whichever is greater. per 1,000 pounds of Maximum Certified Gross Landing Weight for each landing, or \$12.72 for each landing, whichever is greater.~~

~~(c)~~ (b) In the absence of another a signatory airline agreement, the landing fee shall be \$3.28 ~~\$2.97~~ per 1,000 pounds of Maximum Certified Gross Aircraft Landing Weight (MCGLW) -- (the equivalent of 1.4 times the rate established by the signatory airline agreement per 1,000 pounds of MCGLW ~~Maximum Certified Gross Aircraft Landing Weight~~ for each landing) or \$19.68 ~~\$17.82~~ for each landing, whichever is greater.

(f) (e) All commercial aircraft operators shall be required to indemnify, defend, pay on behalf of and hold harmless the city to the fullest extent permitted by law and shall include the following indemnification provision in agreements executed between commercial aircraft operator and City:

- (1) For purposes of this provision, city shall mean the City of Des Moines, Iowa, its elected and appointed officials, employees, volunteers and others working on behalf of the City of Des Moines, Iowa.
- (2) To the fullest extent permitted by law, commercial aircraft operator airline agrees to defend, pay on behalf of, indemnify, and hold harmless the city against any and all claims, demands, suits, damages or losses, together with any and all outlay and expense connected therewith, including but not limited to, attorneys' fees and court costs, that may be asserted or claimed against, recovered from or suffered by the city by reason of any injury or loss, including, but not limited to, personal injury, including bodily injury or death, property damage, including loss of use thereof, and economic damages arising out of or in any way connected or associated with commercial aircraft operator's Airline's use or occupancy of city property.
- (3) Commercial aircraft operator's Airline's obligation to indemnify the City contained in this Agreement is not limited by the amount or type of damages, compensation or benefits payable under any workers' compensation acts, disability benefit acts, or other employee benefit acts.
- (4) The City shall not be liable or in any way responsible for any injury, damages, liability, claim, loss or expense incurred by Commercial aircraft operator Airline, its officers, employees, subcontractors, and others affiliated with commercial aircraft operator Airline, arising out of or in any way connected or associated with commercial aircraft operator's Airline's use or occupancy of City property, except for and to the extent caused by the negligence of City.
- (5) Commercial aircraft operator Airline expressly assumes full responsibility for any and all damages to City property arising out of or in any way connected or associated with commercial aircraft operator's Airline's use or occupancy of City property including, but not limited to, the activities of commercial aircraft operator Airline, its officers, employees, subcontractors, and other affiliated with commercial aircraft operator Airline.
- (6) Commercial aircraft operator Airline shall ensure that its activities on city property will be performed and supervised by adequately trained and qualified personnel and commercial aircraft operator Airline will observe, and cause its officers, employees, subcontractors and others affiliated with commercial aircraft operator Airline to observe all applicable safety rules.

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(00-22) (99-20) (99-19) (98-15) (97-14) (96-10) (95-07) (95-06) (94-01)

**2-5. AIRPORT USE FEES.**

Unless otherwise specified by a separate lease or other agreement, the city shall charge and receive airport use fees for services and facilities used by commercial aircraft operators as follows:

(a) An apron use fee:

(1) Each aircraft parked on the passenger terminal apron shall be at a rate of ~~\$0.40~~ ~~\$0.36~~ per 1,000 pounds of gross certificated landed weight per day;

(2) Each aircraft parked on the cargo apron area shall be at a rate of ~~\$1.20~~ ~~\$1.00~~ per 1,000 pounds of gross certificated landed weight per day;

(b) A parking fee for each aircraft parking outside of leased areas for each 24-hour period or fraction thereof, after the first eight hours at the following rates:

(1) Aircraft Size	Terminal & Cargo Apron	Other Areas
Aircraft over 160,000 lbs MCGLW GCLW	\$ 110.00	\$ 75.00
Aircraft between 70,000 and 160,000 lbs MCGLW GCLW	\$ 100.00	\$ 65.00
Aircraft under 70,000 lbs MCGLW GCLW	\$ 90.00	\$ 55.00

\* GCLW = Maximum Gross Certificated Landed Weight

(2) — Commercial aircraft operators who do not have a lease agreement with the city shall pay at the rate of 1.4 times the above amounts.

