

NOTICE OF PROPOSED REGULATION

THE CITY & BOROUGH OF JUNEAU, ALASKA
JUNEAU INTERNATIONAL AIRPORT
TITLE 7, CHAPTER 10, RATES AND FEES

The Airport Board of the Juneau International Airport of the City and Borough of Juneau, under the authority of CBJ 01.60.200, proposes an amendment to the regulation concerning the rates and fees to be codified as Title 7, Chapter 10, Rates and Fees Regulation.

The proposed amendment would allow for, and set fees, for Transportation Network Companies (TNCs) to operate at the Juneau Airport. A fiscal note has been prepared which, in summary, provides for the update to Juneau International Airport Rates and Fees Regulation. Annual Airport revenues are estimated to increase an additional \$10,950 per year. The Airport requests an implementation date of July 1, 2017.

Any person who wants to receive a copy of the proposed regulation and corresponding fiscal note by mail, must submit a written request to the Airport Board, c/o Airport Manager's Office. Copies are available for review at any municipal library, on the CBJ Law Department website at www.cbjlaw.com or at:

Airport Manager's Office
Juneau International Airport
1873 Shell Simmons Drive, Suite 200
Juneau, Alaska 99801

Written public comments will be taken until 4:30 p.m. on June 21, 2017, and should be directed to:

Airport Board
c/o Airport Manager's Office
Juneau International Airport
1873 Shell Simmons Drive, Suite 200
Juneau, Alaska 99801

Proposed Regulation for Juneau International Airport Rates & Fees Release date: June 1, 2017.

A REGULATION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

**Adoption of Title 07, Juneau International Airport
Chapter 10, Rates and Fees**

PURSUANT TO AUTHORITY GRANTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, THE MANAGER AND THE JUNEAU INTERNATIONAL AIRPORT BOARD HEREBY ADOPT THE FOLLOWING REGULATIONS WHICH SUPERCEDE AND REPLACE THOSE REGULATIONS ADOPTED BY THE ASSEMBLY ~~JUNE-MAY 1, 2014~~2016:

Section 1. Authority. These regulations are adopted pursuant to CBJ 01.60 and CBJ 05.01.080.

Section 2. Amendment of Regulations. The City and Borough of Juneau Administrative Code is amended by the adoption of a new Title 07, Chapter 10, reading:

**City and Borough of Juneau Administrative Code
Title 07: Juneau International Airport
Chapter 10: Rates and Fees**

Sections:

- 010 Policy
- 020 Rates and Fees
- 030 Definitions

07 CBJAC 10.010 Policy. The policy of the City and Borough of Juneau, Juneau International Airport Board establishing the rates and fees for the Juneau International Airport are as follows:

- (a) The rates and fees charged at the Juneau International Airport shall be structured to assure that the Airport is as financially self-sustaining as possible, while ensuring fair and reasonable rates.
- (b) The Juneau International Airport shall monitor, assess and amend such rates and fees as needed to maintain (a) above.
- (c) Revenue derived from the use of obligated Airport property must be used for the operation, maintenance, or development of the Airport.
- (d) All space designated by the Airport Manager as aviation use at the Juneau International Airport shall be available for leasing on a first-come, first-served basis, but may be allocated by the Airport Manager to insure that the reasonable needs of all users may be met. All other space may be available through competitive bid or other process.

- (e) The Juneau International Airport may be required to furnish space to a governmental agency on a “rent-free” basis in order to obtain the services of a governmental agency, or to obtain a grant or other governmental participation in the operation or cost of improving or operating the airport facility, or to honor prior grant or participation agreements.
- (f) Failure to pay applicable rates and fees outlined in this Regulation, shall be subject to citation, fines and interest on past due amount.

07 CBJAC 10.020 Rates and Fees. The following are rates and fees established by the Airport Board. These rates and fees may be subject to change by amendment and may be subject to City and Borough of Juneau Sales Tax.

