

**BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY**

Meeting Date: 11/17/2015

Department: Airports

Bulk Item: X No

Staff Contact Person/Phone #: Don DeGraw, 809-5200

AGENDA ITEM WORDING: Approval of the FY2016 Airline Rates and Charges for the Key West International Airport, effective October 1, 2015.

ITEM BACKGROUND: As part of our annual budget process, Newton & Associates, Inc. has updated the Airport's Rates and Charges.

PREVIOUS RELEVANT BOCC ACTION: Approval of annual Airline Rates and Charges each year if changes were made.

CONTRACT/AGREEMENT CHANGES: New rates and charges.

STAFF RECOMMENDATION: Approval.

TOTAL COST: N/A

BUDGETED: N/A

DIFFERENTIAL OF LOCAL PREFERENCE: NA

COST TO COUNTY: N/A

SOURCE OF FUNDS: N/A

COST TO AIRPORT: N/A

REVENUE PRODUCING: Yes X No **AMOUNT PER YEAR:** approximately \$3.8 million

APPROVED BY: County Attorney  OMB/Purchasing  Risk Management 

DOCUMENTATION: Included X Not Required

DISPOSITION: _____

AGENDA ITEM # _____



September 29, 2015

VIA ELECTRONIC MAIL

To: EYW Air Carrier Representatives (Distribution List Attached)

Re: FY 2016 Airline Rates and Charges
Key West International Airport

Dear Air Carrier Representative:

On behalf of Monroe County ("County") and the Key West International Airport ("Airport"), please find attached for your record the final FY 2016 budget airline rates and charges ("Rates and Charges") for the Airport. The Rates and Charges are calculated based on the Airport's estimated expenses for the subject year, using the same methodology in place since 2002.

As shown in the attached Rates and Charges package, the FY 2016 Budget total Airport Operating and Maintenance Expense represents an increase of approximately \$216,000 compared to the Estimated FY 2015 total. This increase is reflective of necessary increases as well as certain decreases to be more in line with estimated actual expenses realized at the Airport for FY 2015.

FY 2016 Airline Rates and Charges Summary:

The following summarizes the estimated Average Airline Terminal Rental Rate, Landing Fee Rate, Checkpoint Security Charge, and average airline CPEP for FY 2016:

	Estimated FY 2015	Budget FY 2016	Var.
Average Terminal Rental Rate	\$ 49.06	\$ 52.32	\$3.26
Landing Fee Rate	\$ 3.69	\$ 3.86	\$0.17
Checkpoint Security Charge	\$ 0.93	\$ 0.86	(\$0.07)
Airline Cost per Enplaned Passenger	\$ 10.24	\$ 9.71	(\$0.53)

Page 1 of the Rates and Charges package provides a summary of key results of the FY 2016 budget Rates and Charges.

Airport Operating and Maintenance (“O&M”) Expenses:

Page 2 of the Rates and Charges package provides detail on the Airport O&M Expense budget for FY 2016. As shown, total Airport O&M Expenses have been budgeted to increase by 3.1% or \$215,871 from \$6.95 million estimated in FY 2015 to \$7.17 million in Budget FY 2016.

Contractual Services - Security Expense:

Page 4 of the package depicts the Airport’s security expense requirements for FY 2016. As shown, the Airport security expenses are budgeted to be \$2,306,821, approximately \$23,000 more than the amount estimated in FY 2015. The Airport is anticipating that the County will receive grant funds in the amount of \$60,000 to offset this security expense, reducing its budgeted amount to \$2,246,821 for the year.

Landing Fee Rate:

Page 8 of the package presents the calculation of the airfield landing fee rate. The Total O&M and Capital Expenses allocated to the Airfield cost center are estimated to be \$2,026,199 (“Airfield Requirement”). The Airfield Requirement is then reduced by estimated FY 2016 general aviation revenues (\$250,000) resulting in a Net Airfield Requirement of \$1,776,199, an increase of \$172,665 over the Estimated FY 2015 amount.

As for the estimated landed weights for the year, Newton & Associates, Inc. (“NAI”) requested estimated total airline landed weights from each carrier for FY 2016. Based on the information provided, total airline landed weight (including cargo landed weight) for FY 2016 is estimated to be 460,216, an increase 26,030 units over the Estimated FY 2015 level.

Based on the Net Airfield Requirement and the total estimated units of aircraft landed weight, the resulting Landing Fee Rate is \$3.86, an increase of \$0.17 over the Estimated FY 2015 amount of \$3.69 and \$0.24 higher than the Budgeted FY 2015 rate (\$3.62). This increase in the landing fee rate is attributed to an increase in the Net Airfield Requirement offset by an increase in total airline landed weight in FY 2016.

Airline Terminal Rental Rate:

Page 9 presents the calculation of Terminal Rental Rates for FY 2016. Total projected FY 2016 O&M and Capital Expenses allocated to the Terminal cost center is \$3,269,993 (“Terminal Requirement”), which is \$198,905 higher than the Estimated FY 2015 amount of \$3,071,088. Note that the Terminal Requirement excludes directly billed airline checkpoint security reimbursement charges (\$333,520).

