

WESTERN RESERVE PORT AUTHORITY

**AIRPORT LEASING, RATES &
CHARGES POLICY**

For

Development and Aeronautical Activities

At the

**Youngstown – Warren Regional
Airport**

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Airport Leasing, Rates & Charges Policy

Introduction

Airport Leasing, Rates & Policy - The Leasing, Rates & Charges Policy is intended to provide potential and current tenants and businesses an understanding of the policies, processes, and rates used by the Western Reserve Port Authority (Authority) when leasing property and/or conducting business Youngstown - Warren Regional Airport (Airport). The policy sets forth the parameters for leasing Airport land, or accessing Airport property, providing aeronautical services, supports the Airport Minimum Standards, and has established the following purposes:

1. Maintain the Authority's public-use Airport in a safe manner to ensure that the Airport can fulfill their role as required;
2. Preserve investments in the Airport and their level of service;
3. Assist the Authority in maintaining a fee and rental structure with the goal of financial self-sustainability as required under FAA Grant Assurances;
4. Facilitate orderly management of the Airport;
5. Ensure provision of high-quality leasing procedures, services, facilities and fair market fees and rental rates;
6. Advance qualified aviation-related services on the Airport;
7. Enable conformity with approved Airport Master Plans;
8. To make the Airport available for public use on reasonable terms without undue discrimination and provide equitable and uniform treatment of all like tenants and users;
9. To ensure economic growth by providing access to local, state, regional, and national markets.

Policy Methodology – The general approach to satisfy the objectives of the policy was to determine the level of rates and charges needed to meet the total expenses incurred by the Authority in providing, maintaining, operating and administering the Airport. These required rates and charges were compared with the existing rates to determine the adequacy of existing rates and charges. These rates and charges were then compared with the most appropriate Airport of like use and size in the region. The results are the basis for the Airport Leasing, Rates & Charges Policy as determined in the chapters of the document as follows: Chapter 1 – Airport Leasing, Rates & Charges Policy; 2 – Leasing Procedures; and Chapter 3 – Rates & Charges Guidelines for the Airport.

AIRPORT LEASING, RATES & CHARGES POLICY

CHAPTER 1

SECTION I - POLICY GENERAL PURPOSE

In general, the purpose of this Airport Leasing, Rates & Charges Policy is to govern the generation of revenue for the Youngstown – Warren Regional Airport, which is owned and operated by the Western Reserve Port Authority. More specifically, the purpose of this Policy is to support the Airport Minimum Standards and to satisfy the principles set forth below:

- ***Financial Self-Sufficiency of Airport*** - To ensure that the revenues generated by the tenants and users of the Airport will be sufficient to satisfy the combined operating and capital requirements of these Airport without subsidy by the Authority and Counties at the current time.
- ***Equitable Treatment of Tenants and Users at Airport*** - To ensure that the revenues generated by the tenants and users of the Airport will be consistent with the income potential of such tenants and users at the Airport. Also, fee structures will be reviewed, and possibly revised, on a periodic basis, with the goal of satisfying the current requirements of the Airport and maintaining competitive fee structures for the tenants and users of the Airport on an ongoing basis.
- ***Continued Development of an Airport Capital Reserve Fund*** - To ensure that the revenues generated by the tenants and users of the Airport will be sufficient to maintain the efficiency and safety of these Airport even if FAA funding programs for capital projects are reduced. This goal will be implemented by continued development of the Airport Capital Reserve Fund into which all surplus capital is deposited and from which funds are disbursed for further Airport development and/or repair and replacement of existing Airport infrastructure.
- ***General Procedures*** - In order to implement this Airport Leasing, Rates & Charges Policy, it is proposed that the Authority and the Director of Aviation establish the following procedures:
 - ***Notification*** - The Authority through its Director of Aviation should provide all existing and potential tenants and users at the Airport with copies of this Airport Leasing, Rates & Charges Policy and the Airport Minimum Standards, or an abbreviated version thereof, before entering into any business arrangements. Also, the Authority should apply the provisions of this Airport Revenue Policy to all tenants and users of properties and services at the Airport, without exception. In this manner, all parties will be completely aware of the rules governing revenue generation at the Airport,

and will be treated equitably when establishing and/or revising such business arrangements.

- ***Cost Accounting System*** - The Authority should establish and maintain a cost accounting system that is consistent with generally accepted accounting principles and practices in the United States and that is audited by a qualified public accounting firm at least once annually. The Authority shall use this accounting system to determine certain fees, as indicated in subsequent sections of this Airport Leasing, Rates & Charges Policy and the Airport Minimum Standards.
- ***Survey System*** - The Authority through its Director of Aviation should establish and maintain a survey system that monitors rates, fees and charges of comparable Airport and businesses in the region. The Authority shall use this survey system to determine certain fees as indicated in subsequent sections of this Airport Leasing, Rates & Charges Policy and the Airport Minimum Standards.
- ***Property Appraisal System*** - Finally, The Authority through its Director of Aviation should establish and maintain a property appraisal system that establishes rental rates of comparable Airport and businesses in the region. The Authority shall use this property appraisal system to determine certain fees as indicated in subsequent sections of this Airport Leasing, Rates and Charges Policy and the Airport Minimum Standards.

SECTION II - POLICY DETAILS

General Description

This Airport Leasing, Rates & Charges Policy establishes classifications for "Revenue Categories," "Rate-Setting Methods", and "Fee Practices" at the Airport. The Revenue Categories represent groups of tenants and users with similar economic abilities to generate revenues. The Rate-Setting Methods represent approaches for determining revenue requirements. The Fee Practices represent structures for generating revenues. Together, these elements provide an equitable methodology for implementing the Airport Leasing, Rates & Charges Policy. (Reference Exhibit I, Revenue Policy Methodology)

Revenue Categories

The purpose of the Revenue Categories is to establish tenant and user groups that engage in similar businesses and possess similar economic abilities to generate revenues, as explained below:

- ***Airlines Category*** - This category represents independent airlines that provide scheduled air passenger service to the public and air cargo service airlines. This category's economic potential is limited reflecting the existence of competitors at

other Airport in the region. The growth of scheduled air-passenger and air cargo service at Airport is highly recommended and would greatly contribute to the revenue system, providing needed funding from the FAA Primary Airport Improvement Program, landing fees, fuel flowage fees, Passenger Facilities Charges, and the economic spin-off to the surrounding communities.

- ***Fixed-Base Operator (FBO) Category*** - This category represents independent businesses leasing property and/or facilities directly from the Airport Operator that are required to provide aeronautical services under a FBO Agreement, to include fueling, maintenance, and storage (hangars and tie-downs) for aircraft and planning facilities for pilots. The FBO is also authorized to provide other aeronautical services to include: air taxi/charter, aircraft airframe, engine, and accessory maintenance and repair (to include FAA Repair Station), sale/lease of aircraft, aircraft brokering, aircraft flight instruction, specialized aviation services, avionics/radio repair, aircraft management service, aircraft parts assembly and distribution, aviation insurance activities, authorized medical examiner, and other related services. This category's economic potential is limited, reflecting the existence of competitors at the other Airport in the community and predominance of individual clients. The growth of the FBO services at the Airport is highly recommended and would greatly contribute to the revenue system, providing needed funding from the landing fees, fuel flowage fees, percent of gross receipts fees and the economic spin-off to the surrounding communities.
- ***Specialized (Commercial) Aviation Service Operator (SASO) Category*** - This category represents independent businesses leasing property and/or facilities from the Airport Operator that provide specialized aeronautical services (services not required to be provided by the FBOs) under a SASO Agreement such as one or more of the following: air taxi/charter, aircraft airframe, engine, and accessory maintenance and repair (to include FAA Repair Station), sale/lease of aircraft, aircraft brokering, aircraft flight instruction, specialized aviation services, avionics/radio repair, aircraft management service, aircraft parts assembly and distribution, aviation insurance activities, authorized medical examiner, and other related services. This category's economic potential is less limited for all aviation businesses, reflecting the absence of competitors at the other Airport in the community and predominance of business clients. The growth of specialized aeronautical services at the Airport is highly recommended and would greatly contribute to the revenue system, providing needed funding from the landing fees, fuel flowage fees, percent of gross receipts fees and the economic spin-off to the surrounding communities.
- ***Limited (Commercial) Aviation Service Operator (LASO) Category*** - This category also represents independent businesses that provide specialized aeronautical services (services not required to be provided by the FBOs) under a Permit to Operate, typically one of the following: air taxi/charter, aircraft airframe, engine, and accessory maintenance and repair (to include FAA Repair Station), avionics/radio repair, aircraft management service, aircraft parts

assembly and distribution, aviation insurance activities, authorized medical examiner, and other related services. The LASO, however, may sub-lease space from a FBO or lease no space if none is needed to provide aeronautical services on the Airport. This category's economic potential is also less limited for all aviation businesses, reflecting the absence of competitors at the other Airport in the community and predominance of business clients. The growth of limited aeronautical services at the Airport and is highly recommended and would greatly contribute to the revenue system, providing needed funding from the landing fees, fuel flowage fees, percent of gross receipts fees and the economic spin-off to the surrounding communities.

- ***Corporate Aviation Operator Non-commercial Category*** - This category represents captive flight departments that provide aeronautical services to their corporate parent. This category's economic potential is reliable because these corporations have elected to locate their flight departments at the Airport and are major national and international firms. The addition of corporate flight facilities at the Airport is highly encouraged.
- ***Non Aviation Commercial Business Operator Category*** - This category represents independent businesses that engage in non-aeronautical activities, such as retailing, restaurant, automobile parking and ground transportation. This category's economic potential is reliable because these businesses ordinarily operate under exclusive (monopoly) arrangements. These activities generally support the scheduled airline service activities at an Airport and will grow along with the scheduled service.
- ***Government Agencies*** - This category consists of government entities that provide aeronautical services that are mandated at the Airport. These services include air traffic control, flight planning and weather reporting activities provided by federal government agencies, Transportation Security Agency passenger screening and security activities are provided by other agencies for the Authority. These Government agencies at the Airport generate revenue as a result of the rents paid for the use of their respective facilities.

Rate-Setting Methods

The purpose of the Rate-Setting Methods is to establish approaches for determining revenue requirements that are consistent with the economic capabilities of the Revenue Categories. These Rate-Setting Methods are outlined below:

- ***Net Cost-Recovery Method*** - This method establishes fees based on recovery of operation and maintenance expense and capital expenditure requirements. The operation and maintenance expense requirements include the costs for personnel, services and supplies, including allocation of such costs if incurred by other agencies separate from the Authority. The capital expenditure requirements include capital expenditure disbursements for elements financed with Airport

revenues or interest/principal requirements for elements financed with debt, in each case net of the costs funded with federal or state grants. These requirements are determined annually according to a cost accounting system that establishes costs by cost-centers, including assignment of direct costs and allocation of indirect costs. As shown in **Exhibit I**, the Residual or Cost Recovery Method is designated with the color “Yellow” and is applied to the Airlines Category.

- **Aviation Industry Standard** - This method establishes fees that correspond to the highest value that is obtained for aeronautical activities at comparable Airports, reflecting location and role of such Airports. These fees are subject to a minimum amount corresponding to the “Net-Cost Recovery” fee as defined above. Fees and terms are listed in the various Airport / Airline Use Agreements. These fees are determined periodically based on comparable Airport surveys and comparable property appraisals. The Aviation Industry Standard Method is designated with the color “Green” and applied to FBO, SASO, LASO, Other Aviation Operator, and Corporate Aviation Operator Categories in **Exhibit I** and is the most commonly used method of establishing fees, rates and charges at General Aviation airports.
- **Commercial Industry Standard Method** - This method establishes fees that correspond to the highest value that can be obtained at comparable businesses, reflecting location and role of such businesses. These fees shall be subject to a minimum amount corresponding to the “Net Cost-Recovery” fee as described above. These fees are determined periodically based on comparable commercial business surveys at comparable airports and property appraisals. The Commercial Industry Standard method is designated with the color “Blue” and applied to the Commercial Business Operator Category in **Exhibit I**.

Fee Practices

The purpose of the Fee Practices is to establish uniform structures for generating revenues at the Airport. These Fee Practices represent the tariff structures that are in-place at the Airport in accordance with the Airport Minimum Standards, which are reviewed below:

- **Permit Fee** - This is an annual fee to implement or renew a permit to operate limited aeronautical services (LASO) at the Airport as an Independent Operator at an annual rate of \$200. The current proposed permit is for air taxi/charter, aircraft airframe, engine, and accessory maintenance and repair (to include FAA Repair Station), sale/lease of aircraft, aircraft brokering, aircraft flight instruction, specialized aviation services, avionics/radio repair, aircraft management service, aircraft parts assembly and distribution, aviation insurance activities, authorized medical examiner, and other related services. FBO and SASO tenants have entered into either FBO or SASO Agreements with the Authority to operate on the Airport as a Commercial Operator. In the future, permit fees should be based on the Aviation Industry Standard Method.

A permit to operate application, which is required annually by all LASOs tenants/businesses providing an aeronautical service, is included as **Exhibit II**.