- (a) **Fuel Flowage Fees.** For sales of aviation fuel and aviation fuel delivery services at the Juneau International Airport, the following fees shall apply:
 - (1) Signatory.
 - (A) Aircraft with maximum certificated gross weight of 12,500 lbs. or less shall pay fuel flowage fee of \$.22 per gallon, effective July 1, 2016.
 - (B) Aircraft with maximum certificated gross weight of more than 12,500 lbs. shall pay fuel flowage fee of \$.155 per gallon.
 - (2) Non-signatory.

All Non-signatory aircraft shall pay a fuel flowage fee of \$.28 per gallon, effective July 1, 2016.
 - (3) Exemption to Fuel Flowage Fees: The Civil Air Patrol (CAP) shall be exempt from Fuel Flowage Fees on missions, practice missions and fuel purchased in bulk by the CAP.
- (b) **Landing Fees.** Landing Fees shall be based on maximum take-off weight as certified by the FAA, for all types of aircraft whether empty or loaded, as follows:
 - (1) Signatory.
 - (A) Under 12,500 lbs., no fee.
 - (B) 12,500 lbs. and over, for each 1,000 lbs. or any fraction thereof: \$ 2.45 per 1,000 lbs, effective July 1, 2016.
 - (C) Exemptions to signatory landing fees:
 - i. Aircraft engaged in test flights.
 - ii. Aircraft compelled to return after take-off.

- iii. Aircraft compelled to land under an emergency diversion situation.
- iv. Public aircraft not engaged in commercial operations.

(2) Non-Signatory.

- (A) Under 12,500 lbs., no fee.
- (B) 12,500 lbs and over, for each 1,000 lbs. or any fraction thereof: \$ 3.06 per 1,000 lbs, effective July 1, 2016.
- (C) Exemptions to non-signatory landing fees:
 - i. Aircraft engaged in test flights.
 - ii. Aircraft compelled to return after take-off.
 - iii. Aircraft compelled to land under an emergency diversion situation.
 - iv. Public aircraft not engaged in commercial operations.

(c) **Air Carrier Terminal Lease Rates.**

- (1) Signatory. Terminal rental rates for air carriers are established by the Airport Board. Lease of terminal space preference shall be given to air carriers. The rates are per Square Foot, Annually, as follows:

Space Type	Rate
Counter (North Wing) plus 7 feet	\$25.16
Counter (East Wing)	\$31.69
Office (North Wing)	\$22.88
Office (East Wing)	\$25.52
Office (Old Tower, Ops)	\$25.52
Office (AK Maintenance)	\$25.52
Baggage Claim (Public)	\$25.52
Storage/Bag Make Up (Covered Bag Well)	\$20.34
Storage/Frt Rm (North Wing)	\$20.34
Canopy Storage (North Wing)	\$12.71
Hold Room/ Departure Lounge	\$31.69

(2) Non-Signatory.

- (A) For non-signatory air carriers requiring the use of the terminal for one-time or occasional use (up to four times per month), the following fee schedule shall apply:

Wide Body Jets:	\$1,500 per use or turn
Narrow Body Jets:	\$ 500 per use or turn
Regional Prop (greater than 12,500 lbs)	\$ 75 per use or turn

Small carrier (12,500 lbs. or less) \$ 25 per use or turn

- (B) Wide Body and Narrow Body jet use of the terminal shall be limited to departure lounge, available counter space, available jetway, bag claim, bag make-up and public circulation areas. Regional prop aircraft and small carrier use of terminal shall be limited to available counter space and public circulation area. Other non-signatory fees for airside use shall apply, such as landing fees, fuel flowage fees and parking or gate use also apply.
- (C) Terminal Space rent shall be charged at 25% more than the published Signatory rate.

(d) **Aircraft Parking Fees.**

- (1) Assigned Parking per Month. Fees for all types of aircraft, regardless of size or weight, per month or any fraction thereof, for parking or tiedown privileges in areas designated by the Airport Manager are as follows:

(A) Overnight parking at Air Carrier gate	\$500
(B) Main Ramp, >12,500lbs	\$500
(C) Air Taxi (small box)	\$75
(D) Air Taxi (large box)	\$100
(E) Hard-surfaced parking areas	\$60
(F) Gravel-surfaced parking areas	\$50
(G) Privately-owned seaplane floats (North & South)	\$90
(H) Airport-owned seaplane floats(North & South)	\$150
(I) Privately-owned seaplane floats (West Finger)	\$150

Seaplane floats fee based on 8 months of use/fees annually.