Based on the estimated Terminal Requirement and the total productive square footage of the terminal complex (62,495), the FY 2016 Average Terminal Rental Rate is \$52.32 per square foot, which is a \$3.26 increase over the Estimated FY 2015 average terminal rental rate of \$49.06 per square foot.

Airline Cost Per Enplaned Passenger:

As with the estimated landed weights, NAI also requested the estimated annual enplanements from each carrier for FY 2016. As shown on Page 12, based on the information provided by the carriers, the estimated enplanements for FY 2016 have been estimated to be 387,107, an increase of 40,275 when compared to the estimated FY 2015 enplanements of 346,832. Based on this estimate of enplanements and the total amount of FY 2016 airline payments of \$3,760,612 the estimated CPEP for budget FY 2016 is \$9.71, which \$0.53 less than the Estimated FY 2015 level (\$10.24).

Review Process and Moving Forward:

During this FY 2016 Rates and Charges budget development, the Airport has also been in the process of examining its FY 2012, FY 2013 and FY 2014 actual expenses and operational activity in an effort to complete the rates and charges reconciliations for those periods. NAI has completed these reconciliations and they are currently being reviewed by the County and EYW staff. It is anticipated that completed reconciliation packages will be provided to the EYW airlines during the month of October.

We look forward to answering any questions that you may have on the attached FY 2016 Rates and Charges.

Sincerely,



Frank C. Newton, III
Vice President

Attachment

Cc: Don DeGraw (EYW)
Tina Boan (Monroe County)
Laura DeLoach-Hartle (Monroe County)
Beth Leto (EYW)
Chris Garnett (NAI)

**KEW WEST INTERNATIONAL AIRPORT
AIR CARRIER DISTRIBUTION LIST
FOR
FY 2016 AIRLINE RATES AND CHARGES**

Mr. Brian Miller
Regional Director
DELTA AIR LINES, INC.
Department 877
P. O. Box 20706
Atlanta, GA 30320-6001
Phone: (404) 452-2909
Mobile (404) 983-3078
Brian.Miller@delta.com

Mr. James Seadler
AMERICAN AIRLINES
Corporate Real Estate
4333 Amon Carter Blvd., MD 5317
Fort Worth, TX 76155
James.Seadler@aa.com

Mr. Brian McCormick
Director Airport Operations
SILVER AIRWAYS, CORP.
1100 Lee Wagner Blvd.
Suite 201
Fort Lauderdale, FL 33315
Phone (954) 302-6935
Mobile (954) 682-7694
Brian.McCormick@silverairways.com

**KEY WEST INTERNATIONAL AIRPORT
FY 2016 AIRLINE RATES & CHARGES**

SUMMARY

	Variance				Variance Percent
	Budget FY 2015	Est. Actual FY 2015	Budget FY 2016	FY 2016 Over Est. FY 2015	
Total Airport Operating, Maintenance & Capital Expenses:	\$6,516,596	\$6,949,332	\$7,165,203	\$215,871	3.1%
Terminal Building:					
Terminal Requirement	2,863,260	3,071,088	3,269,993	198,905	
Terminal Productive Square Footage	62,597	62,597	62,495	-102	
Terminal Rental Rate Per Square Foot	\$45.74	\$49.06	\$52.32	\$3.26	
Airline Square Footage - Occupied	33,454	33,454	31,839	(1,615)	
Airline Terminal Rentals	\$1,530,225	\$1,641,296	\$1,665,946	24,650	1.5%
Airfield:					
Net Airfield Requirement	1,544,056	1,603,534	1,776,199	172,665	
Total Aircraft Landed Weight	426,163	434,186	460,216	26,030	
Airfield Landing Fee Rate Per 1,000 Pounds	\$3.62	\$3.69	\$3.86	\$0.17	
Passenger Aircraft Landed Weight	422,100	430,225	456,255	26,030	
Passenger Airline Landing Fees	\$1,528,003	\$1,587,530	\$1,761,146	173,616	10.9%
Security Reimbursement Direct Bill Charges per Enplaned Passenger	\$323,806	\$323,806	\$333,520	9,714	3.0%
	\$0.90	\$0.93	\$0.86	(\$0.07)	
Total Estimated Airline Payments	\$3,382,034	\$3,552,632	\$3,760,612	207,980	5.9%
Enplaned Passengers	359,937	346,832	387,107	40,275	11.6%
Total Cost Per Airline Enplaned Passenger	\$9.40	\$10.24	\$9.71	(\$0.53)	-5.2%