- **Percentage of Operations Fee** – This fee is based on a fixed percentage of gross income derived from the commercial aeronautical activities of the tenants and users of the Airport, with certain exceptions. A commercial aeronautical activity is any activity or service conducted at the Airport that involves, makes possible, or is required for the operation of aircraft, or which contributes to or is required for the safety of such operations. These activities include, but are not limited to, air taxi/charter, aircraft airframe, engine, and accessory maintenance and repair (to include FAA Repair Station), sale/lease of aircraft, aircraft brokering, aircraft flight instruction, specialized aviation services, avionics/radio repair, aircraft management service, aircraft parts assembly and distribution, aviation insurance activities, authorized medical examiner, and any other activities, which because of their relationship to the operation of aircraft can appropriately be regarded as a “commercial aeronautical activity.” The exceptions are gross income derived from U. S. mail service, scheduled passenger and cargo service, fueling service, and sale of aircraft. There is currently no such of Gross Receipts fees collected at the Airport. Should this fee be implemented in the future, the fees should be based on the aviation industry standard method. A Gross Receipts Report, of which completion is required by all aviation services providing tenants/businesses at the Airport on an annual basis, is included as **Exhibit III**, A Sworn Letter from an Authority approved Certified Public Accountant, example shown as **Exhibit IV**, acknowledging the information provided is true and accurate, must accompany the Gross Receipts Report
- **Fuel Fee** - This fee is based on a fixed amount per gallon of fuel sold to aircraft operators at the Airport, including based and itinerant aircraft. The current fee is \$0.07 per gallon on fuel delivered to the Fixed Base Operators. There is one private (corporate) fuel operation on the airfield. In the future, these fees should be based on the Aviation Industry Standard Method. Any fuel used on the Airport, sold or purchased from any approved entity other than the FBO, is also subject to fuel flowage fees. A copy of the Authority’s Fuel Usage and Flowage Fee Report, of which completion is required by all fuel handling tenants/businesses at the Airport on a monthly basis, is included as **Exhibit V-A and V-B**. Additionally, a Report of Fuel Distribution is required by the Authority on a monthly basis from the fuel distributors who deliver fuel to all fuel-handling tenants on the Airport. An example of the Distribution Report is shown as **Exhibit VI**.
- **Landing Fee** - This fee is based on a fixed amount per landed weight ranges for commercial flights that land at the Airport. There are two categories of Landing Fees:

Airline Category - The current landing fees at the Airport (YNG) is \$0.99 per 1,000 lbs. Aircraft Maximum Gross Landing Weight (MGLW). In the future, these fees should be based on the Net Cost Recovery Method at the Commercial Service Airport and by Commercial Industry Standards. Airline fees and charges are listed in the various Airport / Airline Use Agreements.

General Aviation Category – Landing fees are currently charged and collected by the Airport for Non-based Commercial Aircraft Operators revenue flights at the same \$0.99 per 1,000 lbs. Aircraft Maximum Gross Landing Weight (MGLW) rate for aircraft weighing over 6,500 lbs. In the future, these fees should be based on the Aviation Industry Standard.

- ***Aircraft Parking Fee*** - This fee is based on a fixed amount per pound of landed aircraft weight ranges for commercial flights that park at the Airport. There are two categories of Aircraft Parking Fees:
- *Airline Category* – The current parking fees charged for airline aircraft at the Airport is \$0 per 1,000. 000 lbs. Aircraft Maximum Gross Landing Weight (MGLW). In the future, these fees should be based on the Net Cost Recovery Method. Airline fees and charges are listed in the various Airport / Airline Use Agreements.

General Aviation Category - The current GA transient parking fee rates and monthly aircraft tie-down fees charged at the Airport by the WRPA are as follows (FBO Rates are as established separately by the FBO):

Transient Parking (WRPA Ramp)

<u>Aircraft</u>	<u>Parking Fees</u>
Single Engine Prop	\$ N/A
Light Twin Engine Prop	\$ N/A
Twin Engine Turboprop	\$ N/A
Light Jet	\$ N/A
Medium Jet	\$ N/A
Heavy Jet	\$ N/A

Monthly Tie-down (WRPA Ramp)

<u>Aircraft</u>	<u>Tie-down Fees</u>
Single Engine Prop	\$ N/A
Light Twin Engine Prop	\$ N/A
Twin Engine Turboprop	\$ N/A
Light Jet	\$ N/A
Medium Jet	\$ N/A
Heavy Jet	\$ N/A

General Aviation T-hangars - The current GA monthly t-hangar rental rates charged by the Airport for the WRPA owned hangar units are as follows:

T-hangar Rental Fees - Eff. 11/24/2009

Old T-hangars (812 s.f.) \$167 - \$175

These rates are currently and should continue to be in the future, based on the Aviation Industry Standard.

- **Hangar Aircraft Storage Rates** - This fee is based on a fixed amount per month for aircraft storage in Authority-operated hangars 1 and 2 for aircraft owner / tenants at the Airport. Hangar 2 is heated, hangar 1 is not heated. The current monthly rent for based aircraft is as follows:

<u>Aircraft</u>	<u>Hangar 1</u>	<u>Hangar 2N/S</u>
Single Engine Prop.	\$230.00 - \$275.00	\$175.00 - \$240.00
Twin Engine Prop. < 12,500 lbs.	\$394.00 - \$740.00	\$375.00
Twin Engine Turbo-Prop < 12,500 lbs.	\$700.00	N/A
Twin Engine Turbo-Prop. > 12,500 lbs.	\$900.00	N/A
Small Jet < 12,500 lbs. (MGLW)	N/A	N/A
Medium Jet > 12,501 lbs. < 25,000 lbs.	N/A	\$1,841.00
Large Jet > 25,001 lbs. < 75,000 lbs.	N/A	N/A

In the future, these fees should be based on the Aviation Industry Standard Method for the Fixed Base Operator and Other Aviation Operator Categories and the Commercial Industry Standard Method for the Commercial Business Category.

- **Building / Hangar Lease Rates** - This fee is based on a fixed amount per month for Authority-operated hangars/buildings with land on a per square foot rate basis per year for Authority-operated building space rented to tenants at the Airport. There are currently two operators on the Airport that lease Authority-owned facilities (Hangars 3, 4 and 5) at a rate of between \$3.28 and \$3.83 per square foot. There are currently no other Authority-owned buildings at the Airport available for rent. In the future, these fees should be based on the Aviation Industry Standard Method for the Fixed Base Operator and Other Aviation Operator Categories and the Commercial Industry Standard Method for the Commercial Business Category.
- **Building Space Including Terminal Rental Fee** – This fee is based on a fixed amount per month for space in Authority-owned buildings and hangars, such as the terminal, annex and offices or other space in hangars, on a per square foot rate basis per year for Authority-operated building space rented to tenants at the Airport. Currently Authority-owned buildings, including the Airport Terminal, at the Airport available for rent are as follows:

Terminal Space

Airline Ticket Counter:	N/A
Baggage make-up	N/A
Rental Car Counters	Based on 10% of Gross Receipts per Agreement
Hold Room:	N/A
Baggage Delivery:	N/A
Gates and Jet Bridge:	N/A
Upstairs Annex:	\$3.00 per s.f.
Offices:	\$3.00 - \$6.00 per s.f.
Misc. Storage Space:	\$3.00 per s.f.

Hangar or Other Building Space / Offices:

Office Space:	N/A	?
Shop Space:	N/A	
Misc. Storage Space:	N/A	

In the future, these fees should be based on the Aviation Industry Standard Method for the Fixed Base Operator and Other Aviation Operator Categories and the Commercial Industry Standard Method for the Commercial Business Category.

- **Land Rental Fee** - This fee is based on a fixed amount per square foot per year for Authority-operated land space rented to tenants at the Airport. The current estimated rental average fee/rate per square foot and per acre of land (improved / un-improved and with and without airfield access and current land leases for land under hangars & buildings with airfield access) is as follows:

<u>Improved Land w/access</u>	<u>Un-improved Land w/access</u>	<u>Improved Land /no access</u>	<u>Un-improved Land /no access</u>
\$ N/A per s.f.	\$ N/A. per s.f	\$ N/A per s.f	\$ N/A per s.f

Improved Land

Under Hangar/Bldg.

OUTDATED METHOD

\$0.24 - \$0.70 per s.f.

In the future, this fee should be based on the Other Aviation Industry Standard Method for the Fixed Base Operator Category, Other Aviation Operator Category, and Corporate Aviation Category. The Commercial Industry Standard Method will be used to determine such fees for the Commercial Business Operator Category.

- **Auto Parking Fee.** – Automobile parking fees at the Airport are as follows: First 2 hrs no charge; \$6.00 per day with a \$30 per week maximum. Upon the expansion of the parking lot towards Route 193, the outermost lot might be considered Long Term parking and the current inner lot as Short Term Parking.

In the future, parking fees established at the Airport should be based on the Commercial and Industry Standard Method Categories.

SECTION III – RECOMMENDATIONS

Utilizing financial modeling techniques, various Fee Practice impacts were analyzed in the creation of this Airport Revenue Policy. Concurrent with the development of the financial model, significant findings were made with regard to the financial condition of the Airport. In addition, vital data was collected regarding rates and charges at other comparable Airport. This information is included as **Exhibits VII**, Comparable Airport Survey and **Exhibit VIII**, AAAE 2002-03 Rates and Charges Survey for Commercial Non-Hub Airports. This data, further summarized in **Exhibit IX**, Comparable Airports Rates & Charges Survey Summary, aided in the creation and recommendations of this Policy.

Fee Practices Recommendation

The goal of the Authority to gain Financial Self-Sufficiency of Airport is being met by the current Fee Practices on a cash flow basis. However, when analyzed from an accounting basis, factoring in fixed asset depreciation, the Authority's goals of Financial Self-Sufficiency of the Airport are not met and the rent for Authority-operated lease areas are under market value for the region. Reference **Exhibit X**, YNG Airport Lease Summary. In order to meet the Authority's goals and maintain the long-term viability of the Airport, the following revisions to Fee Practices currently in effect, are hereby recommended effective August 1, 2010:

- **Permit Fee** - This is an annual fee to implement or renew a permit to conduct aeronautical services at the Airport by currently Limited Aviation Service Operators (LASO). The recommended annual fees for both Commercial Operators – Specialized Aviation Service Operators (SASO) and Independent Operators (LASO) are: \$300 for aircraft sale, \$200 for flight instruction with an additional \$50 per additional flight instructor, and \$200 for charter service, aircraft rental, aircraft accessory maintenance and repair service, radio/avionics sale or service, parts/supplies sale, or other approved aeronautical service not required to be provided by the FBOs.
- **Percentage of Gross Receipts - Operations Fee** – This fee is based on a fixed percentage of gross income or revenue derived from the aeronautical activities of the tenants and users of the Airport, with certain exceptions. An aeronautical activity is any activity or service conducted at the Airport that involves, makes possible, or is required for the operation of aircraft, or which contributes to or is required for the safety of such operations. These activities include, but are not limited to, air taxi/charter, aircraft airframe, engine, and accessory maintenance and repair (to include FAA Repair Station), sale/lease of aircraft, aircraft brokering, aircraft flight instruction, specialized aviation services, avionics/radio

repair, aircraft management service, aircraft parts assembly and distribution, aviation insurance activities, authorized medical examiner, and any other activities, which because of their relationship to the operation of aircraft can appropriately be regarded as an “aeronautical activity.” The exceptions are gross income derived from U. S. mail service, scheduled passenger and cargo service, fueling service, and sale of aircraft. There is currently no percent of gross revenue from aeronautical services at the Airport. It is recommended that a percentage fee of one percent (1%) be maintained for FBO’s and commercial operators at the Airport leasing property directly from the Authority, however, that special aviation service operators (SASO) commercial operators, who sub-lease/rent space from a FBO on the Airport, be required to pay a two percent (2%) of gross revenue annual operating fee and Independent Operator LASOs not sub-leasing/renting space from an operator on the Airport or from the Authority be required to pay a three percent (3%) of gross revenue operating fee for the privilege of operating on the Airport. Additional analysis is required to determine the economic feasibility of the percentage of operation fee rate based on other Airport experience. In the future, these fees should be based on the aviation industry standard method.

- **Fuel Flowage Fee** - This fee is based on a fixed amount per gallon of fuel sold to aircraft operators or brokered to any operator at the Airport, including based and itinerant aircraft. The Authority should protect the viability of the FBO, which is the Airport’s front door provider of services to the aviation community. The current fee is \$0.08 per gallon for the FBO and all others as permitted unless otherwise operating under a specific operating agreement with the Authority. It is recommended that the fuel flowage fee be maintained at \$0.08 per gallon for FBO Operations and raised to \$0.12 per gallon for non-FBO self-fueling operators. The recommended rates with incremental gallon breakdown is contained in **Exhibit XIV**, Proposed WRPA Approved Airport Rates & Charges Schedule. In the future, fuel flowage fees should be based on the Aviation Industry Standard Method. See Exhibit XV for fee structure by gallons.
- **Landing Fee** - This fee is based on a fixed amount per landed weight ranges for commercial flights that land at the Airport for both Airline and General Aviation Categories:

The landing fee at the Airport for 2010 has been determined and maintained at ***\$0.99 per 1,000 lbs. MGLW***. This is the Signatory Airline and GA Aircraft rate at the Airport. It is recommended that a Landing Fee of ***\$1.19 per 1,000 lbs. MGLW*** for non-signatory airlines and Charter Operations. Landing fees may be updated at the Authority’s discretion. In the future, the airline landing fees shall be based on the Aviation Industry Standard.

Additionally, the Authority has the right to collect landing fees from transient “General Aviation” commercial flights at the Airport. It is recommended that the fee be maintained at the current ***\$0.99 per 1,000 lbs. for commercial GA aircraft. It is also***

recommended that landing fees not be charged to non-based GA aircraft weighing less than 6,500. In the future, the GA Landing Fees should be based on the Aviation Industry Standard Method.

- **Aircraft Parking Fee** - This fee is based on a fixed amount per pound of landed weight ranges for commercial flights that park at the Airport for both Airline and General Aviation Categories:

Airline Category –

It is recommended that this fee be established at **\$0.25 per 1,000 lbs.** Aircraft Maximum Gross Landing Weight over a 24-hour period for Signatory Passenger Airlines; at **\$0.30 per 1,000 lbs** for Non-Signatory Passenger Airlines and Signatory Cargo Airlines; and at **\$0.35 per 1,000 lbs** for Non-Signatory Cargo Airlines. In the future, these fees should be based on the Net Cost Recovery Method.

