

CITY OF TORRANCE

INTEROFFICE COMMUNICATION

DATE: June 10, 2020

TO: LeRoy J. Jackson, City Manager

FROM: Shant Megerdichian, General Services Director

SUBJECT: Request from City Council Re: Landing Fees at Torrance Municipal Airport – Zamperini Field.

At the request of the City Council, staff is providing information regarding the implementation of landing fees at the Torrance Municipal Airport – Zamperini Field. Throughout its history, the Torrance Airport has allowed all aircraft to arrive and depart without requiring payment. Fees are only applied to aircraft either staying overnight or those that are based at the Airport via tie down or hangar. All other aircraft not based are deemed transient.

A landing fee is typically administered to aircraft in exchange for the use of runways or services at a particular airport. A fee is implemented each time an aircraft performs the operation of landing and departing. Generally, aircraft are charged based on size and weight, with smaller, lighter airplanes garnering fewer fees than large aircraft such as private jets.

The idea of landing fees is not a new concept for generating revenue among active airports. Airports within the region that currently implement landing fees include Santa Monica, Catalina, Camarillo, Oxnard, Santa Barbara, Napa and Sonoma. These airports all have a similar billing systems, and charge either by weight of the aircraft or simply a flat fee.

The Chart below shows the airports that charge landing fees for either Transient Aircraft or Based Aircraft.

- Santa Monica Charges all Aircraft, Transient and Based.
- Catalina has a pricing for different aircraft, charges Transient, Based aircraft pay annual fee, no private jets allowed.
- Camarillo, Oxnard, Napa, and Sonoma charge transient fees to aircraft over 12,500 lbs. only.
- Santa Barbara charges fees to aircraft over 10,000 lbs. only.

Airport	Transient Aircraft	Based Aircraft
Catalina	X	X
Santa Monica	X	X
	Transient Aircraft Over 12,500 lbs. Only	
Camarillo	X	
Oxnard	X	
Napa	X	
Sonoma	X	
	Transient Aircraft Over 10,000 lbs. Only	
Santa Barbara	X	

* The majority of based aircraft at Torrance Airport are under 10,000 lbs.

In order to institute landing fees at Torrance, an outside vendor must be contracted to track, bill, and collect fees from aircraft landing and departing. A preliminary analysis estimates that based on the type of air traffic and number of annual operations, a net gain in revenue could be realized annually from these fees. Three options are outlined as possible implementation methods.

Option 1: Implement landing fees for transient fixed wing aircraft only. This is based on 55,000 operations per year of transient traffic, with 16,500 billable operations.

- Staff would need to verify the legalities of only charging transient aircraft vs transient and based.

Option 2: Implement landing fees for transient and based fixed wing aircraft. This is based on 100,000 operations per year, with 23,760 billable operations.

- A consideration could also be made to offer a reduced rate to businesses and based aircraft, as they already pay hangar and/or tie down fees.

Option 3: Remain status quo, no landing fees.

Below is an approximation of the amount of billable operations and the net gain to the Airport each year. Additional revenue generated by landing fees can be contributed to the Airport Aeronautical Fund Balance.

	Annual Operations	Billable Operations	Annual Net to Airport
Option 1	55,000 (transient)	16,500*	\$260,939**
Option 2	100,000 (transient and based)	23,760*	\$386,215**

*Takes into account 40% missed/unbilled due to touch and go aircraft which are difficult to capture.

**Estimates are based on transient fixed wing operations only and include annual billings from a vendor, minus collection and service fees, and annual equipment leases.

If the Council decides to go in the direction of exploring landing fees further, it is recommended that this be referred to the Airport Commission and returned to the full Council at a later date