(c) The holding room fee for each use of a holding room ~~not assigned to an airport tenant, to process passengers is \$85.00 per use. and enplane passengers or deplane passengers: \$85.00.~~

(d) A security fee for the use of the terminal building to process enplaned passengers at ~~the rate of \$2.32 per enplaned passenger. at the following rates:~~

(1) — for an aircraft of greater than 160,000 pounds maximum certificated gross landing weight not using the airport on a regularly scheduled basis: ~~\$300.00 per occurrence;~~

(2) — for an aircraft between 75,000 and 160,000 pounds maximum certificated gross landing weight not using the airport on a regularly scheduled basis: ~~\$200.00 per occurrence;~~

(3) — for an aircraft of less than 75,000 pounds maximum certificated landed weight not using the airport on a regularly scheduled basis: ~~\$100.00 per occurrence.~~



(e) A baggage handling equipment use fee for each use of the inbound or outbound baggage handling equipment at the following rates:

- (1) for an aircraft of greater than 100,000 ~~160,000~~ pounds maximum certificated gross landing weight: \$50.00 ~~\$150.00~~ per occurrence;
- (2) for an aircraft of 100,000 ~~160,000~~ pounds or less maximum certificated gross landing weight: \$25.00 ~~\$100.00~~ per occurrence;

~~(f) — A lavatory serving fee for each use of the lavatory disposal facility and equipment shall be \$50.00.~~

(g) A ticket counter use fee for each usage of a non-leased passenger ticket counter at the rate of \$100.00 per occurrence.

~~(10-61) (09-60) (08-55) (07-54) (05-49) (05-48) (04-46) (03-40) (00-22) (99-21) (99-19) (98-15) (95-07)~~

**2-7. AIRPORT SECURITY AND ACCESS CONTROL FEES.**

(a) The aviation director shall be authorized to collect the following non-refundable fees from all persons authorized to receive any of the following:

- (1) Original, renewal or replacement issue or reissue of an airport identification card with access to areas controlled for security reasons, as required by the Transportation Security Administration: \$25.00
- (2) Finger printing services:
  - a) If provided to an individual desiring an airport ID \$20.00
  - b) If provided otherwise \$35.00
- (3) Criminal background checking services:
  - a) If provided to an individual desiring an airport ID \$33.00
  - b) If provided otherwise \$50.00
- (4) Original or renewal issue of airport identification card without access to areas controlled for security reasons: no charge
- (5) Replacement of airport identification card without access to areas controlled for security reasons: \$25.00
- (6) Security threat assessment fee \$11.00
- (7) Vehicle access permit to those areas identified in Section 22-86 of the Municipal Code of the City of Des Moines

along with proof of insurance coverage in compliance with subsection (e) below: \$10.00

(8) Airport identification card deposit for airport identification cards issued with access to areas controlled for security reasons (per card). This deposit will be refunded when the need for the airport identification card is no longer required and the airport identification card has been returned to the airport. If an identification card is not returned to the Aviation Department within thirty (30) days after the need for such identification badge is no longer required, or no longer permitted by the Aviation Director or his or her designee, the deposit on the identification card will be considered forfeited and shall not be refunded. If the airport identification card is lost or stolen the deposit will not be refunded and another deposit shall be required for a replacement issue of an airport identification card. In the case of a second or subsequent deposit to replace a lost airport identification card, the second or subsequent deposit will be refunded if the lost or stolen identification card is returned to the airport within thirty (30) days after the airport identification card is replaced: \$100.00

(9) Replacement of lost or stolen airport employee parking cards: \$ 15.00

(10) Replacement of a lost or stolen key: \* \$ 20.00

\* In addition to above stated fee, the individual will be responsible for payment of locksmith services incurred by the airport as a course of the individual losing a key.

(10-61) (08-55) (06-52) (04-46) (03-41) (03-40) (02-37) (02-35) (01-32) (01-26) (98-15) (96-10) (96-09) (95-07)

## 2-20 CUSTOMER FACILITY CHARGE

*Customer Facility Charge (CFC) means shall mean* a charge imposed on each rental vehicle transaction, which is a fixed uniform amount applied to each Contract Day (as defined below), or ~~fraction thereof~~, to each rental car contract and shall be added to the amount collected from the customer by each rental car company having a concession agreement with the City. A Contract Day *means shall mean* each twenty-four (24) hour period or fraction thereof within the rental period, each of which *constitutes shall constitute* a separate day for which the CFC shall be levied and collected.

*The CFC is* The Airport Board may by resolution impose a CFC, not to exceed \$2.75 per Contract Day and shall be committed to finance, in whole or in part, the cost, including the cost of financing, of projects at the Airport to improve the convenience, security, and efficiency of rental car

operations for the traveling public. Each rental car company shall charge, collect, account for, and remit the CFCs required to be collected ~~by the resolution and the~~ such remittance shall be made regardless of whether the CFCs are actually collected. A rental car company ~~is not shall not be~~ entitled to any right of offset and shall not otherwise reduce any CFC remittance. A rental car company shall remit all CFCs regardless of any amounts that may be owed or due to the rental car company by the Airport. All CFCs collected by rental car companies ~~are shall be~~ trust funds held for the benefit of the Airport. Rental car companies shall have only a temporary, possessory interest and no legal or equitable interest in the CFCs.

The CFC shall be charged, collected, accounted for, and remitted pursuant to procedures developed by the Airport Director in accordance with this regulation. ~~and the resolution imposing the CFC.~~

**(10-61) (08-56)**

**Section 2.** This regulation shall be in full force and effect if, after the public hearing, it receives subsequent final passage and publication as provided by law.

Approved as to form:



David A. Ferree  
Assistant City Attorney