**KEY WEST INTERNATIONAL AIRPORT
FY 2016 AIRLINE RATES & CHARGES**

Airport Operating & Maintenance Expenses

	Budget FY 15	Est. Actual FY 15	Increase/ (Decrease)	Proposed FY 16	Increase/ (Decrease)	Percent Change
Personal Services						
510120 Administrative	\$476,027	\$454,531	(21,496)	\$524,843	\$70,312	15.5%
Maintenance	330,074	315,169	(14,905)	343,297	28,128	8.9%
Operations	93,455	89,235	(4,220)	0	(89,235)	-100.0%
Planning & Engineering	95,861	91,532	(4,329)	99,472	7,940	8.7%
ARFF	1,080,454	1,031,665	(48,789)	1,192,339	160,674	15.6%
Airport Security	91,710	87,569	(4,141)	100,000	12,431	14.2%
Legal	66,292	63,299	(2,993)	69,107	5,808	9.2%
Total Personal Services	\$2,233,873	\$2,133,000	(\$100,873)	\$2,329,058	\$196,058	9.2%
Contractual Services (Non-Security)						
530310 Professional Services	\$21,072	\$40,301	19,229	\$35,000	(\$5,301)	-13.2%
530316 Medical Services	0	0	0	0	0	NA
530340 Other Contractual Services	543,574	581,659	38,085	625,000	43,341	7.5%
530410 Phone & Postage/Freight	26,091	40,000	13,909	50,000	10,000	25.0%
530440 Utility Services	414,686	450,000	35,314	490,000	40,000	8.9%
530440 Rentals & Leases	9,141	12,200	3,059	12,200	0	0.0%
530450 Insurance	20,091	20,400	309	25,000	4,600	22.5%
530451 Risk Management Charges	0	28,480	28,480	56,959	28,479	100.0%
530498 Advertising	4,087	4,000	(87)	4,000	0	0.0%
Total Contractual Services	\$1,038,742	\$1,177,040	\$138,298	\$1,298,159	\$121,119	10.3%
Supplies & Materials						
530510 Office Supplies	\$3,977	\$6,000	2,023	\$5,000	(\$1,000)	-16.7%
530520 Operating Supplies	208,597	175,000	(33,597)	80,000	(95,000)	-54.3%
530521 Gasoline	57	0	(57)	0	0	NA
530523 Diesel Fuel	0	0	0	0	0	NA
530528 Internal Fuel	8,303	8,300	(3)	9,500	1,200	14.5%
530540 Books, Pubs, Subs, Educ, Mem	9,518	10,750	1,232	15,500	4,750	44.2%
Total Supplies & Materials	\$230,452	\$200,050	(\$30,402)	\$110,000	(\$90,050)	-45.0%
General						
590910 County Overhead Allocation	\$0	\$300,000	300,000	\$300,000	\$0	0.0%
530400 Travel & Per Diem	10,471	15,000	4,529	25,000	10,000	66.7%
530409 Vehicle Maintenance Charges	21,259	22,780	1,521	21,117	(1,663)	-7.3%
530460 Repairs and Maintenance	456,407	576,000	119,593	475,000	-101,000	-17.5%
530461 Repairs and Maintenance - Building	0	47,000	47,000	0	-47,000	-100.0%
530470 Printing and Binding	2,025	12,000	9,975	3,600	(8,400)	-70.0%
530490 Miscellaneous Expenses	5,950	1,500	(4,450)	13,000	11,500	766.7%
Total General	\$496,112	\$974,280	\$478,168	\$837,717	(\$136,563)	-14.0%
ARFF Non-Personal Services O&M Expense	\$292,455	\$240,000	(52,455)	\$235,698	(\$4,302)	-1.8%
TOTAL BASIC O&M EXPENSE	\$4,291,634	\$4,724,370	\$432,736	\$4,810,632	\$86,262	1.8%
Contractual Services - Security						
Security Services - MCSO	\$2,283,367	2,283,367	0	\$2,306,821	\$23,454	1.0%
Security Services - M&O	0	0	0	107,750	107,750	NA
Less FDOT/TSA Security Grants	(58,405)	(58,405)	0	(60,000)	(1,595)	2.7%
Total Contractual Services	\$2,224,962	\$2,224,962	\$0	\$2,354,571	\$129,609	5.8%
TOTAL O&M AND SECURITY EXP.	\$6,516,596	\$6,949,332	\$432,736	\$7,165,203	\$215,871	3.1%

KEY WEST INTERNATIONAL AIRPORT FY 2016 AIRLINE RATES & CHARGES

OTHER CONTRACTUAL SERVICES - DETAIL

Other Contractual Services Line Item	Budget FY 2015	Est. Actual FY 2015	Proposed FY 2016	Proposed				
				Terminal	Airfield	GA	Other	Total
	\$543,574		\$625,000	\$325,947	\$85,780	\$0	\$213,273	\$625,000
Landscaping Gardens of Eden	\$111,048	\$114,045	\$122,543	\$18,381	\$85,780	\$0	\$18,381	\$122,543
Elevator Thyssenkrupp Elevator	0	18,514	19,894	19,894	0	0	0	19,894
Parking Mgt. USA Parking	129,060	134,131	144,125	0	0	0	144,125	144,125
Janitorial Jayne's Cleaning/Cliffhangar	303,466	314,969	338,438	287,672	0	0	50,766	338,438
Other Courier	0	0	0	0	0	0	0	0
Other Contractual Services Allocation	<u>\$543,574</u>	<u>\$581,659</u>	<u>\$625,000</u>	<u>\$325,947</u>	<u>\$85,780</u>	<u>\$0</u>	<u>\$213,273</u>	<u>\$625,000</u>
Expense Distribution For Other Contractual Services				52%	14%	0%	34%	100%

Source: Other Contractual Services provided by Monroe County, Airports Business Office.