- (2) Transient Parking. The parking fee for transient aircraft is determined by the maximum take-off weight as certified by the FAA, as follows:

(A) Under 6,001 lbs. (Non-commercial)	\$10 per day
(B) Under 6,001 lbs. (Commercial)	\$25 per day
(C) 6,001 lbs. to 12,500 lbs.	\$75 per day
(D) 12,501 lbs to 100,000 lbs.	\$175 per day
(E) 100,001 lbs. and over	\$500 per day
(F) Jetway 5 Air Carrier gate (Non-Signatory)	\$500 per use

All aircraft parking spaces are designated one aircraft per space. Any additional aircraft parked in/near/around a parking spot, or any aircraft not within an aircraft designated space will be assessed the daily transient rate for size/type of aircraft/operation.

Aircraft parking fees are assessed for the first 24 hours or any fraction thereof. Subsequent days are charged for each 24 hour period or any fraction thereof. Non-

commercial aircraft are exempt for the initial two hours of aircraft parking. Rates apply to the public parking areas of the airport.

(e) **Land Lease Rates.** Certain property at the Juneau International Airport has been designated by the Assembly as available for airport related purposes. CBJ Chapter 05.20 “Airport Lands,” provides for the administration of such property and authorizes the Airport Manager to negotiate certain leases subject to Airport Board approval, and according to certain terms provided therein. Airport land lease rates shall be according to airport land type and/or use as follows:

(1) Land Lease Rates (all rates per square foot, annually):

(A) Non-Commercial Airfield Land Lease	\$0.47/sq ft/year
(B) Commercial Airfield Land Lease	\$0.57/sq ft/year
(C) SIDA Airfield Land Lease	\$0.80/sq ft/year
(D) Landside Non-Aviation Land Lease	\$0.71/sq ft/year
(E) Undeveloped Land Lease	\$0.19/sq ft/year

(2) Non-aviation Land Lease Rates. Non-aviation land lease rates shall be set through competitive bid or other process, but shall not be less than the highest Airfield land lease rate plus 25%.

(3) Land Lease Wait List Fees. The Juneau International Airport has established wait lists and application fees based on the land lease types and proposed construction types. Tenants wishing to apply for land lease space shall fill out an annual wait list application and pay the following annual application fees:

(A) Commercial Leases:	\$25/annually
(B) Executive Hangar Leases:	\$25/annually
(C) T-Hangar Leases:	\$25/annually

(f) **Rental Car Lot.** Rental car lot spaces shall be charged at the following rate:

(1) \$75 per space, per month or any fraction thereof,

(g) **Commercial Vehicle Access Fees.** Access fees are per vehicle, per calendar year. A numerically sequenced permit/sticker is issued for each fee paid. Permit/sticker must be properly displayed and permanently affixed to the vehicle windshield prior to operating on the Airport premises. Failure to display and affix permit to the vehicle will be considered as conducting business at the airport without a valid permit. Prior year(s) permits must be removed or current year permit will be invalid. The following fee structure applies to the categories of Ground Transportation and Access users as indicated:

(1) Ground Transportation Fees. (Taxicab, bus, airporter, courtesy van, or limo.)

<u>1-7 PAX</u>	<u>8-16 PAX</u>	<u>17 or MORE</u>
<u>Rate</u>	<u>Rate</u>	<u>Rate</u>

Annual	\$150.00	\$200.00	\$250.00
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For each calendar year, each tour operator permitting multiple large buses, shuttles and/or vans, may purchase as many annual vehicle permits as needed to conduct business on the Airport premises and pay the actual cost of permits per vehicle in accordance with the above table, or \$10,000, whichever is less.

- (2) **Commercial Freight Pick-up/Delivery Vehicles.** Off-Airport businesses performing a commercial pick-up or delivery of freight transitting the Airport shall be required to purchase and display a Commercial Freight Pick-up/Delivery permit on their vehicle prior to conducting such business on the airport premises. This excludes any item that an airport tenant may use or consume for their own personal or business purposes.