General Aviation Category -

The Authority also allows the FBOs to collect parking fees from transient General Aviation commercial flights parking on their respective aprons and on a monthly tie-down at the Airport. The following GA daily transient parking fee rates are recommended:

Transient Parking (WRPA Aprons / Ramps)

<u>Aircraft</u>	<u>Daily Parking Fees</u>
Single Engine Prop	\$ 10.00 - \$12.00
Light Twin Engine Prop	\$ 20.00 - \$25.00
Twin Engine Turboprop	\$ 30.00 - \$35.00
Light Jet	\$ 40.00 –\$50.00
Medium Jet	\$ 60.00 - \$75.00
Heavy Jet	\$85.00 - \$100.00

Tie-down (WRPA Aprons / Ramps)

<u>Aircraft</u>	<u>Monthly Tie-down Fees</u>
Single Engine Prop	\$ 45.00 - \$50.00
Light Twin Engine Prop	\$ 55.00 - \$60.00
Twin Engine Turboprop	\$ 65.00 - \$ 75.00
Light Jet	\$100.00 - \$150.00
Medium Jet	\$200.00 - \$300.00
Heavy Jet	\$400.00 - \$500.00

General Aviation T-hangars - Monthly t-hangar rental rates to be charged by the Airport are recommended to remain at the current rate:

<u>Aircraft</u>	<u>T-hangar Rental Fees - Eff. 7/1/2010</u>
Old T-hangars (Small 812 s.f.).	\$175.00
Single Engine size (Future Standard 1,100 s.f.)	\$300.00 - \$350.00

These rates are currently and should continue to be in the future, based on the Aviation Industry Standard.

- **Hangar Aircraft Storage Rates** - This fee is based on a fixed amount per month for aircraft storage in Authority-operated hangars 1 and 2 for aircraft owner / tenants at the Airport. Hangar 2 is heated, hangar 1 is not heated. The recommended rates are as follows:

<u>Aircraft</u>	<u>Hangar 1</u>	<u>Hangar 2</u>
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See Exhibit XIV – Proposed WRPA Approved Airport Rates & Charges – GENERAL AVIATION AIRCRAFT STORAGE.

In the future, these fees should be based on the Aviation Industry Standard Method for the Fixed Base Operator and Other Aviation Operator Categories and the Commercial Industry Standard Method for the Commercial Business Category.

- **Hangar / Building Rental Fee** - This fee is based on a fixed amount per month for Authority-operated hangars/hangar with land or on a per square foot per year basis for Authority-operated building space rented to tenants at the Airport. The rental rate per square foot is based on age and condition of the building/hangar and determined by an engineering/architectural survey and inspection. **Exhibit XI**, Airport Hangar Appraisal Data, has determined a rate of \$4.00 to \$5.00 per square foot for existing small hangar facility (under 5,000 s.f.) and \$3.00 to \$4.00 per square foot for large hangar facility (over 5,000 s.f.). However, these rates are discounted based on age and condition of the hangars on the Airport. The recommended rates for Youngstown-Warren Regional Airport hangars and buildings are contained in **Exhibit XIV**, Proposed WRPA Approved Airport Rates & Charges Schedule. In the future, these fees will be based on the Aviation Industry Standard Method for the Fixed Base Operator and Other Aviation Operator Categories and the Commercial Industry Standard Method for the Commercial Business Category.
- **Building Space (including Airport Terminal) Rental Fee** – This fee is based on a fixed amount per month for space in Authority-owned buildings and hangars, such as the terminal, annex and offices or other space in hangars, on a per square foot rate basis per year for Authority-operated building space rented to tenants at the Airport are as follows:

<u>Terminal Space</u>	<u>Signatory</u>	<u>Non-signatory</u>
Airline Ticket Counter:	\$15.50 / s.f.	\$21.50 / s.f.
Baggage Make-up	\$15.50 / s.f.	\$21.50 / s.f.
Hold Room:	\$10.00 / s.f.	\$15.00 / s.f.
Baggage Delivery:	\$12.00 / s.f.	\$16.00 / s.f.
Gate 1 Jet Bridge:	\$30.00 per turn	\$50.00 per turn
Gates 2 – 6:	No cost	\$25.00 per turn
Annex:	\$12.50 / s.f.	\$16.50 / s.f.
Offices:	\$12.50 / s.f.	\$16.50 / s.f.
Misc. Storage Space:	\$11.00	\$13.00 / s.f.
Rental Car Counters:	Determined as a % of Gross Revenues per Agreement	

Hangar or Other Building Space / Offices:

Office Space:	\$3.50 / s.f.
Shop Space	\$3.50 / s.f.
Misc. Storage Space	\$3.50 / s.f.

In the future, these fees should be based on the Aviation Industry Standard Method for the Fixed Base Operator and Other Aviation Operator Categories and the Commercial Industry Standard Method for the Commercial Business Category.

- **Land Rental Fee** - This fee is based on a fixed amount per square foot per year for Authority-operated land space rented to FBO and other tenants at the Airport. The recommended fee/rental rate per square foot / per acre is as follows:

<u>Improved Land w/access</u>	<u>Un-improved Land w/access</u>	<u>Improved Land /no access</u>	<u>Un-improved Land /no access</u>	<u>Improved Land Under Hgr/Bldg</u>
\$0.45 per s.f.	\$0.35 per s.f	\$0.25 per s.f	\$0.15 per s.f	\$0.24 - \$0.70 per s.f.

- **Minimum 1 acre Lease per Airport Development Land Lease**

This fee should be based the Aviation Industry Standard Method for the Fixed Base Operators, Other Aviation Industry Standard Method for the Other Aviation and Corporate Aviation Categories, and the Commercial Industry Standard Method for the Commercial Business Operator Category. This rate should not be specified or limited by Authority guidelines but Aviation Industry Standards rate levels should be incorporated in the Lease Agreements of Airport tenants as described above with determined periodic rate adjustments based on CPI or by appraisals. **Exhibit XII**, Proposed Airport Land Rates, compares the four distinct land categories and provides justification for the respective rates.

- **Auto Parking Fee** – Airport parking is currently free of charge. All Parking Fees should be based on the Aviation Industry Standard Method.

Fee Practices Recommendations

Toward meeting the Authority's goals with regard to financial self-sufficiency of the Airport, the following new lease and rental rates and rate setting standards are intended for application to future leases and lease renegotiations. In addition to the lease and rental rate recommendations contained herein, and from the data acquired from the Airport Survey System, more specific rate setting standards are hereby recommended.

In researching the most appropriate Airport for comparisons to each other, the Airports in the following tables were the most comparable to the Authority-operated Airport. The Airports were primarily selected on the basis of operations, infrastructure, location, demographics and similar services. The Survey System, which shall be updated periodically, for the establishment rates, fees, and charges at the Airport, shall include the following comparable Airports primarily in the Great Lakes, Southern, Eastern and Central Regions including 26 Primary Commercial Service Non-Hub Airports (*) [10,000 – 367,874 Enplanements], 6 Non-Primary Commercial Service Airports (+) [2,500 – 10,000 Enplanements], 6 Limited Commercial Service Airports (#) [0 – 2,500 Enplanements] and 42 General Aviation Airports (-) compared to the Youngstown-Warren Regional Airport, a Primary Commercial Service Non-Hub Airport with GA activities. The Commercial Service airports are all listed in **Exhibit XII**:

Airports (Reference Exhibit VII)

<u>Airport</u>	<u>City / State</u>	<u>Enplanements – 2007 / 2008</u>
* ABY	SW Georgia Regional Airport, Albany, GA	38,758 / 39,200
- AGC	Allegheny County Airport, Pittsburgh, PA	
* APF	Naples Municipal Airport, Naples, FL	3,316 / 13,984
- ARR	Aurora Municipal Airport, IL	
* AZO	Kalamazoo-Battle Creek Int'l. Airport, MI	188,922 / 168,687
- BKL	Burke Lakefront Airport, Cleveland, OH	
+ BFD	Bradford Regional Airport, Lewis Run, PA	3,104 / 4,898
* BGM	Greater Binghamton Airport	120,465 / 108,325
- BMG	Bloomington Airport, Bloomington, IN	
- BTL	W.K. Kellogg Airport, Battlecreek, MI	
- BWG	Bowling Green Reg. Airport, Bowling Green, KY	
- CGF	Cuyahoga County Airport, Cleveland, OH	
* CKB	North Central W.V. Reg. Airport, Bridgeport, WV	4,813 / 10,344
- CPS	St. Louis Downtown Airport, Cahokia, IL	
* CRE	Grand Strand Airport, Myrtle Beach, SC	
- CRG	Craig Field, Jacksonville, FL	
- DPA	Page Field, Chicago, IL	
* ELM	Elmira / Corning Regional Airport, Elmira, NY	99,211 / 104,508
* ERI	Erie International Airport, Erie, PA	142,365 / 124,667
* EVV	Evansville Regional Airport, Evansville, IN	222,654 / 193,349
- FDK	Frederick Municipal Airport, Frederick, MD	
- FFT	Capital City Airport, Frankfort, KY	

Airport	City / State - Con't.	Enplanements – 2007 / 2008
- FGL	Flagler County Airport, Palm Coast, FL	
- FMY	Page Field, Fort Myers, FL	
* FWA	Fort Wayne Int'l Airport, Fort Wayne, IN	289,210 / 282,449
- FXE	Fort Lauderdale Exec. Airport, Fort Lauderdale, FL	
+ GYY	Gary – Chicago International Airport, Gary, IN	16,223 / 4,353
- HEF	Manassas Regional Airport, Manassas, VA	
# HGR	Hagerstown Regional Airport, MD	< 2,500 / < 2,500
- HKS	Hawkins Field, Jackson, MS	
# HKY	Hickory Regional Airport, Hickory, NC	< 2,500 / < 2,500
* HTS	Tri-State Regional Airport, Huntington, WV	62,364 / 83,531
# HUF	Terre Haute International Airport, Terre Haute, IN	< 2,500 / < 2,500
- INT	Smith-Reynolds Airport, Winston-Salem, NC	
* IPT	Williamsport Regional Airport, Williamsport, PA	25,464 / 23,901
- ISM	Kissimmee Gateway Airport, FL	
* ITH	Ithaca-Tomkins County Airport, Ithaca, NY	85,665 / 91,866
+ JHW	Chautauqua / Johnstown Airport, Johnstown, NY	4,059 / 4,898
- JXN	Jackson County Municipal Airport, MI	
+ JST	John Murtha – Johnstown Airport, Johnstown, PA	9,733 / 7,634
# LAF	Purdue University Airport, Lafayette, IN	< 2,500 / < 2,500
* LBE	Arnold Palmer Regional Airport, Latrobe, PA	17,593 / 18,946
- LOU	Bowman Field, Louisville, KY	
- LUK	Cincinnati Municipal - Lunken Airport, Cinti, OH	
- LZU	Gwinnett County Airport, Lawrenceville, GA	
* MBS	MBS International Airport, Saginaw, MI	186,739 / 162,703
* MDH	Southern Illinois University, Carbondale, IL	
- MEI	Key Field, Meridian, MS	
- MGY	Dayton Wright Brothers Airport, Dayton, OH	
* MGW	Morgantown Municipal Airport, Morgantown, WV	4,740 / 10,630
- MIE	Delaware County Airport, Muncie, IN	
- MKC	Wheeler Downtown Kansas City Airport, MO	
* MKG	Muskegon County Airport, Muskegon, MI	34,268 / 30,051
* MKL	McKeller - Sipes Regional Airport, Jackson, TN	
- MTN	Martin State Airport, Baltimore, MD	
* MWA	Williamson County Regional, Marion, IL	
- MWC	Timmerman Airport, Milwaukee, WI	
- OJC	Johnson County Executive Airport, KS	
- OSU	Ohio State University Airport, Columbus, OH	
* PAH	Barkley Regional Airport, Paducah, KY	24,537 / 21,654
* PBG	Plattsburgh International Airport, Plattsburgh, NY	2,772 / 45,998
- PDK	Dekalb Peachtree Airport, Atlanta, GA	
+ PKB	Mid-Ohio Valley Reg. Airport, Parkersburg, WV	4,531 / 5,272
- PMP	Pompano Beach Airport, FL	
- PWK	Chicago Executive Airport, Chicago, IL	
* RFD	Greater Rockford Regional Airport, IL	110,835 / 110,151
* SBN	South Bend Regional Airport, IN	398,500 / 357,168

Airport	City / State - Con't.	Enplanements – 2007 / 2008
+ SLN	Salina Municipal Airport, Salina, KS	4,127 / 5,170
- SUS	Spirit of St. Louis, MO	
- TCL	Tuscaloosa Municipal Airport	
- TEB	Teterboro Airport, Teterboro, NJ	
- TIX	Space Coast Regional Airport, Titusville, FL	
* TOL	Toledo Express Airport, Swanton, OH	169,679 / 129,553
# TTN	Trenton – Mercer Airport, Trenton, NJ	< 2,500 / < 2,500
* TUP	Tupelo Regional Airport, Tupelo, MS	28,798 / 15,985
- TZR	Bolton Field, Columbus, OH	
- UES	Wakesha Airport, WI	
- UNI	Ohio University Airport, Athens, OH	
*UNV	University Park Airport, State College, PA	144,160 / 133,777
- YIP	Willow Run Airport, Willow Run, MI	
* YNG	Youngstown-Warren Regional Airport, Vienna, OH	17,572 / 17,837

Airport Survey, Aviation Industry Standard averages include:

Land Rental Rate – Improved land:	\$ 0.40 per s. f.
Land Rental Rate - Un-improved land:	\$ 0.27 - \$0.34 per s. f.
Terminal Space Office Rental Rate:	\$19.10 - \$24.00 per s. f.
Terminal Ticket Counter Space Rental Rate:	\$22.11 - \$25.00 per s.f.
Terminal Hold Room Space Rental Rate:	\$27.12 – \$30.99 per s.f.
Terminal Baggage Make-up / Return Rental Rate:	\$22.11 - \$25.57 per s.f.
Jet Bridge Rental Rate:	\$23.26 - \$34.77 per s.f.
Jet Bridge Per Turn Rate:	\$42.63 - \$90.00
Other Airport Space Office Rental Rate:	\$12.73 - \$15.42 per s.f.
Small Hangar Lease Rate:	\$ 2.93 - \$7.17 per s.f.
Large Hangar Lease Rate:	\$ 4.30 – \$7.27 per s.f.
Hangar Space Single Engine Acft./ mo:	\$ 246.53 - \$326 per mo.
Hangar Space Twin Engine Acft. / mo.:	\$ 400.41 - \$543 per mo.
Hangar Space “Other” ie: Turbine / mo:	\$ 692 - \$1,672 per mo.
Small T-Hangar Rent (1,000 – 1,200 s.f.):	\$ 250 - \$310 per mo.
Medium T-Hangar Rent (1,201 – 1,500 s.f.):	\$ 327 – \$359 per mo.
Large T-Hangar Rent (1,501 + s.f.):	\$ 368 - \$488 per mo.
Tie-down Single Engine Acft Rent / mo:	\$ 53.40 per mo.
Tie-down Twin Engine Acft Rent / mo:	\$ 62.20 - \$70 per mo.
Tie-down Other - Turbine Engine Acft Rent / mo:	\$ 270 - \$490 per mo.
Transient Single Engine Aircraft Parking Fee:	\$ 10.50 - \$13.61 per day
Transient Twin Engine Aircraft Parking Fee:	\$ 33.22 - \$39.12 per day
Transient “Other” Turbine Engine Acft. Parking Fee:	\$ 64.35 - \$89.37 per day
Aircraft Parking Fee per 1,000 lbs. MGLW:	\$0.58 (Small Sample)
Fuel Flowage Fees:	\$ 0.0884 - \$0.090 per gal.
Landing Fee - \$per 1,000 lbs. MGLW:	\$ 1.43- \$1.65
Operating “Percentage” Fee:	3.72% - 4.13 % of Gross

The current and recommended rates and charges for Youngstown - Warren Regional Airport based on the Industry Standard survey are as follows:

	<u>YNG Current</u>	<u>Recommended per s.f.</u>
Land Rental Rate – Improved Land + :	N/A	\$0.35 - \$0.40
Land Under Hangar:	\$0.70 per s.f.	No
Apron:	\$0.63 per s.f.	\$0.45
Land Rental Rate – Improved Lands++:	N/A	\$0.35
Land Rental Rate - Un-improved Land +:	N/A	\$0.25
Land Rental Rate - Un-improved Land ++:	N/A	\$0.15
Terminal Space Office Rental Rate:	N/A	\$12.50 per s.f.
Terminal Ticket Counter Space Rental Rate:	N/A	\$21.50 Exclusive / \$15.50 Non
Terminal Hold Room Space Rental Rate:	N/A	\$21.50 Exclusive / \$15.50 Non.
Terminal Baggage Make-up / Return Rental Rate:	N/A	\$21.50 Exclusive . \$15.50 Non
Jet Bridge Rental Rate:	N/A	\$21.50 Exclusive / \$15.50 Non
Jet Bridge Per Turn Rate:	N/A	\$30.00 per turn Sig. / \$50.00 Non
Other Airport Space Rental Rate:	\$3.00	\$12.50
Small Hangar Lease Rate :	N/A	\$4.00
Large Hangar Lease Rate :	\$3.38 - \$3.83 per s.f.	3.38 - \$3.83.
Hangar Space Single Engine Acft./ mo. *:	\$230	\$250.00
Hangar Space Twin Engine Acft. / mo. *:	See Exhibit XIV	
Hangar Space “Other” ie: Turbine / mo.: *:	See Exhibit XIV	
Small T-Hgr. Rent (1,000 – 1,200 s.f.):	\$165.00	\$175.00
Med. T-Hgr. Rent (1,201 – 1,500 s.f.):	N/A	Build / Rent \$300
Large T-Hgr. Rent (1,501 + s.f.):	N/A	Build / Rent \$500
Tie-down Single Engine Acft Rent / mo. *:	N/A	\$50.00
Tie-down Twin Engine Acft Rent / mo. *:	N/A	\$75.00
Tie-down Other - Turbine Engine Acft Rent / mo. *:	N/A	\$100.00
Transient Single Engine Acft. Parking Daily Fee *:	N/A	\$10.00
Transient Twin Engine Acft. Parking Daily Fee*:	N/A	\$15 - \$25
Transient “Other” Turbine Eng. Acft. Parking Fee *:	N/A	\$30 - \$50
Airline Aircraft Parking Fee per 1,000 lbs. **:	N/A	\$0.25 - \$0.35
Fuel Flowage Fees per gal. delivered (FBO) ***1:	As per below	As per below
Fuel Flowage Fees per gal. delivered (Non-FBO)***2:	N/A	As per below
Landing Fee - \$per 1,000 lbs. MGLW:	\$0.99	\$0.99 / \$1.29 *****
Operating “Percentage” Fee:	N/A	1% - 3% *****
	(3% Restaurant)	3% - 5% *****

- + - With access to taxiway ++ No Access to taxiway
- * - FBO Sets Rate for FBO Operated Hangar, Ramp, etc.
- ** - \$0.25 Sig. Pass. Airline / \$0.30 Non-Sig. Pass. Airline / \$0.30 Sig. Cargo. Airline / \$0.30 Non-Sig. Cargo Airline
- ***1 - \$0.08 < 700K / \$0.06 > 700K < 1M / \$0.04 > 1M < 1.5M / \$0.02 > 1.5 M gallons
- ***2 - \$0.12 < 500K / \$0.10 > 500K < 750K / \$0.08 > 750K < 1M / \$0/06 > 1M
- *** - \$0.99 for GA and Signatory Airlines / \$1.29 for Non-Signatory Airlines
- ***** - FBO 1% / SASO 2% / LASO 3% - Concessions (Restaurant, Car Rental, etc.) 3 – 5%

While the Survey System, Aviation Industry Standard Method, rates are slightly higher than those recommended, the Airport should attempt to gradually raise rental rates to more closely reflect the above industry averages.

The WRPA does not dictate the Rates and Fees for Services charged by a Fixed Base Operator, however, a recommended Airport Rates and Charges Schedule is provided in Exhibit XIV as a reference of Industry Standard Rates that may assist the FBO in setting its rate.

Incentive to Passenger Airlines, It is also recommended that for Passenger Service Airlines offering non-stop service to a destination which supports at least 20 passengers per day and at an average fare below that offered by competing airports within 100 miles of the Youngstown-Warren Regional Airport as determined by USDOT T-100 data, the Airline be charged a flat rate of \$5.00 per passenger in lieu of the standard common terminal, landing, apron and other fees listed above typically charged to other airlines operating at the Youngstown-Warren Regional Airport.

Percentage Fee: It is recommended that a 1% of monthly gross revenues be charged to FBO, and / or SASO operators leasing space or facilities directly from the Authority; 2% to SASO or LASO operators subleasing space from another tenant on the Airport; and 3% to LASO operators not subleasing space on the Airport, for the privilege of conducting business at the Airport. Additionally, Restaurant, Car Rental and other concessions should pay 3% - 5% of monthly gross revenues for the privilege of conducting business in the Airport Terminal.

Structure for Ground Lease Provisions

All of the Airport leases are structured on a triple net basis with the lessee paying rent, taxes, insurance and maintenance charges relative to the leased premises. Three other provisions in the lease agreements recommended here cover general environmental, indemnity and inflation. The purpose of the environmental clause simply states that any FBO, person, party, firm or corporation operating on the Airport must comply with all local, state and federal environmental requirements. The purpose of the general indemnity clause is to protect the Airport against potential claims or losses because of the way the tenant conducts his or her operation. Inflation must be considered in the leases, since not all Airport revenue increases at a rate equal to, or greater than, inflation. Most Airport have a provision for rate modifications according to adjustment clauses, reappraisal, consumer price index (CPI), producer price index (PPI), or other basis. The Authority uses the recommended CPI adjustment.

The Authority allows private individuals or companies to make improvements to and build facilities on Airport-leased land. It is recommended and is common practice to require the building to revert to the Airport, in this case to the Authority, at the end of the lease term.

Recommended Capital Investment Requirements

It is required that all applicants for leases at the Airport commit to minimum financial investments both at the commencement and during the term of the lease. This will ensure that the Airport are developed to their maximum potential, fair and equitable leaseholds are reflected for similar and competing commercial operators, and the Airport is assured that existing and prospective operators are periodically reinvesting in their facilities to enhance the experience and value of facilities for users of the Airport. Minimum investment requirements are different for operators at each Airport, and differ for new development versus operators utilizing existing leaseholds. Nevertheless, these minimum threshold investment requirements may be modified at the discretion of the Director of Aviation. However, in all circumstances, no less than twenty-five (25%) percent of the minimum investment shall be dedicated to investment during the last fifty (50%) percent of the base lease term. The following reflects minimum investment requirements for existing and prospective operators at the Authority-operated Airport.

Commercial aeronautical leaseholders occupying existing facilities at the Airport – Minimum investment range of **\$5,000 to \$25,000** per year of lease term, depending on the number and condition of facilities on the leasehold. The required minimum investment will be determined based on a facility assessment by a qualified Authority approved architect / engineer. Any renewal options, however, shall warrant additional investment of **\$5,000 to \$25,000** per year with no credit for investment during the base term exceeding the minimum threshold.

Commercial aeronautical leaseholders proposing new development on undeveloped land at the Airport - Minimum investment of **\$10,000 per year** of lease term. However, any renewal options shall warrant additional investment of **\$5,000 to \$25,000** per year with no credit for investment during the base term exceeding the minimum threshold.

Ownership Transfer and Lease Assignment Recommendations

In recognition of the Authority's continued investment into the Airport, which ultimately benefits any commercial aeronautical service provider thereon, a lease transfer or assignment fee equal to two percent (2%) of the gross selling or transfer price, or fair market value as determined by an approved M.A.I., which ever is higher, shall be paid to the Authority in conjunction with any lease transfer or assignment. A transfer shall be construed as any transaction involving twenty-five (25%) percent or more of the stock or ownership in the leasehold entity.

Any commercial aeronautical leaseholder must retain the same ownership structure and a minimum of ninety percent (90%) of the same ownership interests for a minimum of three (3) years after commencement of the base lease term. If such ownership structure or ownership interests change during this initial three-year period, the Authority shall have the right to void the existing lease agreement and negotiate a new agreement with the new or modified ownership entity at prevailing market terms for land and facilities.

Alternative Financing

In recognition of the Authority's continued investment into the Airport and support of the aeronautical service operators, the Authority may on a case-by-case basis, assist tenants with alternative financing for improvements to the respective leasehold facilities. Existing and proposed tenant/operators may contact the Director of Aviation to discuss such alternative financing with the Port Authority's Economic Development Division.

SECTION IV – POLICY IMPLEMENTATION

Where contracts expire soon or where rate adjustments are possible because of an option date or where no contract exists, the following steps should be taken:

- Contact the tenant and advise him of the Authority's objective of making the Airport financially self-sufficient and the increase in his/her rate is necessary to achieve this objective.
- Provide the tenant with written documentation indicating the proposed rental rate and supporting data,
- Meet with the tenant to explain the rate data (and terms of the new arrangement, if applicable) and to establish the agreed upon rate.

Where contracts do not permit rate adjustments in the near future, and where rate adjustments have been recommended, the following steps should be taken:

- Contact the tenant and advise him of the Authority's objective of making the Airport financially self-sufficient and the increase in his/her rate is necessary to achieve this objective.
- Provide the tenant with the proposed rate level applicable to his/her facility or service and the basis upon which the proposed rate is based.

In the event these efforts do not result in opening contracts for immediate or near term rate adjustments, the Authority should determine if there is any legally possible and/or justifiable basis for terminating or canceling such agreements.

It is recognized, however, that even if it is possible, following through on cancellation or termination of the agreement is a matter of Authority policy. In this respect, the Authority has several alternatives:

- Negotiate a time-based rate adjustment requiring annual increases until the appropriate is attained, i.e.: (1 cent per s.f. for five years plus the annual CPI adjustment)
- Continue to operate the Airport at a deficit.

- Reduce maintenance and operations levels to cut operating expenses.
- Inform tenant there will be no further extension of the lease beyond the current term unless the determined rate is attained.
- Terminate or cancel existing agreements and establish new agreements with existing (or new) tenants at the recommended rate level.

Specific Implementation Procedures

The specific implementation procedures for each of the Revenue Categories are presented below and in **Exhibit XIII** – Proposed Levels of Operation and Rates & Charges Summary:

Airlines

The Authority should allow Airlines to operate at the Airport provided such operators have executed an Airline Use and Lease Agreement specifying the authorized activities, occupied properties/facilities and the required operating standards and/or investment amounts. The Authority should require the airline operators to pay fees that are established by the methods covered herein.

Fixed Base Operators (FBO)

The Authority should allow Fixed Base Operators to operate at the Airport provided such operators have executed two agreements, consisting of a FBO Agreement specifying the authorized activities and a Lease specifying the occupied properties and the required operating standards and/or investment amounts. The Authority should require the operators to pay fees that are established by the methods covered herein. This includes a 1% percent of gross receipts fee from revenue derived from the aviation services provided by the FBO.