Note: Landscaping Expense allocated 70% to "Airfield", 15% to "Terminal" and 15% to "Other".
 Elevator Expense allocated 100% to "Terminal".
 Parking Mgt Fees Allocated 100% to "Other".
 Janitorial expenses allocated 85% to "Terminal" and 15% to "Other" to reflect services provided at the Adams Arnold Annex.

**KEY WEST INTERNATIONAL AIRPORT
FY 2016 AIRLINE RATES & CHARGES**

Airport Security Requirements**Airport Security Cost Requirement:**

	Budget FY 2015			Est. Actual FY 2015			Proposed FY 2016		
	Requirement	Less Grants	County Portion	Requirement	Less Grants	County Portion	Requirement	Less Grants	County Portion
Total FY 2015	<u>\$2,283,367</u>	<u>\$58,405</u>	<u>\$2,224,962</u>	<u>\$2,283,367</u>	<u>\$58,405</u>	<u>\$2,224,962</u>	<u>\$2,306,821</u>	<u>\$60,000</u>	<u>\$2,246,821</u>

Checkpoint Security per Enplanement Charge:

	Budget FY 2015	Est. Actual FY 2015	Budget FY 2016
Total County Security Requirement	\$2,224,962	\$2,224,962	\$2,246,821
Amount Allocated Directly to Airlines			
Checkpoint Security	\$323,806	\$323,806	\$333,520
Airside Security	0	0	0
Other TSA Airline Security - Airline Portion	0	0	0
Total Amount Allocated Directly to Airlines	<u>\$323,806</u>	<u>\$323,806</u>	<u>\$333,520</u>
Enplaned Passengers	359,937	346,832	387,107
Per Passenger Reimbursement	\$0.90	\$0.93	\$0.86
Net Security Allocated to Cost Centers	<u>\$1,901,156</u>	<u>\$1,901,156</u>	<u>\$1,913,301</u>

KEY WEST INTERNATIONAL AIRPORT FY 2016 AIRLINE RATES & CHARGES

Airport Operating & Maintenance Expense Allocations

	Proposed FY 2016	Allocation			
		Terminal	Airfield	General Aviation	Other
Personal Services					
Administrative	\$524,843	\$262,422	\$131,211	\$52,484	\$78,726
Maintenance	343,297	137,319	68,659	34,330	102,989
Operations	0	0	0	0	0
Planning & Engineering	99,472	39,789	29,842	14,921	14,921
ARFF	1,192,339	119,234	953,871	59,617	59,617
Airport Security	100,000	40,000	30,000	20,000	10,000
Legal	69,107	34,554	17,277	6,911	10,366
Total Personal Services	\$2,329,058	\$633,317	\$1,230,860	\$188,262	\$276,619
Contractual Services (Non-Security)					
Professional Services	\$35,000	\$21,000	\$3,500	\$5,250	\$5,250
Medical Services	0	0	0	0	0
Other Contractual Services	625,000	325,947	85,780	0	213,273
Phone & Postage/Freight	50,000	30,000	5,000	7,500	7,500
Utility Services	490,000	385,822	42,144	0	62,034
Rentals & Leases	12,200	7,320	1,220	1,830	1,830
Insurance	25,000	15,000	2,500	0	7,500
Risk Management Charges	56,959	39,871	0	0	17,088
Advertising	4,000	2,400	400	600	600
Total Contractual Services	\$1,298,159	\$827,361	\$140,544	\$15,180	\$315,074
Supplies & Materials					
Office Supplies	\$5,000	\$3,000	\$500	\$750	\$750
Operating Supplies	80,000	48,000	8,000	12,000	12,000
Gasoline	0	0	0	0	0
Diesel Fuel	0	0	0	0	0
Internal Fuel	9,500	5,700	950	1,425	1,425
Books, Pubs, Subs, Educ, Mem	15,500	9,300	1,550	2,325	2,325
Total Supplies & Materials	\$110,000	\$66,000	\$11,000	\$16,500	\$16,500
General					
County Overhead Allocation	\$300,000	\$150,000	\$75,000	\$30,000	\$45,000
Travel & Per Diem	25,000	6,250	6,250	6,250	6,250
Vehicle Maintenance Charges	21,117	5,279	5,279	5,279	5,279
Repairs and Maintenance	475,000	118,750	118,750	118,750	118,750
Repairs and Maintenance - Buildings	0	0	0	0	0
Printing and Binding	3,600	900	900	900	900
Miscellaneous Expenses	13,000	3,250	3,250	3,250	3,250
Total General	\$837,717	\$284,429	\$209,429	\$164,429	\$179,429
ARFF Non-Personal Services O&M Expense	\$235,698	\$23,570	\$188,558	\$11,785	\$11,785
SUBTOTAL BASIC O&M	\$4,810,632	\$1,834,676	\$1,780,392	\$396,157	\$799,408
Contractual Services - Security					
Security Services - MCSO	\$2,306,821	\$1,730,116	\$230,682	\$115,341	\$230,682
Security Services - M&O	\$107,750	\$80,813	\$10,775	\$5,388	\$10,775
Less Operating Security Grants	(60,000)	(45,000)	(6,000)	(3,000)	(6,000)
Total Contractual Services	\$2,354,571	\$1,765,928	\$235,457	\$117,729	\$235,457
TOTAL O&M AND SECURITY EXPENSE	\$7,165,203	\$3,600,604	\$2,015,849	\$513,885	\$1,034,865
Checkpoint Security Direct Bill	(\$333,520)	(\$333,520)	\$0	\$0	\$0
O&M AND SECURITY EXPENSE-ALLOCATED	\$6,831,683	\$3,267,084	\$2,015,849	\$513,885	\$1,034,865
Allocated Share of Total Expense	100%	48%	30%	8%	15%