	<u>1st Vehicle</u> <u>Rate</u>	<u>Each Additional Vehicle</u> <u>Rate</u>
Annual	\$150.00	\$25.00

- (3) **Airport Operational Area (Commercial freight pick-up/delivery vehicles with inside the fence access.)**

	<u>1st Vehicle</u> <u>Rate</u>	<u>Each Additional Vehicle</u> <u>Rate</u>
Annual	\$230.00	\$35.00

- (h) **Boundary Crossing Fee.** Companies or businesses conducting business within the boundaries of the Airport that do not lease property on the Airport are subject to an annual boundary crossing fee. (Separate from public ground transportation access fees and commercial access delivery fees outlined in (g) above).

Boundary Crossing Fee:	\$200 minimum per year, as negotiated based on Airport land use or boundary activity
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- (i) **International Passenger Processing Fee.** Any passenger arriving or processed through U.S. Customs who has deplaned off of a scheduled or chartered international commercial flight will be assessed an international processing fee.

International Passenger Processing Fee:	\$4 per passenger
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- (j) **Employee Parking Fees.**

- (1) A company, business, or government agency conducting business on the Juneau International Airport, or an employee or association of employees thereof may park

in the airport employee parking lot while on duty under the following terms and conditions:

- (A) Parking fees are paid in full prior to the beginning of the calendar month or fraction thereof, for which parking is desired.
 - (B) A 10% discount shall be given for prepayment of an entire period as described in section (3) below.
 - (C) Use of the employee parking lot for any purpose, other than parking while on duty, will forfeit access to, and fees paid for, the employee parking lot for that period.
 - (D) Vehicles may not park in the employee parking lot for more than 24 hours without Airport Management approval. If an employee has been approved for extended parking, the employee must make arrangements to have the vehicle moved upon request of the Airport. Vehicles not in compliance with the subsection will be towed and impounded at the owner's expense.
 - (E) Employee vehicles must be registered with Airport Management. Vehicles parked in the employee parking lot that have not been registered will be towed and impounded at the owner's expense.
- (2) The rate for parking in the employee parking lot is \$ \$40 per space per month, or any fraction thereof.
 - (3) There will be two rental periods per year. The first period shall be from October through April, and the second period shall be from May through September.
 - (4) Use of a parking space may be shared between two eligible employees and a single fee charged, provided work schedules do not overlap and/or actual use is limited at all times to a single car in the single rented space.
- (k) **Concession Fees.** Concessions which operate at the airport shall be awarded through Bid process, Request For Proposal (RFP) process or as a sole responder with a Letter of Interest. Concession fees are established through contract negotiations, but will not be leased at a rate less than those established for Airfield/Aviation Use Land Lease Rates.
 - (l) **Governmental Agency Rental Rates.** The Juneau International Airport may enter into an agreement with governmental agencies for the reimbursement of expenses incurred by the airport in providing services (which may include, but not be limited to: maintenance, utilities, supplies and janitorial services) to the "rent-free" space. The charge for such reimbursable expenses for services shall be based on the annual per square foot cost of providing such services to the entire area serviced.
 - (m) **Airport Reimbursable Costs.** The Juneau International Airport may charge tenants, users or patrons of the Airport for costs associated with reimbursement of personnel costs, equipment costs or supplies for which a tenant, user or patron requests a special service which is not covered by a tenant or user agreement or is not a normally provided function of Airport operations. This may include damage to airport property for which the tenant, user or patron is responsible and whereby additional cost has been incurred by the Airport. A

detailed breakdown of all costs will be provided after an emergency situation or an estimate will be supplied in advance to a request if appropriate.

- (n) **Fingerprint Fees.** For fingerprinting and electronic submission to the Federal Bureau of Investigation (FBI) for criminal history records check, the following fees shall apply:
- (1) Employees, tenants, employees of tenants, or those employees of businesses and agencies directly working with/at the Juneau International Airport, the fingerprint fee shall be: \$50 per person.
 - (2) For all others, the fingerprint fee shall be: \$75 per person.