Commercial / Specialized Aviation Service Operators (SASO)

Services provided by the Specialized Aviation Service Operators are those services not already required of the FBOs in their respective FBO Agreements. The Authority should allow Specialized Aviation Operators to operate at the Airport provided such operators have executed two written agreements consisting of a SASO Agreement specifying the authorized activities and a lease specifying the occupied properties and the required operating standards and/or investment amounts and sublease specific occupied properties from a FBO. The Authority should require the operators to pay fees that are established by the methods covered herein, which includes a three percent (2%) of gross receipts fee from revenue derived from the aviation services provided by the SASO, unless the operator is renting/leasing space directly from the Authority.

Commercial / Limited Aviation Service Operators (LASO)

Services provided by the Limited Aviation Service Operators are those services not already required of the FBOs in their respective FBO Agreements. The Authority should allow Limited Service Aviation Operators to operate at the Airport provided such operators have executed a Permit to Operate specifying the authorized activities and sublease specific occupied properties from a FBO or SASO. The Authority should require the operators to pay fees that are established by the methods covered herein. A LASO operating on the Airport who sub-leases space from a FBO or SASO or lease space directly from the Authority to operate, and shall pay three percent (2%) of gross revenue operating fee. The LASO shall pay a five (3%) of gross revenues fee if there is no lease of property through a FBO, SASO, or directly with the Authority.

Non-commercial / Corporate Aviation Operators

The Authority should allow Corporate Aviation Operators to operate at the Airport provided such operators have executed a lease specifying the occupied properties and the required operating standards and/or investment amounts. The Authority should require the operators to pay fees that are established by the methods covered herein.

Commercial Business Operators

The Authority should allow Commercial Business Operators to operate at the Airport provided such operators have executed two written agreements, including a permit specifying the authorized activities and a lease specifying the occupied properties leased and the required operating standards and/or investment amounts. The Authority should require the operators to pay fees that are established by the methods covered herein.

SECTION V – SUMMARY OF RECOMMENDATIONS

It is projected that the revised Operating Permit Fees and Fuel Flowage Fee rates in combination with the existing percentage of operations fees will generate sufficient additional revenue to help secure the long-term viability of the Airport. Revisions to the land and building rental rates to market value as leases expire, implementation of new leases from the development of the Airport Business Park, and continued growth of the aviation services at both Airport will generate supplemental revenues, further strengthening the Airport' financial position. **Exhibit XIV**, Combined Rates & Charges Summary and Recommendations, is a comparison of the Regional Airport Survey of Similar Airports, the 2002 – 2003 AAEE Survey, the Current Youngstown-Warren Regional Airport (YNG) rates & charges and a summary of the recommendations for YNG rates & charges.

The Revenue Policy Methodology and Recommendations were used to create the proposed Airport Rates & Charges Schedule contained in **Exhibit XV**. It is incumbent upon the Western Reserve Port Authority Aviation Committee and Board to approve

Exhibit XV as the Official Rates & Charges Schedule for the Youngstown-Warren Regional Airport. These Rates & Charges should be updated on a periodic basis using the same Airport Industry Standards used throughout the Leasing, Rates & Charges Policy.

Upon implementation of these recommendations, the Authority's goals of Total Financial Self-Sufficiency will be greatly improved. Further, it is recommend that the Aviation Capital Project Fund into which flow all surplus funds for use in Airport capital projects, Airport development projects, and any other Airport related use deemed necessary by the Authority, be continued and expanded.

New and additional aviation services and development of Airport properties for both aviation and non-aviation commercial uses, more specifically the Airport Aerospace / Industrial Park and potential FTZ, should be the focus and first priority of the Authority for the long-term vitality of the Airport assets.

CHAPTER 2

LEASING PROCEDURES

SECTION I - LEASING PROCEDURES

These Leasing Procedures for Commercial Aeronautical Activities section is intended to provide potential and current commercial tenants an understanding of the policies and processes used by the Western Reserve Port Authority when leasing commercial property or providing access to the Youngstown – Warren Regional Airport. This section sets forth the parameters for leasing Airport land, or accessing Airport property, and has established the following purposes:

- Maintain these public-use Airport in a safe manner to ensure that the Airport can fulfill their role as required in an emergency response system;
- Preserve investments in the Airport and the level of service;
- Facilitate orderly management of the Airport;
- Ensure provisions of high-quality leasing procedures, services, and consistent quality of facilities;
- Provide equitable and uniform treatment of all tenants and users;
- Advance qualified aviation-related services on the Airport;
- To assist the Authority in the well-ordered development the Airport;
- To ensure compliance with applicable laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application and acceptance of Federal Funds;
- Facilitate and foster good relations with all local Airport communities and their residents;
- Enable conformity with approved Airport Master Plans;
- To make the Airport available for public use on reasonable terms without undue discrimination;

- Assist the Authority in maintaining a fee and rental structure with the goal of financial self-sustainability ensuring economic growth by providing access to State, regional, local and national market.

SECTION II - APPLICATION

Application

Each corporation, person, or business desirous of becoming a commercial tenant at the Airport must complete and submit an application form for review and consideration.

The Authority reserves the right to request from a prospective commercial tenant in written form, at the time of, and as part of its application, the following information and thereafter such additional information as may be required or requested by the Director of Aviation or their designee. Said request may be applied to either new tenants or existing tenants requesting a lease renewal, modification, or extension.

As a prerequisite to occupancy on and the granting of commercial operating privileges at an Airport, the prospective Operator must submit a specific, detailed description of the scope of the intended commercial aeronautical activities, and the means and methods to be employed to accomplish the contemplated activities. Required information for commercial aeronautical activities shall include but not be limited to:

- The legal name of the entity filing the Application and its business name (if different).
- The name, address, and telephone number of the entity and primary contact person.
- The names, addresses, and phone numbers of all owners of 5 percent or more equity interest, management control, or debt in the entity.
- The proposed date for commencement of the intended activities and proposed term for conducting same.
- A comprehensive listing of all activities proposed to be offered, along with copies of all applicable Federal, State, or local operating certificates and licenses held.
- For proposed agreements to lease (or requests for assignment) existing structures or improvements, a description of the size, location, and proposed utilization of office, hangar, tie-downs, and vehicle parking areas to be utilized.
- For proposed agreements for lease (or requests for assignment) of unimproved Airport areas, a layout (to scale) of the size, configuration, and location of the property desired to be occupied and a preliminary drawing of the buildings and

improvements to be constructed, together with identification of vehicle parking areas. Drawings should be legible and reproducible with clearly defined dimensions. Each drawing should be on an 8.5 inch x 11-inch paper as a minimum and be drawn in ink. The Authority retains the right to request a metes and bounds legal description of lease property boundaries. The proposed number of persons to be employed, including the names and qualifications of each management/supervisory person, and specifications as to whether the employees will be full-time, part-time, or seasonal.

- The number of aircraft to be utilized in connection with the proposed activities and the make, model, passenger seating capacity, cargo capacity, aircraft registration number, and copies of applicable operating certificates for each aircraft.
- The tools, equipment, vehicles, and inventory proposed to be utilized in connection with the intended activities.
- A written business plan, including a market analysis, to include a written statement addressing each of the following areas:
 - ➔ Definition of target markets
 - ➔ Intended market share
 - ➔ Promotional marketing techniques
 - ➔ Description of existing competitors
 - ➔ Percent of intended sales related to aircraft based on the Airport
 - ➔ Evidence of support from potential customers, such as surveys, testimonials, and/or related documents
 - ➔ List of products to be sold or distributed (if any) and a list of manufacturer's or distributor's requirements for obtaining dealership (if applicable)
 - ➔ List of suppliers, subcontractors, and associates
 - ➔ List of any proposed subtenants.
 - ➔ Business plan shall include process for ensuring all tenants/pilots subtenants and aircraft are registered with the State and procedures for maintaining these records.

Financial Responsibility

As evidence of the Applicant's financial capability, the prospective operator shall provide a statement from a bank or similar financial institution or from such other source as may be acceptable to the Authority and readily verified through normal banking channels. The prospective operator must also demonstrate the financial capability to initiate the activities, construct proposed improvements, and provide working capital to perform proposed activities. The demonstration of financial capabilities shall also include cash flow and profit and loss calculations for the first five-years of the operation, a three-year historical profit and loss statement (if applicable), and a current (within 90-days) balance sheet.

Experience

The prospective operator shall furnish the Authority a statement of its past experience in providing the specified commercial aeronautical service for which the application is being made, including resumes of management individuals who will be directly responsible for the proposed operation, together with, business, financial and managerial references. This information must be presented in a form acceptable to the Authority.

Bonding and Insuring

The prospective operator shall provide evidence in a form acceptable to the Authority, of its ability to supply:

1. A performance bond in an amount equal to 100 percent of one year's rent and/or fees established and agreed to for conducting the activities and entering into the agreement sought (cash or irrevocable bank letter of credit may be used in-lieu of a performance bond).
2. A performance bond in the amount equal to the cost for constructing the proposed improvements in a form submitted to the Authority for approval.
3. All required insurance coverage's as specified and applicable to the Airport where the proposed improvements are to be constructed.

SECTION III - GROUNDS FOR DENIAL OF APPLICATION

The Authority may deny any commercial application for any one (or more) of the following reasons.

1. The Applicant's proposed activities, operation, and/or construction would create a safety hazard at the Airport and/or surrounding community.
2. The Applicant, for any reason, does not fully meet the qualifications, standards, and requirements of the Authority. The burden-of-proof shall be on the prospective operator and the standard-of-proof shall be by clear convincing evidence.
3. The granting of the application will require the Authority to expend funds, or supply labor or materials, in connection with the proposed activity and/or construction that the Authority is unwilling to spend, or the proposed activity and/or construction will result in a financial loss (or hardship) to the Airport.
4. No appropriate, adequate, or available space or buildings exist at the Airport, which will accommodate the operation of the Applicant at the time of the application, nor is such contemplated within a reasonable time frame.

5. The proposed operation, development, and/or construction does not comply with the Master Plan of the Airport (and/or ALP) in effect at that time, or anticipated to be in effect within the time frame proposed by the Applicant.
6. The development or use of the area requested by the Applicant will result in congestion of aircraft or buildings, or will unduly interfere with operations or activities of any present operator on the Airport and/or prevent adequate access to the assigned lease area of any present lessee and/or operator.
7. The Applicant has either intentionally or unintentionally misrepresented or omitted material facts in the application or in supporting documents.
8. The Applicant has failed to make full disclosure in the application or in supporting documents.
9. The Applicant or an officer, director, agent, representative, shareholder, or employee of the Applicant, has a record of violating the rules, regulations, statues, ordinances, laws, or orders of any other Airport, civil air regulation, FAA regulations, or any other rules, regulations, statues, ordinances, laws, or orders applicable to the Airport.
10. The Applicant or an officer, director, agent, representative, shareholder, or employee of applicant has defaulted in the performance of any other agreement with the Authority.
11. On the basis of current financial information, the Applicant does not, in the sole discretion of the Authority, exhibit adequate financial responsibility or capability to undertake the proposed operation and activities.
12. The Applicant cannot or will not provide a performance bond or applicable insurance in the amounts and type required for the proposed activity.
13. The Applicant or an officer, director, agent, representative, shareholder or employee of applicant has been convicted of any felony or of a misdemeanor involving moral turpitude.
14. Applicant's activities or operations could be detrimental to the Airport.

SECTION IV - GENERAL LEASE PROVISIONS

Property Lease

Once the Authority has approved the lease application and the Applicant has read the Minimum Standards, Airport Rules and Regulations, Rates and Charges Policy and

Leasing Policy for Commercial Aeronautical Activities, the Applicant shall be provided a Draft Commercial Lease for review. This Draft Commercial Lease will include, but not be limited to the following details:

1. Leased Premises; description of leasehold (Authority retains the right to request a metes and bounds legal description).
2. Term of lease to include renewal options and possible tenant holdover terms.
3. Lease purposes and common use of Airport.
4. All fees and charges associated with occupying and operating on the premises; base rent, adjusted rent, operating fees, utilities, additional payments, late payments, administrative fees, unconditional obligations, minimum annual investment requirements and taxes, assessments and charges / contests.
5. Payment procedures relating to all fees and charges
6. Option to lease additional land
7. Approved and prohibited activities
8. Tenant covenants to include acceptance of leased premises, improvements, liens, ownership of improvements, assignment or consolidation, inspections, permits and licenses, observation of laws, FAA compliance, indemnity, environmental indemnity, damage to property, casualty, waiver of subrogation, signs, security devices, maintenance of premises and improvements, failure to remove, non-discrimination, non-interference, flammables, uniformed personnel, withholding, and concealed weapons.
9. Authority covenants to include authority, relocation of tenant, public areas, driving / parking areas, quiet enjoyment, etc.
10. Restrictions on hazardous substances
11. Events of default by tenant to include remedies, curing of default, cumulative remedies and default expenses.
12. Vacating the premises procedures
13. Insurance amounts required
14. Names and addresses of responsible parties
15. Reversionary clauses
16. Information on all taxes, liens and utilities
17. Compliance with FAA regulations
18. Aircraft registration requirements/pilot registration
19. Construction or alteration procedures
20. Landscaping
21. Fire Prevention
22. Airport entry onto premises
23. Termination for Airport development
24. Transfer of Airport ownership
25. Bankruptcy
26. Ingress and Egress to Property
27. Sale of Improvements
28. Other miscellaneous provisions to include accord and satisfaction, notices, severability, amendments, aerial approaches, U. S. Government agreements,

existing agreements, triple net lease, successors and assigns, condemnations, governing law, recordation and consent by Authority.