KEY WEST AIRPORT FY 2016 AIRLINE RATES & CHARGES

Airport Operating & Maintenance Expense Allocation Percentages

	---- Cost Center Allocation ----				
	Terminal	Airfield	General Aviation	Other	Total
Personal Services					
Administrative	50%	25%	10%	15%	100%
Maintenance	40%	20%	10%	30%	100%
Operations	10.0%	80%	5%	5.0%	100%
Engineering	40%	30%	15%	15%	100%
ARFF	10%	80%	5%	5%	100%
Airport Security	40%	30%	20%	10%	100%
Legal	14%	52%	20%	14%	100%
Adjustment	25%	25%	25%	25%	100%
Weighted Average	27%	53%	8%	12%	100%
Contractual Services					
Professional Services	60%	10%	15%	15%	100%
Medical Services	60%	10%	15%	15%	100%
Other Contractual Services	52%	14%	0%	34%	100%
Phone & Postage/Freight	60%	10%	15%	15%	100%
Utility Services	79%	9%	0%	13%	100%
Rentals & Leases	60%	10%	15%	15%	100%
Insurance	60%	10%	0%	30%	100%
Risk Management Charges	70%	0%	0%	30%	100%
Advertising	60%	10%	15%	15%	100%
Weighted Average	64%	11%	1%	24%	100%
Supplies & Materials					
Office Supplies	60%	10%	15%	15%	100%
Operating Supplies	60%	10%	15%	15%	100%
Gasoline	60%	10%	15%	15%	100%
Diesel Fuel	60%	10%	15%	15%	100%
Internal Fuel	60%	10%	15%	15%	100%
Books, Pubs, Subs, Educ, Mem	60%	10%	15%	15%	100%
Weighted Average	60%	10%	15%	15%	100%
General					
County Overhead Allocation	50%	25%	10%	15%	100%
Travel & Per Diem	25%	25%	25%	25%	100%
Vehicle Maintenance Charges	25%	25%	25%	25%	100%
Repairs and Maintenance	25%	25%	25%	25%	100%
Repairs and Maintenance - Buildings	100%	0%	0%	0%	100%
Printing and Binding	25%	25%	25%	25%	100%
Miscellaneous Expenses	25%	25%	25%	25%	100%
Weighted Average	34%	25%	20%	21%	100%
	10%	80%	5%	5%	100%
Basic O&M Weighted Average	38%	37%	8%	17%	100%
Contractual Services - Security					
Security Services - MCSO	75%	10%	5%	10%	100%
Security Services - M&O	75%	10%	5%	10%	100%
Less Operating Security Grants	75%	10%	5%	10%	100%
Total Contractual Services	75%	10%	5%	10%	100%
TOTAL O&M AND SECURITY EXPENSE	50%	28%	7%	14%	100%
Less: Checkpoint Security Direct Bill	100%	0%	0%	0%	100%
Total O&M Weighted Average	48%	30%	8%	15%	100%

KEY WEST INTERNATIONAL AIRPORT FY 2016 AIRLINE RATES & CHARGES

Capital Projects & Purchases

	Total Cost	Less Grants	Less PFCs	Local Share	Expensed	To Be Amortized	Yrs.	Initial Amort. Chg.	Amount 5%	----- Cost Center Allocation -----			
										Terminal	Airfield	General Aviation	Other Leased
Capital Projects:													
PIT-Repair Admin Offices	\$50,000	\$0	\$0	\$50,000	\$0	\$50,000	10	2016	\$6,475	\$2,590	\$2,914	\$324	\$648
Vacant	0	0	0	0	0	0	0		0	0	0	0	0
Vacant	0	0	0	0	0	0	0		0	0	0	0	0
Total	\$50,000	\$0	\$0	\$50,000	\$0	\$50,000			\$6,475	\$2,590	\$2,914	\$324	\$648
Capital Purchases:													
Expensed:													
Radios - Communications	\$2,500	0	0	\$2,500	\$2,500	\$0			0	\$0	\$0	\$0	\$0
Operations Miscellaneous	3,500	0	0	\$3,500	\$3,500	\$0			0	0	0	0	0
Vacant	0	0	0	0	0	0			0	0	0	0	0
Subtotal Expensed	\$6,000	\$0	\$0	\$6,000	\$6,000	\$0			\$0	\$0	\$0	\$0	\$0
Amortized:													
Pick Up With Lift Gate	\$27,500	\$0	\$0	\$27,500	\$0	\$27,500	5	2017					
Bobcat with Attachments	50,000	0	0	50,000	0	50,000	10	2017					
Portable Backup Generator	75,000	0	0	75,000	0	75,000	10	2017					
Vehicle Purchase (Director)	24,868	0	0	24,868	0	24,868	5	2016	5,744	2,872	1,436	574	862
Vacant	0	0	0	0	0	0	0		0	0	0	0	0
Subtotal Amortized	\$177,368	\$0	\$0	\$177,368	\$0	\$177,368			\$5,744	\$2,872	\$1,436	\$574	\$862
Total Capital Purchases	\$183,368	\$0	\$0	\$183,368	\$6,000	\$177,368			\$5,744	\$2,872	\$1,436	\$574	\$862
Total Projects & Purchases being "Expensed" FY 16					\$6,000								
Total Projects & Purchases being "Amortized" FY 16					\$227,368				\$12,219	\$5,462	\$4,350	\$898	\$1,509

KEY WEST INTERNATIONAL AIRPORT FY 2016 AIRLINE RATES & CHARGES

Landing Fee Calculation

	Budget FY 15	Est. Actual FY 2015	Proposed FY 2016	Increase over Est actual 15
AIRFIELD O&M EXPENSE:				
Personal Services	\$1,196,993	\$1,142,942	\$1,230,860	\$87,918
Contractual Services	121,448	130,226	140,544	10,318
Supplies & Materials	23,045	20,005	11,000	(9,005)
General	124,028	231,820	209,429	(22,391)
ARFF Non-Personal Services O&M Expense	99,968	99,968	188,558	88,590
Subtotal Airfield - Basic O&M Component	<u>\$1,565,483</u>	<u>\$1,624,961</u>	<u>\$1,780,392</u>	<u>\$155,431</u>
Security Component	<u>\$222,496</u>	<u>\$222,496</u>	<u>\$235,457</u>	<u>\$12,961</u>
Total Airfield O&M Expense	<u>\$1,787,979</u>	<u>\$1,847,457</u>	<u>\$2,015,849</u>	<u>\$168,392</u>
AIRFIELD CAPITAL EXPENSE:				
Airfield Amortization	\$6,077	\$6,077	\$4,350	(\$1,727)
Airfield Capital Expense	0	0	6,000	6,000
Total Airfield Capital Expense	<u>\$6,077</u>	<u>\$6,077</u>	<u>\$10,350</u>	<u>\$4,273</u>
TOTAL AIRFIELD REQUIREMENT:	<u>\$1,794,056</u>	<u>\$1,853,534</u>	<u>\$2,026,199</u>	<u>\$172,665</u>
Less: Estimated General Aviation Revenue	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>0</u>
NET AIRFIELD REQUIREMENT	<u>\$1,544,056</u>	<u>\$1,603,534</u>	<u>\$1,776,199</u>	<u>\$172,665</u>
LANDING FEE CALCULATION:				
Est Passenger Airline Landed Weight (000 Lb. Units)	422,100	430,225	456,255	26,030
Est Cargo Airline Landed Weight (000 Lb. Units)	4,063	3,961	3,961	0
Est Total Airline Landed Weight (000 Lb. Units)	<u>426,163</u>	<u>434,186</u>	<u>460,216</u>	<u>26,030</u>
Airline Landing Fee Rate*	<u>\$3.62</u>	<u>\$3.69</u>	<u>\$3.86</u>	<u>\$0.17</u>

*(Net Airfield Requirement / Airline Landed Weight)

KEY WEST INTERNATIONAL AIRPORT FY 2016 AIRLINE RATES & CHARGES

Terminal Rental Rate Calculation

	Budget FY 15	Est. Actual FY 2015	Budget FY 2016	Increase over Est actual 15
TERMINAL O&M EXPENSE:				
Personal Services	\$595,608	\$568,713	\$633,317	\$64,604
Contractual Services-Non Security	649,413	747,747	827,361	79,614
Supplies & Materials	138,271	120,030	66,000	(54,030)
General	124,028	278,820	284,429	5,609
ARFF Non-Personal Services O&M Expense	12,496	12,496	23,570	11,074
Subtotal Terminal Basic O&M Expense	\$1,519,816	\$1,727,806	\$1,834,676	\$106,870
Less: 10% Departure Lounge Restroom Credit	(2,232)	(2,394)	(2,553)	(159)
Net Terminal Basic O&M Expense	\$1,517,584	\$1,725,412	\$1,832,123	\$106,711
Contractual Services-Security	\$1,668,722	\$1,668,722	\$1,765,928	\$97,206
Less: TSA Security Grant	0	0	0	0
Less: FDOT Security Grant	0	0	0	0
Less: Direct Billed Security Charge	(323,806)	(323,806)	(333,520)	(9,714)
Subtotal Security Component	\$1,344,916	\$1,344,916	\$1,432,408	\$87,492
Net Terminal O&M Requirement	\$2,862,500	\$3,070,328	\$3,264,530	\$194,202
TERMINAL CAPITAL EXPENSE:				
Debt Service (Bonds/Notes)	\$0	\$0	\$0	\$0
Amortization	760	760	5,462	4,702
Capital Purchases Expensed	0	0	0	0
Total Terminal Capital Requirement	\$760	\$760	\$5,462	\$4,702
TERMINAL REQUIREMENT:	\$2,863,260	\$3,071,088	\$3,269,993	\$198,905
TERMINAL RENT CALCULATION:				
Terminal Basic O&M and Capital Requirement	\$1,518,344	\$1,726,172	\$1,837,585	\$111,413
Total Terminal Productive Space (Sq. Ft.)	62,597	62,597	62,495	(102)
Terminal Rental Rate - Basic O&M Component	\$24.26	\$27.58	\$29.40	\$1.83
Security Component - Terminal Requirement	\$1,344,915	\$1,344,916	\$1,432,408	\$87,492
Total Terminal Productive Space (Sq. Ft.)	62,597	62,597	62,495	(102)
Terminal Rental Rate - Security Component	\$21.49	\$21.49	\$22.92	\$1.44
Average Terminal Rental Rate PSF	\$45.74	\$49.06	\$52.32	\$3.26
<small>(Terminal Requirement/Total Terminal Productive Space)</small>				
AIRLINE SPACE RENTAL				
Airline Space Occupied (Sq. Ft.)	33,454	33,454	31,839	(1,615)
Airline Space Vacant (Sq. Ft.)	2,833	2,833	4,346	1,513
Airline Space Total (Sq. Ft.)	36,287	36,287	36,185	(102)
Airline Reqt Occupied (Sq. Ft.)	\$1,530,225	\$1,641,296	\$1,665,946	\$24,650
Airline Reqt Vacant (Sq. Ft.)	\$129,585	\$138,991	\$227,400	\$88,410
Airline Reqt (Avg Term Rent Rt x Airline SF)	\$1,659,809	\$1,780,286	\$1,893,346	\$113,060

**KEY WEST INTERNATIONAL AIRPORT
AIRLINE RATES AND CHARGES
FY 2016 AIRLINE RATES & CHARGES**

Terminal Space Allocation

		Space #	Terminal Sq. Ft	Leased	Available	% Productive Sq. Ft
AIRLINE SPACE						
Airline Assigned First Floor:						
Departure Gates	American	121	290	290		
	Delta	118	250	250		
	Silver	120	250	250		
	Vacant/US Airways	117	250		250	
	Vacant/Southwest	122	250		250	
	Vacant/Cape Air	119	250		250	
Offices	American	133	174	174		
	Delta	134	165	165		
	Silver	135	168	168		
	Vacant/US Airways	136	153		153	
	Vacant/Southwest	132	225		225	
	Vacant/Cape Air	137	130		130	
Bag Offices	American	141	36	36		
	Delta	140	36	36		
	Silver	138	36	36		
	Vacant	139	142		72	
	Sub-total		2,735	1,405	1,330	
Airline Assigned Second Floor:						
Ticketing & Queue	American	200 1,2,3	912	912		
	Delta	200 4,5	608	608		
	Silver	200 11	304	304		
	Vacant/US Airways	200 6,7	608		608	
	Vacant/Southwest	200 8,9,10	912		912	
	Vacant/Cape Air	200 12	304		304	
			3,648	1,824	1,824	
Office Space	American	223, 223 A-D	413	413		
	Delta	224, 224 A-C	420	420		
	Silver	228 A-B	172	172		
	Vacant/US Airways	225, 225 A-C	470		470	
	Vacant/Southwest	227, 227 A-C	480		480	
	Vacant/Cape Air	228, 228C	242		242	
			2,197	1,005	1,192	
	Sub-total		5,845	2,829	3,016	
	Airline Assigned Total		8,580	4,234	4,346	
Airline Common First Floor:						
Public Restrooms (Non-Public)		x-103, x-104	65	65		
Baggage Claim		100 A/L	1,848	1,848		
Hold Rooms & Circulation		114, S-101, 115	6,152	6,152		
Public Restrooms		128, 129	488	488		
BMU/Bag Storage/Circulation		145, 137A, 131	7,450	7,450		
			16,003	16,003	0	
Airline Common Second Floor:						
Security Checkpoint		202, 203, 206, 230, 232	6,144	6,144		
Baggage Screening		231, 233, 235, 236	4,830	4,830		
Circulation		222, 226	628	628		
			11,602	11,602	0	
	Airline Common Total		27,605	27,605	0	
Total - Airline Space			36,185	31,839	4,346	57.90%
CONCESSION/RENTABLE SPACE						
Concession/Rentable Space First Floor						
Rental Car		101, 102, 103, 104, 109	1,415			
Food & Beverage Concessions		100 F&B, 143, 144, 144-A	4,773			
Retail Concessions		105, 123, 124, 125, 126, 127	1,023			
			7,211			
Concession/Rentable Space Second Floor						
Food & Beverage Concessions		216, 219, 221, 221-A, 221-B	3,830			
Retail Concessions		217, 220	1,110			
Offices/TSA		204, 204-A, 204-B, 205, 218, 229	2,259			
			7,199			
Total - Concession Space			14,410			23.06%
PUBLIC SPACE						
Public Space - First Floor		100 Pub, 110, 111	1,880			
Public Space - Second Floor		201, 201-A, 201-B, 208, 209, 212	8,122			
Total - Public Space			10,002			16.00%
ADMINISTRATIVE SPACE - Second Floor						
			1,898			3.04%
TOTAL PRODUCTIVE SPACE			62,495			100.00%
SUPPORT SPACE						
Support Space - First Floor	X100, X101, X102, X105, 106, 108, 112, 115-A, 115-B, 115C, 116, 130		1,284			
Support Space - Second Floor	210, 211, 213, 214, 215, 234, 237, 238, 239, 240, 241, 242,		3,156			
Total - Support Space			4,440			
TOTAL BUILDING			66,935			

KEY WEST INTERNATIONAL AIRPORT FY 2016 AIRLINE RATES & CHARGES

Calculation of Airline Terminal Rental Amounts

Airline Space:

Space Classification	Ticket Counter & Queuing	Ticket Offices	Ramp Ops/Offices	Passenger Holdroom	Bag Claim	Bag Make-Up	EDS Screen/Conveyor	Passenger Screening	Total Space
Rental Rates	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32	

Airline Exclusive Space:

American Eagle	912	413	174	290	36	0	0	0	1,825
Go Silver/United Exp	304	172	168	250	36	0	0	0	930
Delta	608	420	165	250	36	0	0	0	1,479
Vacant	1,824	1,192	508	750	72	0	0	0	4,346
Subtotal	3,648	2,197	1,015	1,540	180	0	0	0	8,580

Airline Non-Exclusive Space:

Ticket Offices Circulation	0	628	0	0	0	0	0	0	628
Ramp Operations	0	0	65	0	0	0	0	0	65
Passenger Holdroom	0	0	0	6,152	0	0	0	0	6,152
Baggage Claim Area	0	0	0	0	2,336	0	0	0	2,336
Baggage Make-Up Area	0	0	0	0	0	7,450	0	0	7,450
EDS Screen/Conveyor Area	0	0	0	0	0	0	4,830	0	4,830
Passenger Screen Area	0	0	0	0	0	0	0	6,144	6,144
Subtotal	0	628	65	6,152	2,336	7,450	4,830	6,144	27,605

Total Airline Space

	3,648	2,825	1,080	7,692	2,516	7,450	4,830	6,144	36,185
--	-------	-------	-------	-------	-------	-------	-------	-------	--------

Rental Amount:

American Eagle	Go Silver United Exp	Delta	Vacant	Common Use	Total Amount
----------------	----------------------	-------	--------	------------	--------------

Airline Space

Ticket Counter & Queuing	\$47,720	\$15,907	\$31,813	\$95,439	0	\$190,878
Ticket Offices	21,610	9,000	21,976	62,370	0	114,956
Ramp Operations	9,104	8,790	8,633	26,581	0	53,109
Pax Holdroom (Gates)	15,174	13,081	13,081	39,243	0	80,579
Bag Claim (Bag Kiosks)	1,884	1,884	1,884	3,767	0	9,418

Annual Rental \$95,491 \$48,661 \$77,387 \$227,400 \$0 \$448,940

Common Use Space \$0 \$0 \$0 \$0 \$1,444,406 \$1,444,406

Total Annual Rental \$95,491 \$48,661 \$77,387 \$227,400 \$1,444,406 \$1,893,346

Est. Monthly Rental \$7,958 \$4,055 \$6,449 \$18,950 \$120,367 \$157,779

KEY WEST INTERNATIONAL AIRPORT FY 2016 AIRLINE RATES & CHARGES

AIRPORT OPERATING STATISTICS

	FY 2015 Budget	FY 2015 Est. Actual	FY 2016 Projected	Increase over Est actual 15	FY 2016 Estimated Mkt Share
ENPLANED PASSENGERS					
American Eagle	78,158	91,341	104,141	12,800	26.90%
Cape Air	0	0	0	0	0.00%
Delta	143,804	141,996	186,183	44,187	48.10%
Silver (United. Exp)	66,492	79,270	68,430	(10,840)	17.68%
US Airways Express	31,483	34,225	28,353	(5,872)	7.32%
Southwest	0	0	0	0	n/a
Anticipated New Enplanements	40,000	0	0	0	0.00%
Fiscal Year Enplanements	359,937	346,832	387,107	40,275	100.00%
% Change FY 2016 Projected - FY 2015 Est. Actual			11.6%		

	FY 2015 Budget	FY 2015 Est. Actual	FY 2016 Projected
ESTIMATED LANDING WEIGHTS:			
<u>Passenger Airlines:</u>			
American Eagle	110,055	115,745	133,715
Cape Air	0	0	0
Delta	170,331	163,350	193,631
Silver (United Exp)	76,083	112,290	95,475
US Airways Express	32,166	38,840	33,434
Southwest	0	0	0
Anticipated New Weight	33,466	0	0
Subtotal Pax Airlines	422,100	430,225	456,255
% Change FY 2016 Projected - FY 2015 Est. Actual			6.1%
<u>Cargo Airline(s):</u>			
FedEx (Mountain Air Cargo)	4,063	3,961	3,961
% Change FY 2016 Projected - FY 2015 Est. Actual			0.0%
Total Landing Weights	426,163	434,186	460,216
% Change FY 2016 Projected - FY 2015 Est. Actual			6.0%