- (o) **Badging Fees.** For access and identification badges issued at the Juneau International Airport, the following fees shall apply:

- (1) Security Identification Display Area (SIDA), 135 ramp (Non-SIDA), General Aviation AOA badges, or Airport Employee identification badges, the fees shall be:

(A) Initial Issuance (\$25) & Deposit (\$50)	\$ 75
(B) Renewal (Annual)	\$ 25
(C) Re-issuance for worn or damaged	\$ 25
(D) Lost badge	\$200
(E) Contractor Deposit	\$200
(F) Proximity Gate Card	\$ 10
(G) Non-Airport ID	\$ 25

Deposits shall only be refunded upon return of an individual's current access badge to Airport Security or Airport Administration. If a "lost" badge is later recovered, a refund of \$190 may be issued only if the lost badge is of the current issuance lot (color, badge design).

In lieu of a deposit, an employer may issue a written letter of guarantee for their employee(s). Such letter will be on company or business letterhead, signed by an authorized agent of the company or business, and guarantee that if an authorized employee of their company or business does not return a badge or loses a badge, the company or business shall be responsible for the non-returned/lost badge and remit the \$200 fee to the Airport.

- (2) Proximity Cards (or gate access cards): \$10 per card / issuance
- (3) Non-airport identification media : \$25 per card / issuance

- (p) **Airline Fee for Airport Security Screening.** Each Air Carrier shall pay \$1.43/per screened, enplaned passenger for that Air Carrier's passengers subject to security screening and enplaning, at Juneau International Airport.

The Non-signatory rate for Airline Fee for Airport Security Screening shall be at a rate of 25% more than the established signatory rate for Airport Security Screening Fee.

(q) Lease Action Filing Fee. For any Lease Action Request (Assignment, New Lease, Extension/Amendment, Collateral Assignment, Cancellation) at the Juneau International Airport.
\$100/per Lease Action Request

(r) Transportation Network Company (TNC) Fees. Juneau International Airport may enter into an agreement with a Transportation Network Company (TNC), or a third-party, to operate a TNC contract, to/from/on the airport premises.

\$100/annual company permit fee, plus
\$3.00/per Trip (A trip is any instance that a driver enters the Juneau International Airport Premises as defined by a geo-fence in the agreement.)

07 CBJAC 10.030 Definitions. For purposes of this chapter, unless the context plainly requires otherwise:

“Aviation Use” means the storage, operation, maintenance, or servicing of aircraft, or a use directly ancillary to such aviation use.

“Employee” a person employed by a company, business or governmental agency and who is stationed to work at the Juneau International Airport for that company, business or agency.

“Juneau International Airport” or “Airport” or “Airport Premises” means the facilities and lands owned by the City and Borough of Juneau, or the administration which oversees the facilities and lands at the Airport, subject to this regulation.

“Signatory” means air carriers or aircraft owners/operators who have a written lease agreement with the Airport.

“Non-Signatory” means air carriers or aircraft owners/operators who do not have a written lease agreement with the Airport. A sublease agreement does not qualify at the “signatory” rate.

“Commercial Land” means that area of the Airport which is designed for businesses and commercial activity, but may be leased to private individuals at the commercial rate.

“Landside Non-Aviation Land” means that area of the Airport which is outside the airfield perimeter fence, and designated for any non-aviation related use.

“Non-Commercial Land” means that area of the Airport which is designed for private, non-business activities, but may be leased to commercial businesses at the commercial rate.

“SIDA Land” (or Security Identification Display Area) means that area of the Airport which is designated for SIDA activities/business, pursuant to 49 CFR 1500 series.

“Transient Aircraft” at the Airport means an aircraft that is not assigned to a permanent parking space, that is not subject to a written parking agreement with the Airport, that is not parked in its assigned permanent parking space, or that is double parked in an aircraft parking space.

“Transportation Network Company (TNC)” means a corporation, partnership, sole proprietorship, or other entity that uses a digital network to connect transportation network company riders to transportation network company drivers who provide prearranged rides; a transportation network company may not be considered to control, direct, or manage the personal vehicles or transportation network company drivers that connect to its digital network, except where agreed to by written contract.

“Undeveloped Land” means raw land that has not been filled to grade or been permitted for development.