A Sample Aeronautical Lease Agreement is contained in **Exhibit XVI**.

Leased Premises

There shall be a one-acre minimum for all leased property at the Airport.

Lease Term

Initial terms for FBO and/or SASO leases will be for thirty (30) years (identified as the Standard Base Term), with the potential for up to two (2) consecutive five (5) year extension options. The Authority, at its discretion, may grant longer terms based upon the proposed capital investment in the property by the tenant. At the expiration of each lease, the Authority maintains the option of retaining ownership of all leasehold improvements, or to require tenant to remove any and/or all structures at the tenant's cost.

Lease Renewal Options

In accordance with Leasing Guidelines – the Lease Term above, Lessee shall have the option to extend the lease beyond the Base Term, subject to the satisfaction of all of the following conditions.

1. The existing Lease must not be in default.
2. Any improvements on the Premises must be structurally sound and capable of safe and legal occupancy for the remaining term of the option periods. Lessee will be required to obtain an inspection by a registered professional structures engineer on building code compliance to verify the condition of the structures. Such individual must be approved by the Authority in advance.
3. File a written notice with the Authority that the Lessee has complied with (1) and (2) above, and that the Lessee intends to exercise the option at least 120 days prior to the expiration of the preceding lease term.
4. Meet all minimum investment requirements in accordance with any lease or Airport policies.

The Authority may refuse the options if any of the stated conditions are not met, or in the event the Authority makes a determination that the Premises are required for Airport Development. In the event of Airport development, the Authority may, providing other suitable land is available, submit an alternative site to Lessee for consideration and the parties shall make good faith effort to negotiate a new lease.

Any renewal options related to a lease shall be subject to the same conditions as set forth during the Base Term. However, the Authority maintains the right to adjust any and all rates, fees and charges, as in effect at the time commencement of the option.

Insurance Requirements

Each tenant shall maintain the types and amounts of insurance as specified in the lease or agreement to adequately cover the respective categories of commercial aeronautical services provided and to meet all Authority insurance requirements. Each commercial tenant shall at all times maintain the following applicable types of insurance to include: commercial general liability, personal injury, contractual liability, automotive liability, aircraft liability, hangar-keeper's liability, products-completed operations liability, and environmental clean-up liability insurance.

Each tenant shall maintain at all times fire and extended property coverage for all improvements and fixtures on premises in an amount not less than the full replacement cost of same improvements and fixtures. In addition, each tenant, if applicable, shall maintain at all times Worker's Compensation insurance as required by State of Ohio law.

Each tenant shall provide the Authority with a proof of insurance certificate annually. All insurance policies shall contain indemnification and hold harmless language that covers the Authority and its employees, and officers (individually or collectively) as additional insured with respect to liability arising from activities performed.

The Authority shall have the right to adjust the insurance coverage amounts to correspond to current industry standards.

Capital Investment Requirements

All applicants for leases at the Airport shall commit to minimum financial investments both at the commencement and during the term of the lease. This will ensure that the Airport are developed to their maximum potential, fair and equitable leaseholds are reflected for similar and competing commercial operators, and the Airport is assured that existing and prospective operators are periodically reinvesting in their facilities to enhance the experience for users of the Airport. Minimum investment requirements are different for operators at each Airport, and differ for new development versus operators utilizing existing leaseholds. Nevertheless, these minimum threshold investment requirements may be modified at the discretion of the Director. However, in all circumstances, no less than twenty-five percent (25%) of the minimum investment shall be dedicated to investment during the last fifty percent (50%) of the base lease term. The following reflects minimum investment requirements for existing and prospective operators at the Authority-operated Airport.

- Commercial aeronautical leaseholders occupying existing facilities at the Airport – Minimum investment range of **\$5,000 to \$25,000** per year of lease term, depending on the number and condition of facilities on the leasehold. The required minimum investment will be determined based on a facility assessment by a qualified Authority approved architect / engineer. Any renewal options, however, shall warrant additional investment of **\$10,000 per** year with no credit for investment during the base term exceeding the minimum threshold.

- Commercial aeronautical leaseholders proposing new development on undeveloped land at the Airport - Minimum investment of **\$10,000 per** year of lease term. However, any renewal options shall warrant additional investment of **\$10,000** per year with no credit for investment during the base term exceeding the minimum threshold.

Ownership Transfer and Lease Assignment

In recognition of the Authority's continued investment into the Airport, which ultimately benefits any commercial aeronautical service provider thereon, a lease transfer or assignment fee equal to two percent (2%) of the gross selling or transfer price or two percent (2%) of the appraised fair market value, whichever is greater, shall be paid to the Authority in conjunction with any lease transfer or assignment. Additionally, a handling fee of \$500.00 (minimum) shall be paid to the Authority to cover actual costs of the transaction or any other related legal instrument. A transfer shall be construed as any transaction involving twenty-five percent (25%) or more of the stock or ownership in the leasehold entity. The Authority reserves the right to waive this requirement.

Any commercial aeronautical leaseholder must retain the same ownership structure and a minimum of ninety percent (90%) of the same ownership interests for a minimum of three (3) years after commencement of the base lease term. If such ownership structure or ownership interests change during this initial three-year period, the Authority shall have the right to void the existing lease agreement and negotiate a new agreement with the new or modified ownership entity at prevailing market terms for land and facilities.

FBO and SASO Sub-Leasing

Fixed Base Operators and Specialized Aviation Service Operators are permitted to sub-lease their facilities to other SASOs and Limited Aviation Service Operators. This is an acceptable activity practiced by other Airport in the Industry. FBOs and SASOs must insure, however, that they and the sub-lessee meet the space and other requirements of the Minimum Standards with the addition of sub-tenants.

Minimum Standards and Exclusive Rights

The Authority owns and operates the Airport, and receives Federal Airport development assistance and assumes contractual grant obligations including compliance with the Federal Aviation Administration (FAA) Advisory Circular 150/5190-5 change 1, Exclusive Rights and Minimum Standards For Commercial Aeronautical Activities effective June 10, 2002.

Minimum Standards are developed to provide the threshold entry requirements for those persons desiring to provide commercial aeronautical services to the public at the Airport. The Minimum Standards are established based upon the conditions at the individual Airport or class of Airport, the existing and planned facilities at the Airport, and the

current and future aviation role of the Airport. The prospective commercial aeronautical operator shall agree to offer the described minimum level of services in order to obtain an agreement, permit, or lease to operate on the Airport. In summary, the Airport's Minimum Standards establish the minimum requirements to be met by individuals and companies for the privilege of providing commercial aeronautical services at the selected Airport. All operators are encouraged to exceed the "minimum" in terms of quality of facilities and/or services.

The FAA policy on exclusive rights prohibits the creation or continuance of agreements at the Airport granting exclusive rights to a single commercial operator or service provider. The FAA concludes that the existence of an "exclusive right" aeronautical activity or a local monopoly at an Airport restricts the public use of the Airport through the absence of competitive enterprise. The Authority is prohibited from granting an exclusive right to a single operator at the Airport, with a few exceptions. However, it should be noted that a single commercial operator does not represent the granting of an "exclusive right" or monopoly to that operator by the Authority.

SECTION V - COMPETITIVE REQUEST FOR PROPOSAL PROCESS

In order for the Authority to determine the level of market demand, the Authority maintains the right to seek competitive proposals at their discretion for commercial aeronautical property leases. The proposal process will include public notices and information and availability of proposal documents. All Requests for Proposals will be consistent with any and all applicable Authority policies, and a fair and objective evaluation process will be utilized to select the proposals that best meets the interests of the Authority's criteria as defined within the proposal documents.

No Exclusions of Existing Qualified Operators

Current tenants will not be excluded from submitting a competitive proposal.

Proposal Evaluations

Each Request for Proposal will contain specific information regarding the Airport property currently being considered, and all proposals will include requirements for detailed information from the respondents regarding:

1. Qualifications
2. Capital investment proposed
3. Experience in services being offered
4. Experience of management personnel
5. Proposed services and products
6. Financial ability

SECTION VI - APPLICABLE DOCUMENTS

All tenants and prospective tenants are encouraged to become familiar with Airport management documents. These documents can be obtained by contacting the Director of Aviation. The following lists of documents are recommended; however, please contact the Authority for information on other pertinent policies regarding your proposed tenancy and operations:

1. Airport Minimum Standards;
2. Airport Rules & Regulations to include Operating Agreements and Permits;
3. Airport Master Plan;
4. Leasing, Rates & Charges Policy;
5. Airport Strategic Business Plan;
6. Airport Air Service Development & Strategic Marketing Plan

CHAPTER 3

RATES AND CHARGES GUIDELINES

SECTION I - INTRODUCTION

The Authority (Authority) operates the Youngstown - Warren Regional Airport (Airport). As set forth by the Federal Aviation Administration (FAA) by way of its Airport Sponsor Assurances, any Airport developed with Federal grant assistance is required to operate for the use and benefit of the public and is to be made available to all types, kinds, and classes of aeronautical activity on fair and reasonable terms and without unjust discrimination. As the Airport' sponsor, the Authority receives Federal Airport development funding. This Leasing Policy for Commercial Aeronautical Activities will assist the Authority in maintaining compliance with the Airport Sponsor Assurances, as not to jeopardize their ability to obtain future Federal Airport development funding, as well as to provide for the fair and equitable treatment of all commercial aeronautical tenants and users. This Policy has further been developed to assist the Authority in competing fairly with other Airport and to maintain fiscal responsibility of the Airport assets entrusted to the Authority.

The purpose of the Rates and Charges Guidelines section is to set forth a standardized system for the establishment of rates and charges which will be imposed equally on all users of the Authority-operated Airport, and to comply with the Federal Aviation Administration Final Policy regarding Rates and Charges published in the Federal Register, Volume 61, Number 121 on June 21, 1996.

It is the intent of this policy to benefit the public by the establishment of a standardized system of rates and charges, which is based on the following obligations:

- Ensure compliance with applicable legal requirements regarding Airport rates and charges through local communications, negotiations, and resolution with the Airport users.
- Ensure the rates, charges, and fees imposed on the aeronautical users of the Airport are fair and reasonable.

- Make the Airport available for public use on fair and reasonable terms without unjust discrimination. Ensure that any Airport tenant is subject to the same rates, fees, and charges as are uniformly applicable to other tenants offering similar services or utilizing similar facilities at the Airport.
- Maintain a rate, charge, and fee schedule that guide the Airport toward the goal of financial self-sufficiency.
- Utilize revenue generated from Airport activities and services only for aeronautical purposes (no revenue diversion).

At the Discretion of the Director of Aviation, the Authority may, from time-to-time, apply special rates and fees for the Federal Aviation Administration.

SECTION II - STATUTORY AUTHORITY

The Authority has developed a schedule of rates and fees which includes commercial and non-commercial (private) charges for leasing Airport land, monthly aircraft parking permits (tie-downs), ingress/egress (access) permits, commercial operating permits, flight instruction permits, fuel flowage fees, and other commercial concessions or private uses utilizing the Airport property. No Person may occupy or access from contiguous property any Authority-operated Airport property without an approved lease, agreement, or permit.

SECTION III – ESTABLISHMENT OF RATES AND CHARGES

The Authority has the option to utilize various methods to assess Airport user rates, charges, and fees for the public use or tenancy of the Airport property and facilities. The Authority also has the option to grant Airport use privileges by contract, agreement, permit, or the direct assessment of fees. A tenant may be granted a lease agreement, under which it pays either an agreed rent for a defined land parcel, a hangar or other facility it occupies, or a variable payment (related to fuel flowage, volume of business, aircraft operations, etc.) for the use of the Airport property by its own aircraft or those of its customers or a combination of these fees. The Authority shall use the following methodologies for assessing Airport user rates and charges:

- ***Existing Leases*** - All extension options granted by an existing lease, which may be requested by the Lessee and require the approval of the Authority, shall be subject to the same terms and conditions indicated within the existing lease agreement, and may be subject to rate adjustment.
- ***New Leases*** - All rental rates and charges applicable to a non-aeronautical or Aeronautical property (i.e., unimproved land, paved ramp/apron, buildings,

hangars, etc.) at an Authority operated Airport shall be determined by appraisal or market rent analysis to obtain fair market value/fair market rent. In new leases whereby all or part of the capital improvements are constructed at Authority's expense, the Authority reserves the right to amortize all or part of the construction costs of the capital improvements, plus a reasonable rate of return, during the term of the lease granted to the Lessee. The Director may further determine, due to the location of the property being leased or the total size of the leasehold, that a variance in Airport property lease rate is applicable.

- ***Fuel Flowage Fees, Access Fees, Tie Down Fees, and Percentage Fees*** – All rates and fees applicable to fuel flowage fees, access fees, tie-down fees, and percentage fees shall be determined through an analysis of similar activities, rates, and charges at comparable non-Authority-operated Airport with consideration to ensure rates are fair and reasonable and to meet the requirement for the Airport to be self-sustaining. All fees will be reviewed and or modified annually.
- ***Special Use Agreements*** - All rental rates and charges applicable to Special Use Agreements (FAA, agriculture spraying, recreational parks, weather equipment sites, etc.) shall be determined through an analysis of similar activities, rates, and charges at comparable Airport in addition to consideration of overall benefit to public, community, and the aviation system.
- ***Negotiated Fees*** – The Authority has established an equitable rates and charges schedule for aeronautical activities conducted at the Airport. However, unusual circumstances may arise even with the most conventional Airport use agreements and the Authority must retain sufficient flexibility in rate and fee negotiation to address such circumstances. Since the primary mission of the Airport is to develop and promote aeronautics, the Director reserves the right to negotiate a specific rate or fee to accomplish such mission.
- ***Waived Fees*** - The Director may waive certain fees for government aircraft to comply with Federal Airport improvement grant assurances. The Director may also waive certain fees from an organization or person engaged in a non-profit aeronautical program or activity that benefits a charitable organization or community. Examples of persons or organizations potentially eligible to receive such non-profit fee waiver are those conducting aviation safety programs, fly-ins, or air shows.
- ***Other Fees*** – The Authority currently provides for certain administrative fees and charges to be charged to tenants at the Airport. Said fees and charges shall be in accordance with the prevailing fee schedule on file at the Airport.

SECTION IV – TYPES OF RATES AND CHARGES

The obligation to make the Airport available to the public does not preclude the Authority from recovering the costs of operating and maintaining the Airport through fair and reasonable rates, charges, and fees. Each tenant shall be subject to one or more of the following types of rates, charges, and fees for the use of the premises and the rights granted by the Authority:

Unimproved Land (Ground) Rent

Tenants leasing unimproved land (ground space) for private and commercial building sites or aeronautical-related structures shall be assessed an annual rental rate per square foot of leased area. Tenants shall also pay any applicable real property taxes assessed for the unimproved land lease. Rent shall be payable to the Authority and shall be based upon the appropriate annual rental amount paid in equal monthly installments, or in accordance with a payment scheduled detailed in tenant lease. All payments are required in advance.

Improved Land (Ramp) Rent

Tenants leasing improved land (ramp or apron) for private use, non-aeronautical commercial activities, or aeronautical-related activities shall be assessed an annual rental rate per square foot of leased area. Rent shall be payable to the Authority and shall be based upon the appropriate annual rental amount paid in equal monthly installments, or in accordance with a payment scheduled detailed in tenant lease. All payments are required in advance.

Facility (Building and Hangar) Rent

Tenants leasing structures for private use, non-aeronautical commercial activities, or aeronautical-related activities shall be assessed an annual rental rate per square foot of leased building area. Rent shall be payable to the Authority and shall be based upon the appropriate annual rental amount paid in equal monthly installments, or in accordance with a payment scheduled detailed in tenant lease. All payments are required in advance.

Percentage Fee

The Authority retains the right to enter into an agreement or lease that requires a commercial aeronautical operator to pay a specified percentage of gross receipts from aeronautical services, in addition to a fixed base rent, for the right and privilege of doing business on the Airport. Gross receipts shall be determined in accordance with the definition stated in the operator's lease agreement and in Chapter 2, Section II of this Policy.

Landing Fees

A landing fee for commercial aircraft over 6,500 lbs. MGTW (Maximum Gross Take-off Weight) shall be assessed on a rate per 1,000 lbs. aircraft MGTW.

Fuel Flowage Fees

A fuel flowage fee shall be assessed on a “per gallon” basis for all types of aviation fuel delivered, used, or transferred into aircraft at the Airport. Each FBO, self-fueler, or self-service fueling operation shall be subject to payment of fuel flowage fees. Unless otherwise approved in writing by the Director, the fuel Supplier shall be the responsible party for payment of any applicable fuel flowage fees.

1. ***Fixed Base Operators*** - Each FBO shall submit monthly fuel flowage delivery reports to the Director for each type of aviation fuel delivered during the previous month, accompanied by fuel delivery receipts from their fuel Supplier(s) for the same period. Based upon the monthly fuel flowage delivery report, any fuel Supplier utilized by an FBO shall submit the current fuel flowage fee payment (gallons delivered multiplied by the prevalent fuel flowage fee) in full by the last day of the reporting period. Failure by the FBO or any of their Suppliers to provide required documentation may be considered a lease default by the FBO. The FBO shall be responsible for the documentation of any and all fuel delivered into their fuel storage facilities, whether purchased by the FBO or any of their customers and/or tenants.
2. ***Self-Service Fuel*** - Self-service fuel systems are approved for use by the approved FBO’s. Each self-service owner (FBO) shall submit monthly fuel flowage delivery reports to the Director for each type of aviation fuel delivered the previous month accompanied with fuel delivery receipts from the fuel supplier(s) for the same period. Based upon the monthly fuel flowage report, any fuel Supplier utilized by a self-service owner shall submit the current fuel flowage fee payment (gallons delivered multiplied by the prevalent fuel flowage fee) in full by the last day of the monthly reporting period. The fuel flowage fee shall be equivalent to the flowage fee being paid by the FBO(s) on the same Airport. The self-service owner shall be responsible for the documentation of any and all fuel delivered into their fuel storage facilities and the required payment of fees. Failure to provide required documentation may be considered a lease default.
3. ***Self-Fueling Operators*** – Each self-fueling operator shall submit monthly fuel flowage delivery reports for each type of aviation fuel delivered the previous month accompanied with fuel delivery receipts from the fuel supplier(s) for the same period. Based upon the monthly fuel flowage report, the fuel Supplier for any self-fueling operator shall pay the current fuel flowage fee payment (gallons delivered multiplied by the prevalent fuel flowage fee) in full by the last day of the monthly reporting period. The self-

fueler shall be responsible for the documentation of any and all fuel delivered into their fuel storage facilities and the required payment of fees. Failure to provide required documentation may be considered a lease default.

For auditing purposes, the Authority reserves the right to inspect the fuel storage and delivery equipment, business records, and/or fuel supplier invoices of any FBO, self-service, or self-fueling operator. The Authority retains the right to hire an independent auditor to conduct a fuel flowage report audit during normal business hours by providing 24-hour notice to the FBO, self-service or self-fueling operator. If as a result of such audit, a deficiency of 5 percent (5%) or more is discovered in the fuel flowage reports or payments over a six month period, the cost of such audit shall be borne by the tenant. The tenant shall remit payment to the Authority for any amounts underreported, plus penalty fees.

Tie-down Rent

The Authority offers Tie-down facilities to based and transient aircraft at both Airport. Based aircraft operators can rent an available paved Tie-down from the Airport FBOs. The FBOs offer tie-down on a monthly or annual rate per tie-down.

Transient aircraft operators shall be assessed a daily Airport user/tie-down fee by the respective FBO, payable to the FBO.

Special Use Agreements

Special and unusual Airport property leasing agreements require the Authority to retain sufficient flexibility in rate and fee negotiation to address such circumstances. The Director reserves the right to negotiate a special use agreement rent or fee to benefit the public, community, or the Authority. Examples of special use agreements include, but are not limited to: Air Traffic Control Towers, fire protection facilities, sports complexes, farming rights, weather equipment site leases, navigation equipment, concession storage areas and other short term lease agreements. The rent shall be payable in full to the Authority annually at the lease commencement and on each anniversary date of the lease agreement.

Aircraft Waivers

Aircraft Weight Waivers and Special Events on the Airport require the Authority to retain sufficient flexibility in fee negotiation and protection of airport pavements to address such circumstances. The Director reserves the right to negotiate a Aircraft Weight Waiver and Special Event Agreements with fees to benefit the public, community, or the Authority.

Other Fees

The Authority currently provides for certain administrative fees and charges to be charged to tenants at their Airport. Said fees and charges shall be in accordance with the prevailing fee schedule on file.

SECTION V – ADJUSTMENT OF FEES

All fuel flowage, access, tie-down, and special use fees imposed through new and renewal agreements shall be subject to periodic adjustment during the base term of the agreement and during all extension periods.

1. The Authority reserves the right to review and adjust such fees bi-annually during the base term of the lease, as well as at the commencement of any extension option exercised by the Lessee and approved by the Authority.
2. Through either internal analysis or an independent contract services agreement, the Authority shall review the rate and fee schedule of the Airport and comparable Airport to determine those fee adjustments that should be made to ensure equity among all revenue sources and maintain the Airport's financial self-sufficiency. The adjustment factor shall then be applied to the annual fee for the preceding year, to determine the new annual fee amount.

**SECTION VI- ADJUSTMENTS OF UNIMPROVED LAND,
IMPROVED LAND AND FACILITY RENT**

All unimproved land (ground), improved land (ramp), and facility (building or hangar) rents, to include new leases and lease renewals, shall be subject to periodic adjustment during the base term of the lease and during all extension periods.

1. The Authority reserves the right to review and adjust such rents annually during the base term of the lease, as well as at the commencement of any extension option exercised by the Lessee and approved by the Authority.
2. Rent adjustments shall be determined using the Consumer Price Index. Adjustments shall be determined by dividing the index prevalent at the date of adjustment with the index corresponding with the date of lease commencement or date of the most recent lease adjustment. The adjustment factor shall then be applied to the annual rent for the preceding year, to determine the new annual rent level. The rent adjustment shall not exceed three (3) percent of the previous year at any given adjustment interval.
3. At the time of the engagement of the appraiser/aviation consultant, upon mutual agreement, the Authority and Lessee shall have the right (to the full extent allowed by applicable law) to render the conclusions of the appraiser/aviation consultant as legally binding.

- a. In the event that the conclusions of the appraiser/aviation consultant are not rendered legally binding, or if upon completion of the appraisal or market rent analysis either party disagrees with the conclusions of the appraiser/aviation consultant, then the disagreeing party shall have the right to obtain a second appraisal or market rent analysis which shall be conducted by an unbiased, objective third party appraiser or aviation consultant, subject to the same qualification standards set forth herein.
- b. All costs relating to the engagement of this second appraiser or aviation consultant shall be the responsibility of the party requesting said appraisal or market rent analysis.
- c. If the conclusions of the two appraisals/analyses reflect a variance of ten percent (10%) or less, then the conclusions of the appraisals/analyses shall be averaged to determine the new market value/rental rate.
- d. If the variance exceeds ten percent (10%), then the Authority and Lessee shall mutually select a third appraiser/or aviation consultant (subject to the same qualification standards) who shall serve as an Arbitrator.
 - 1.) The Arbitrator shall review both appraisals or market rent analyses and have the discretion to request a hearing at which both appraisers/aviation consultants shall be available to provide additional information and/or clarification to the Arbitrator.
 - 2.) The Arbitrator shall derive a conclusion based upon data contained within each appraisal or market rent analysis or each appraiser's/aviation consultant's files. However, the Arbitrator shall have the right to gather, analyze and consider additional data not provided by either appraiser/aviation consultant.
 - 3.) The expense related to contracting an Arbitrator, to include fees and expenses, shall be divided equally between the Authority and the Lessee.
 - 4.) All decisions rendered by the Arbitrator shall be legally binding to the full extent allowed by applicable law.
- e. Prior to the time of any scheduled rent adjustment, if either party determines that significant changes have occurred at the Airport or within the local area, either party shall have the right to commission a new appraisal/market rent analysis on the property. Significant changes include, but are not limited to, the reversion of improvements prior to lease expiration, leasehold expansion or reduction with regard to land area, and significant changes within the marketplace (either physical or economic). Costs associated with a new appraisal or market rent analysis shall be the responsibility of the party requesting said evaluation.

SECTION VII- APPRAISAL/MARKET RENT ANALYSIS STANDARDS

- A. Appraisal/Market Rent Analysis Requirements:** Any appraisal of aeronautical property for the purpose of sale, exchange or lease shall be performed by a Member Appraisal Institute (MAI) appraiser or equally qualified appraiser who is certified by a recognized appraisal organization.
1. The appraiser shall hold a Certified General Appraiser classification, as required by the State of Ohio. Said certification shall be obtained through the qualification procedures set forth by the State of Ohio.
 2. This requirement shall not preclude out-of-state appraisers from being considered to perform a required appraisal; however, if required by the Authority or State, any out-of-state appraiser shall obtain a Certified General Appraiser classification or Temporary Practice Permit at a Certified General level from the State of Kentucky prior to being awarded an appraisal contract.
 3. Any appraiser selected shall be required to conform to all Authority requirements prevalent at the time of contracting. Furthermore, the appraiser shall adhere to any other City, County, State or Federal requirements, which may be prevalent at the time of undertaking the appraisal.
 4. Any appraiser selected to perform appraisals on aeronautical land or improvements shall have working knowledge of the general aviation industry (to include both fixed base operations and other aeronautical uses) and demonstrate familiarity, to the satisfaction of the Authority, with FAA rules, regulations, and policies affecting Airport properties.
 5. The appraiser shall have completed a minimum of five (5) appraisals of aeronautical property within the past three (3) years and shall provide a list to the Authority that identifies the location and type of appraisal conducted. Appraisals performed on real property not located on an Airport or not being used for aeronautical purposes shall not satisfy these requirements.
 6. In circumstances wherein the Authority determines that an appraisal is not required, the Authority retains the right to utilize a qualified aviation consultant to complete a Market Rent Analysis. Consultants other than appraisers who are contracted by the Authority to establish market rents and fees other than for the sale or exchange of Airport property, must possess qualifications and experience commensurate to the assigned task, demonstrate the education, skill, learning, and experience necessary for such task; be independent; and execute a statement that he or she does not have a conflict of interest with the Authority or existing/prospective tenant. Qualifications and experience determinations shall be at the sole discretion of the Director, but shall be generally consistent with those required for a qualified and experienced appraiser.

B. Appraisal/Market Rent Analysis Methodology: Appraisals and market rent analyses performed on all aeronautical properties, to include land only or land and improvements, shall meet the following minimum requirements:

1. An income analysis must be employed through the evaluation of rental rates, fees, and charges of similar aeronautical land and improvements at comparable Airport.
 2. All appraisals and analyses shall utilize current methods, which are appropriate in the valuation of aeronautical properties and facilities.
 3. Survey data compiled by recognized aviation organizations may be utilized as ancillary support for rental rates and fees used in the process. However, all survey data utilized in the analysis shall be obtained from and confirmed by the Lessor or Lessee in the transaction.
1. Rates of return utilized in the income analysis shall be obtained through reasonable and acceptable methods and must be adequately discussed within the report.
 2. MAI Appraisal Data for airport land and hangars is contained in **Exhibit XI**.

C. Highest and Best Use: It shall be the primary goal of the appraisal or market rent analysis to derive an estimate of the market value and/or market rent of a property assuming that the highest and best use of the property is for some type of aviation-related use. Consequently, it should be assumed that the property under analysis will continue to be part of an operating Airport and that access to the infrastructure and amenities of the Airport will continue to be available.

D. Rate of Return:

1. Unimproved Land: If the appraisal is for the purpose of determining the value of unimproved land only, then the value conclusion shall be subject to a “target” rate of return of not less than ten percent (10%) to yield the appropriate annual ground rental rate. The rate of return utilized shall be commensurate with the term of the lease and capital improvements to be completed on the property.
2. Improved Property: If there are any improvements situated on the property which would include, but not be limited to, paved ramp/apron, office facilities, hangars, and terminal buildings, the value conclusion shall be subject to a “target” rate of return of not less than ten percent (10%) to arrive at the appropriate annual rental rate. The rate of return utilized shall be commensurate with the term of the lease and capital improvements to be completed on the property. If an appraisal is performed, the appropriate rental rate shall be derived by multiplying the rate of return by the final value conclusion.

SECTION VIII – PENALTIES

Late Fee Penalties

For any charges or fees due to the Authority, a Tenant shall pay a penalty for late or delinquent payments of no less than 1.5 percent (1.5%) per month on any past due balance calculated from the date the amount is due until the close of the business day upon which the delinquent payment is received by the Authority. (See Airport Rules & Regulations)

Returned Check Fee

Whenever a bank-issued check is presented for payment of any Airport fee, and said check is returned to the Authority because of insufficient funds, closed account, or other similar reason, the Authority shall charge to the person presenting such check an additional fee of \$100.00, plus any and all collection fees. If the initial charges and returned check fees are not paid after notification to the person, the Authority has the option to suspend, revoke, or place in default all of the person's permits, agreements, or leases in force at that time, according to the terms specified in such contract.

SECTION IX - REVENUE DIVERSION

All revenue generated from any Authority-operated Airport activities and services shall be expended only for Airport operations, maintenance, and capital improvements.

The Authority shall keep a current and accurate account of all revenues and expenses, including any revenue surplus, for each Authority-operated Airport.

EXHIBIT I – REVENUE METHODOLOGY

EXHIBIT II – PERMIT TO OPERATE

**EXHIBIT III – PERCENTAGE OF GROSS RECEIPTS AND
FEE REPORT**

EXHIBIT IV – SWORN CPA LETTER

**EXHIBIT V-A – FBO FUEL USAGE AND FLOWAGE FEE
REPORT**

**EXHIBIT V-B –“NON-FBO” FUEL USAGE AND
FLOWAGE FEE REPORT**

EXHIBIT VI - "SAMPLE" FUEL DISTRIBUTION REPORT

**EXHIBIT VII - COMPARABLE AIRPORTS RATES &
CHARGES SURVEY**

(Data On file at the WRPA Aviation Division Office)

**EXHIBIT VIII – AAAE 2002 – 03 AIRPORT RATES &
CHARGES SURVEY
Commercial Non-Hub Airports**

EXHIBIT IX

**COMPARABLE AIRPOTS RATES & CHARGES SURVEY
SUMMARY**

(Data On file at the WRPA Aviation Division Office)

Exhibit X - YNG AIRPORT LEASE SUMMARY

EXHIBIT XI

2006 MAI APPRAISAL DATA

AIRPORT HANGARS AND APRONS

EXHIBIT XII

FAA CY 2008

COMMERCIAL SERVICE AIRPORTS ENPLANEMENTS

(Data On file at the WRPA Aviation Division Office)

EXHIBIT XIII

**PROPOSED LEVELS OF OPERATIONS AND RATES &
CHARGES SUMMARY**

**EXHIBIT XIV – RATES & CHARGES COMBINED
SUMMARY AND RECOMMENDATIONS**

EXHIBIT XV
AIRPORT RATES & CHARGES SCHEDULE

**EXHIBIT XV-
PROPOSED “WRPA / YNG” AIRPORT RATES & CHARGES SCHEDULE
Effective July 15, 2010**

The rates, charges and fees below have been established by the Western Reserve Port Authority in an effort to meet the revenue goals for the Youngstown-Warren Regional Airport.

Land Lease / Rent

Land Rental Rates for improved and unimproved land may vary somewhat given the size and type of development but in general should be consistent with the following:

Improved Land w/access	Un-improved Land w/access	Improved Land /no access	Un-improved Land /no access	# Improved Land Under Hgr/Bldg
\$0.45 per s.f.	\$0.35 per s.f.	\$0.25 per s.f.	\$0.15 per s.f.	\$0.24 - \$0.70 per s.f.

- **Minimum 1 acre lease or as per Airport Minimum Standards**
- # **Out dated Method. No new Leases will be for Land under a building / hangar only.**

Building Lease / Rent

Building/Hangar Rental Rates are determined by evaluating comparables of other facilities on the airport or the Industry Standard Average by surveying facilities at other comparable airports in the region and then by appraisal based on age and condition of the facility. The rental rates have been determined for the existing YNG airport hangars as follows:

Hangar 1:	\$1.50 per s.f.
Hangar 2:	\$3.28 per s.f.
Hangar 3:	\$3.50 per s.f.
Hangar 4:	\$3.28 per s.f.
Hangar 5:	\$3.28 per s.f.

Terminal / Rent

Airport Terminal (Office, operating Space – Non-Airline): \$12.50 / s.f.

Airport Terminal (Airline):

Unless the entity is currently operating under an existing Airport / Airline or other Use Agreement, the following rates shall apply:

<u>Exclusive</u>	<u>Non-Exclusive</u>
\$21.50 / s.f.	\$15.50 / s.f.

Gate / Loading Bridge Fees

All gates, loading bridges and devices at YNG are common use. Unless the entity is currently operating under an existing Airport / Airline or other Use Agreement, the WRPA will incorporate the following loading bridge fee (per use) to recovery costs associated with the maintenance and operation of the device:

Gate	Signatory - Scheduled Operator	Non-Signatory Unscheduled Operator
Gate 1 (Loading Bridge):	\$30.00	\$50.00
Gate 2:	No Cost	\$25.00
Gate 3:	No Cost	\$25.00
Gate 4:	No Cost	\$25.00
Gate 5:	No Cost	\$25.00
Gate 6:	No Cost	\$25.00

NOTE: Any Passenger Service Airline offering non-stop service to a destination which supports at lease 20 passengers / day and at an average fare below that offered by competing airports within 100 miles of the Youngstown-Warren Regional Airport as determined by USDOT T-100 data will be charged a flat rate of \$4.00 / passenger in lieu of standard common terminal, landing, apron and other fees typically charged to other airlines operating at the Youngstown-Warren Regional Airport.

Terminal and Cargo Apron Fees

Unless an entity is currently operating under an existing Airport / Airline or other Use Agreement, Commercial Air Carriers or Private Charters (both passenger and cargo) shall pay apron fees in accordance with the following schedule:

Passenger

Scheduled / Signatory Operators
\$0.25 / 1,000 lbs.

Unscheduled / Non-Signatory Operators
\$0.30 / 1,000 lbs.

Cargo

Scheduled / Signatory Operators
\$0.30 / 1,000 lbs.

Unscheduled / Non-Signatory Operators
\$0.35 / 1,000 lbs.

- Weight will be based on the certified maximum gross landing weight of each aircraft with a minimum fee of \$25.00.

Remain Over Night (RON) Fees

Commercial Air Carriers (Passenger or Cargo) that RON on the Airport Terminal or Cargo Aprons and Lighter than Air Aircraft that RON on the Airport will be charged a flat rate fee \$50.00 per night.

Landing Fees

Unless an entity is currently operating under an existing Airport / Airline or other Use Agreement, Commercial Air Carriers or private Charters (either passenger or cargo) and general aviation aircraft weighing more than 6,500 lbs. (MGLW) will pay landing fees in accordance with the following schedule:

<u>GA > 6,500 lbs.</u>	<u>Scheduled / Commercial Signatory Operators</u>	<u>Unscheduled / Commercial Non-Signatory Operators</u>
\$0.99 / 1,000 lbs.	\$0.99 / 1,000 lbs.	\$1.29 / 1,000 lbs.

- Weight will be based on the certified maximum gross landing weight of each aircraft with a minimum fee of \$25.00 Commercial / \$12.50 G A. .

Fuel Flowage Fees

Fixed Base Operators and non-commercial private / corporate operators shall pay a Fuel Flowage Fee in accordance with the following schedule for each gallon of aviation fuel (jet and avgas) delivered to the FBO or non-commercial aircraft operators, exclusive of fuel delivered for the use by commercial air carriers paying landing fees:

<u>Fixed Base Operators</u>	<u>Non-commercial Private / Corporate Operators</u>
\$0.08 / gal. < 700,000 gallons	\$0.12 / gal. < 500,000 gallons
\$0.06 / gal. > 700,001 < 1,000,000gallons	\$0.10 / gal. > 500,001 < 750,000 gallons
\$0.05/ gal. > 1,000,001 < 1,500,000 gallons	\$0.09 / gal. > 750,001 < 1,000,000gallons
\$0.03 / gal. > 1,500,001gallons	\$0.08 / gal. > 1,000,001 gallons

Car Parking Rates (Public)

Long Term Parking:	\$6.00 per Day	(When expand to Outer Lot)
Short Term Parking:	\$6.00 per Day	(\$7.00 Inner Lot)
Long Term Daily Maximum:	\$30.00	(When expand to Outer Lot)
Daily Maximum:	\$30.00	(\$35.00 Inner Lot)
First 2 hours:	No charge	

- Airline Crews / Contractors / TSA Employees shall pay a permit fee of \$25 renewable and payable on an annual basis.

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Passenger Facility Charge (Airline)

There shall be a passenger facility charge of \$4.50 per enplaned passenger.

(FAA considering up to \$7.50 per enplaned passenger)

Customer Facility Charge (Car Rental, Parking, Terminal Concessions)

\$2.50 per Car Rental, \$0.50 per Parked Car, and 0.25% of gross per all other terminal concession sales.

GENERAL AVIATION AIRCRAFT STORAGE

WRPA-owned T-Hangar Monthly Rates:

Old Small (812 s.f.) - \$175.00

WRPA-owned Hangar Monthly Cold Storage Rates (includes ground handling):

Single Engine Prop. Aircraft: \$300.00 - \$350.00

Twin Engine Prop. < 12,500 lbs. (MGLW): \$400.00 - \$600.00

Twin Engine Turbo-Prop < 12,500 lbs. (MGLW): \$650.00 - \$750.00

Twin Engine Turbo-Prop. > 12,500 lbs. (MGLW): \$800.00 - \$1,000.00

Small Jet < 12,500 lbs. (MGLW): \$850.00 - \$1,200.00

Medium Jet > 12,501 lbs. < 25,000 lbs. (MGLW): \$1,250.00 - \$1,500.00

Large Jet > 25,001 lbs. < 75,000 lbs. (MGLW): \$1,550.00 - \$2,000.00

WRPA-owned Heated Hangar Monthly Storage Rates (includes ground handling):

Single Engine Prop. Aircraft: \$350.00 - \$450.00

Twin Engine Prop. < 12,500 lbs. (MGLW): \$500.00 - \$700.00

Twin Engine Turbo-Prop. < 12,500 lbs. (MGLW): \$750.00 - \$900.00

Twin Engine Turbo-Prop. > 12,500 lbs. (MGLW): \$950.00 - \$1,200.00

Small Jet < 12,500 lbs. (MGLW): \$1,250.00 - \$1,800.00

Medium Jet > 12,501 lbs. < 25,000 lbs. (MGLW): \$1,850.00 - \$2,000.00

Jet > 12,501 lbs. < 75,000 lbs. (MGLW): \$2,250.00 - \$3,000.00

WRPA-owned Apron Monthly Aircraft Tie-Down Rates:

Single Engine Prop. Aircraft: \$50.00

Twin Engine Prop. < 12,500 lbs. (MGLW): \$65.00

Twin Engine Turbo-Prop. <12,500 lbs. (MGLW): \$75.00

Twin Engine Turbo-Prop. > 12,500 lbs. (MGLW): \$90.00

Small Jet < 12,500 lbs. (MGLW): \$100.00

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Medium Jet > 12,501 lbs. > 25,000 lbs. (MGLW): \$125.000

Large Jet > 25,001 lbs. < 75,000 lbs. (MGLW): \$150.00

Very Large Jet > 75,001 lbs. (MGLW): \$200.00

WRPA-owned Apron Transient Aircraft Daily Tie-Down Rates:

Single Engine Prop. Aircraft: \$10.00

Twin Engine Prop. < 12,500 lbs. (MGLW): \$12.00

Twin Engine Turbo-Prop. < 12,500 lbs. (MGLW): \$18.00

Twin Engine Turbo-Prop. > 12,500 lbs. (MGLW): \$25

Small Jet < 12,500 lbs. (MGLW): \$30.00

Medium Jet > 12,501 lbs. > 25,000 lbs. (MGLW): \$40.000

Large Jet > 25,001 lbs. < 75,000 lbs. (MGLW): \$50.00

Very Large Jet > 75,001 lbs. (MGLW): \$75.00

Lighter than Air Craft Mooring Fees:

1 day – \$200.00 per day; 2 days - \$175.00; 2 days or more days - \$150.00 per day.

SIDA / AOA Badging Fees:

SIDA Badge – Initial Badge: \$45.00 / Replacement Badge: \$25.00

AOA Badge – Initial Badge: \$35.00 / Replacement Badge: \$25.

**EXHIBIT XVI- SAMPLE “WRPA” AERONAUTICAL
LEASE AGREEMENT**