Section 3. Notice of Proposed Adoption of a Regulation. The notice requirements of CBJ 01.60.200 were followed by the agency. The notice period began on _____, ~~2016~~2017, which is not less than 21 days before the date of adoption of these regulations as set forth below.

Adoption by Agency

After considering all relevant matter presented to it, the agency hereby amends these regulations as set forth above. The agency will next seek Assembly review and approval.

Date: _____

Joe Heueisen, Chairman
Juneau International Airport Board

Legal Review

These regulations have been reviewed and approved in accordance with the following standards set forth in CBJ 01.60.250:

- (1) Consistency with federal and state law and with the charter, code, and other municipal regulations;
- (2) The existence of code authority and the correctness of the required citation of code authority; and
- (3) Its clarity, simplicity of expression, and absence of possibility of misapplication.

Date: _____

Amy Mead
City Attorney

Assembly Review

These regulations were presented to the Assembly at its meeting of _____. They were adopted by the Assembly.

Date: _____

Laurie J. Sica, Clerk

Filing with Clerk

I certify, as the clerk of the City and Borough of Juneau, that the following statements are true:

1. These regulations were accepted for filing by the office of the clerk at ____:____ a.m./p.m. on the _____ day of _____, _____.
2. After signing I will immediately deliver or cause to be delivered copies of this regulation to the attorney and the director of libraries.
3. A permanent file of the signed originals of these regulations will be maintained in this office for public inspection.
4. Effective date shall be the seventh day after the date of filing with the clerk, per CBJ 01.60.330.

Date: _____

Laurie J. Sica, Clerk

OPERATIONAL IMPACT (Circle One) **No** ~~Yes~~ (If Yes, Explain in Detail)

Explanation of Impact: There is no operational impact as a result of this regulation.

Adoption of this amended Rates and Fees Regulation will assist the Airport in its mandate to remain as financially self-sufficient while operating within national revenue generating norms. The change in regulation would coincide with the State of Alaska's proposed House Bill for allowing Transportation Network Companies (TNCs) to operate within the State. The Airport would like to implement this amended regulation as of July 3, 2017.

Changes to Rates and Fees: The Airport is proposing a new category of operation, and related fee, in the Airport Rates and Fees Regulation. This will allow for Transportation Network Companies (TNCs) to operate on the Airport premises. It will assist with the ground transportation demand, while fulfilling the Airport's obligation to be as self-sufficient as possible in the face of the proposed budget deficit projected for FY18.

Revenue increase: The Airport is establishing a new fee category for TNC operations at the Airport. The proposed \$3.00 rate is consistent with industry standards. The draft Airport Rates and Fees Regulation details the specific type of operation and corresponding fee.

Total annual revenue increase through this rates and fees adjustment is estimated to be \$10,950.

(Attach Additional Pages as Necessary)

FINANCIAL IMPACT (Circle One) ~~No~~ **Yes** (If Yes, Complete the Following)

FUND:

	FY14	FY15	FY16	FY17	FY18
Expenditure Budget:					

Personal Services	\$			
Materials & Commodities				
Capital Outlay				
Other:				
Total Expenditures	\$			
Funding Sources:				
Federal Grant:				
Other: Fund Balance	\$ 10,950			
Total Funding Sources	\$ 10,950			
Personnel:	No change/ cost to implement this Reg. It is absorbed in the current personnel costs.			
Full-Time FTE's				
Part-Time FTE's				
Temporary FTE's				

CAPITAL IMPROVEMENT PROJECTS (CIP)

Project Budget:		Amounts noted at left are 100% of the project totals. Project total before Appropriation: \$ This Appropriation: \$ Total Project: \$ Comment:
Direct Project Costs	\$	
Total Project Budget	\$	
Funding Sources:		
Other:	\$	
Other:		
Total Funding Sources	\$	
Personnel:		
Full-Time FTE's		
Part-Time FTE's		
Temporary FTE's		

Prepared by: Patricia Wahto
 Affected Depts a) Airport
 (Dir/Dept): b) _____
 Finance Dir: _____
 City Manager: _____

Date: May 31, 2017
 Date: May 31, 2017
 Date:
 Date:
 Date: