

**BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY**

MEETING DATE: 5/16/07

DIVISION: COUNTY ADMINISTRATOR

BULK ITEM: YES

DEPARTMENT: AIRPORTS

STAFF CONTACT PERSON: Peter Horton
Phone: 292-3518

AGENDA ITEM WORDING: Approval of Fiscal Year 2007 Rates and Charges for the Key West International Airport, to become effective May 1, 2007.

ITEM BACKGROUND: Newton & Associates has updated the Rates and Charges for the Key West International Airport as an integral part of the Airports budget process, as required by the Bond Resolution in connection with issuance of the Series 2006 Variable Rate Revenue Bonds.

PREVIOUS RELEVANT BOCC ACTION: Approval of bond resolution authorizing issuance of Monroe County, Florida Airport Variable Rate Revenue Bonds, series 2006, June 21, 2006.

CONTRACT/AGREEMENT CHANGES: New Rates & Charges

STAFF RECOMMENDATION: Approval

TOTAL COST: n/a

BUDGETED: n/a

COST TO AIRPORT: n/a

SOURCE OF FUNDS: n/a

COST TO PFC: n/a

COST TO COUNTY:

REVENUE PRODUCING: adjusts airport rates

AMOUNT PER MONTH /YEAR:

APPROVED BY: County Attorney n/a OMB/Purchasing n/a

Risk Management n/a

DOCUMENTATION: Included X

Not Required

AGENDA ITEM # _____

DISPOSITION: _____

/bev
AO
11/06

Newton & Associates, Inc.

AVIATION INDUSTRY CONSULTANTS

April 25, 2007

VIA EXPRESS DELIVERY

Ms. Bevette Moore
Airport Operations
Key West International Airport
3491 S. Roosevelt Boulevard
Key West, Florida 33040

Re: FY 2007 Airline Rates and Charges
Key West International Airport

Dear Ms. Moore:

Enclosed is a copy of the Fiscal Year 2007 Airline Rates and Charges ("FY 2007 Rates & Charges") for the Key West International Airport ("Airport"). The FY 2007 Rates & Charges have been calculated based on the Airport's budget for Fiscal Year 2007 and in consideration of the covenants of the Bond Resolution adopted by the County in connection with its issuance of the Series 2006 Variable Rate Revenue Bonds.

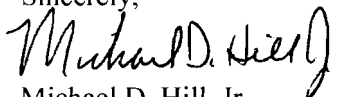
As depicted in the FY 2007 Rates & Charges, the average terminal rental rate will be increased to \$56.34 per square foot from \$39.83 calculated in Budget Fiscal Year 2006. This increase is primarily attributable to increases in Airport security expenses and the expiration of security grants received by the County from the Florida Department of Transportation in Fiscal Year 2007. The airline landing fee rate is budgeted to decrease to \$2.25 from \$2.34 calculated in Budget Fiscal Year 2006.

The FY 2007 Rates & Charges were provided to the airlines serving the Airport on March 26, 2007 and a meeting with the airlines was held at the Airport on April 13, 2007 to discuss the rates and charges and to give the airlines an opportunity to comment and provide input.

Based on the calculation of the FY 2007 Rates & Charges, the average airline cost per enplaned passenger will increase from \$5.53 in Budget Fiscal Year 2006 to \$5.91 in Fiscal Year 2007. However, we believe that this airline cost per enplaned passenger remains within industry averages for airports of similar size.

Please don't hesitate to call if you have any questions. We sincerely appreciate the opportunity to assist you.

Sincerely,



Michael D. Hill, Jr.
Senior Consultant

Enclosure

cc: Peter Horton – Key West International Airport
Frank C. Newton III - Newton & Associates, Inc.

KEY WEST INTERNATIONAL AIRPORT FY 2007 AIRLINE RATES & CHARGES

SUMMARY :	Budget FY 2006	Final FY 2006	Budget FY 2007	Percentage Change Budget 06 - Budget 07
Airline Terminal Rentals:				
Total Terminal Requirement	1,290,970	1,454,069	1,618,571	25.4%
(Less Checkpoint Security Reimbursements)	(259,980)	(229,426)	(268,820)	3.4%
Net Terminal Requirement	1,030,990	1,224,643	1,349,751	30.9%
Airline Terminal Revenue Requirement	568,098	630,626	695,050	22.3%
Airline Terminal Space	14,262	12,337	12,337	-13.5%
Required Average Rental Rate per Square Ft.	\$39.83	\$51.12	\$56.34	41.4%
Airline Landing Fees:				
Total Airfield Requirement	\$915,898	\$974,161	\$918,346	0.3%
(Less: G.A. Revenues)	(134,291)	(134,291)	(140,076)	4.3%
Airline Landing Fee Revenue Required	781,607	839,870	778,270	-0.4%
Estimated Airline Landing Weight (1,000 lb. units)	333,329	333,329	346,626	4.0%
Estimated Passenger Airline Landed Weight	328,701	328,701	338,580	3.0%
Passenger Airline Landing Fee Revenue	\$770,754	\$828,208	\$760,204	-1.4%
Airline Landing Fee Rate Requirement	\$2.34	\$2.52	\$2.25	-4.2%
Security Checkpoint Reimbursement Charges:				
Checkpoint Security Requirement	259,980	259,980	268,820	3.4%
Estimated Annual Enplanements	327,347	288,875	291,764	-10.9%
Checkpoint Security Fee per Enplanement	\$0.79	\$0.90	\$0.92	16.0%
Estimated Passenger Airline Revenue	\$1,598,832	\$1,718,815	\$1,724,074	7.8%
Cost Per Airline Enplaned Passenger (Terminal Rent and Landing Fees)	\$4.63	\$5.05	\$4.99	7.6%
Cost Per Airline Enplaned Passenger (Terminal Rent, Landing Fees and TSA Reimbursement Costs)	\$5.53	\$5.95	\$5.91	6.8%

KEY WEST INTERNATIONAL AIRPORT FY 2007 AIRLINE RATES & CHARGES

SCHEDULE A: Airport Operating & Maintenance Expenses (Page 1) - Budget Comparison

		FY 06	FY 06	FY 07
		Budget	Final	Budget
Personal Services				
510120	Administrative	\$220,792	\$252,269	\$304,316
	Custodial	0	\$0	0
	Maintenance	137,928	\$157,592	223,581
	Engineering	0	\$0	0
	Security	0	\$0	0
	ARFF	800,709	\$914,861	656,265
	Other	25,298	\$28,905	26,073
510140	Overtime	20,000	\$58,303	0
	Adjustment	-	-	-
Total Personal Services		\$1,204,727	\$1,411,930	\$1,210,235
				-14.3%
				0.5%
Contractual Services				
530310	Professional Services	\$5,000	\$9,429	\$5,000
530316	Medical Services	2,475	1,818	2,475
530318	Legal Services	0	0	0
530340	Other Contractual Services	412,657	317,192	441,872
530410	Phone & Postage/Freight	24,289	37,994	25,018
	Security Services	1,337,070	1,660,295	1,748,980
	Less Operating Security Grants	(682,500)	(937,025)	(839,490)
530440	Utility Services	244,557	325,749	297,800
530440	Rentals & Leases	5,821	8,807	7,821
530450	Insurance	38,200	49,284	38,200
530451	Risk Management Charges	30,596	38,264	42,659
530498	Advertising	1,000	0	1,000
Total Contractual Services		\$1,419,165	\$1,511,807	\$1,771,335
				17.2%
				24.8%
Supplies & Materials				
530510	Office Supplies	\$6,802	\$10,562	\$7,006
530520	Operating Supplies	76,995	89,639	79,305
530521	Gasoline	300	104	300
530523	Diesel Fuel	500	0	500
530528	Internal Fuel	1,806	5,269	1,860
530540	Books, Pubs, Subs, Educ, Mem	9,543	10,713	8,929
Total Supplies & Materials		\$95,946	\$116,287	\$97,900
				-15.8%
				2.0%
General				
590910	County Overhead Allocation	\$126,485	\$209,815	\$170,000
530400	Travel & Per Diem	25,095	18,882	25,847
530409	Vehicle Maintenance Charges	8,300	12,751	13,879
530460	Repairs and Maintenance	62,161	109,144	122,161
530470	Printing and Binding	1,000	51	1,000
530480	Promotional Activities	0	0	0
530490	Miscellaneous Expenses	500	660	500
Total General		\$223,541	\$351,303	\$333,387
				-5.1%
				49.1%
TOTAL O&M EXPENSE				
		\$2,943,379	\$3,391,328	\$3,412,857
				0.6%
				16.0%
Minor Capital Outlays				
		\$184,674		
	Vehicles		\$2,954	\$20,900
	Equipment (Contingency)		\$0	\$184,674
	Other	0	0	0
Subtotal Minor Capital Outlays & Contingency		184,674	2,954	205,574
ADJ. TOTAL O&M EXPENSE				
		\$3,128,053	\$3,394,282	\$3,618,431
Number of Enplaned Passengers		327,347	288,875	291,764
Total O&M Cost Per Enplaned Passenger		\$9.56	\$11.75	\$12.40

Note: CPI Rate 3.40%

KEY WEST INTERNATIONAL AIRPORT FY 2007 AIRLINE RATES & CHARGES

Worksheet - Airport Security Requirements

Airport Security Cost Requirement:

	Actual FY 2005			Budget FY 2006			Final FY 2006			Budget FY 2007		
	Requirement	FDOT Portion	County Portion	Requirement	FDOT Portion	County Portion	Requirement	FDOT Portion	County Portion	Requirement	FDOT Portion	County Portion
October							\$83,973	\$46,320	\$37,653			\$0
November							110,624	81,264	29,360			0
December							0	0	0			0
Subtotal 1st Q	\$405,580	\$273,417	\$132,163	\$334,267	\$170,625	\$163,642	\$194,597	\$127,584	\$67,013	\$437,245	\$218,622	\$218,622
January							\$118,043	\$87,884	\$30,159			\$0
February							123,318	88,461	34,857			0
March							197,194	0	197,194			0
Subtotal 2nd Q	\$377,085	\$288,635	\$88,450	\$334,267	\$170,625	\$163,642	\$438,555	\$176,345	\$262,210	\$437,245	\$218,622	\$218,622
April	\$119,637	\$85,876	\$33,761				\$136,160	\$92,209	\$43,952			\$0
May	110,118	73,903	36,215				167,716	107,442	60,274			0
June	202,402	130,992	71,410				172,579	125,165	47,414			0
Subtotal 3rd Q	\$432,157	\$290,771	\$141,386	\$334,267	\$170,625	\$163,642	\$476,456	\$324,816	\$151,640	\$437,245	\$218,622	\$218,622
July	\$131,786	\$95,598	\$36,188				\$117,317	\$79,367	\$37,950			\$0
August	124,049	69,239	54,810				155,883	116,746	39,137			0
September	208,326	150,676	57,650				277,487	112,167	165,321			0
Subtotal 4th Q	\$464,161	\$315,513	\$148,648	\$334,267	\$170,625	\$163,642	\$550,687	\$308,280	\$242,407	\$437,245	\$183,622	\$253,622
Total FY	\$1,678,983	\$1,168,336	\$510,647	\$1,337,070	\$682,500	\$654,570	\$1,660,295	\$937,025	\$723,271	\$1,748,980	\$839,490	\$909,490

Checkpoint Security per Enplanement Charge:

	Estimated Actual FY 2005	Budget FY 2006	Final FY 2006	Budget FY 2007
Amount Allocated Directly to Airlines				
Checkpoint Security	\$246,721	\$259,980	\$229,426	\$268,820
Enplaned Passengers	320,417	327,347	288,875	291,764
Per Passenger Reimbursement	\$0.77	\$0.79	\$0.79	\$0.92
Net Security to Be Allocated	\$263,925.91	\$394,589.39	\$493,844.77	\$640,670.13

KEY WEST INTERNATIONAL AIRPORT FY 2007 AIRLINE RATES & CHARGES

WORKSHEET ANALYSIS OF OTHER CONTRACTUAL SERVICES:

Other Contractual Services Line Item	FY 06 Budget	FY 06 Final	FY 07 Budget	FY 07			
				Terminal	Airfield	GA	Other
	\$412,657	\$317,192	\$441,872	\$165,723	\$83,459	\$527	\$192,163
Landscaping Gardens of Eden	\$123,797	\$89,928	\$118,474	\$17,771	\$82,932	\$0	\$17,771
Elevator Mowery Elevator	\$4,127	\$1,928	\$1,068	\$1,068	\$0	\$0	\$0
Parking Mgt. Republic Parking	\$119,671	\$99,370	\$148,037	\$0	\$0	\$0	\$148,037
Janitorial Ace Building Maint.	\$152,683	\$120,587	\$172,184	\$146,356	\$0	\$0	\$25,828
Other Buccaneer Courier	\$12,380	\$5,378	\$2,108	\$527	\$527	\$527	\$527
Other Contractual Services Allocation	\$412,657	\$317,191	\$441,872	\$165,723	\$83,459	\$527	\$192,163
Expense Distribution For Other Contractual Services				38%	19%	0%	43%

Source: Other Contractual Services for FY 2007 provided by Monroe County, Airports Business Office. 10/6/06.

Note: Landscaping Expense allocated 70% to "Airfield", 15% to "Terminal" and 15% to "Other".
Elevator Expense allocated 100% to "Terminal".
Republic Parking Fees Allocated 100% to "Other".
Custodial expenses allocated 85% to "Terminal" and 15% to "Other" to reflect services provided at FIS.

KEY WEST INTERNATIONAL AIRPORT FY 2007 AIRLINE RATES & CHARGES

SCHEDULE A: Airport Operating & Maintenance Expenses (Page 2) - Budget Allocations

	FY 07	----- Allocation -----			
	Budget	Terminal	Airfield	General Aviation	Other Leased
Personal Services					
Administrative	\$304,316	\$152,158	\$76,079	\$30,432	\$45,647
Maintenance	223,581	89,432	44,716	22,358	67,074
Engineering	0	0	0	0	0
ARFF	656,265	82,033	426,572	65,627	82,033
Other	26,073	3,650	13,558	5,215	3,650
Overtime	0	0	0	0	0
Adjustments	0	0	0	0	0
Total Personal Services	\$1,210,235	\$327,274	\$560,925	\$123,631	\$198,405
Contractual Services					
Professional Services	\$5,000	\$3,000	\$500	\$750	\$750
Medical Services	2,475	1,485	248	371	371
Legal Services	0	0	0	0	0
Other Contractual Services	441,872	165,723	83,459	527	192,163
Phone & Postage/Freight	25,018	15,011	2,502	3,753	3,753
Security Services	1,748,980	1,311,735	174,898	87,449	174,898
Less Operating Security Grants	(839,490)	(629,617)	(83,949)	(41,974)	(83,949)
Utility Services	297,800	172,407	30,531	8,504	86,358
Rentals & Leases	7,821	4,693	782	1,173	1,173
Insurance	38,200	22,920	3,820	0	11,460
Risk Management Charges	42,659	29,861	0	0	12,798
Advertising	1,000	600	100	150	150
Total Contractual Services	\$1,771,335	\$1,097,817	\$212,891	\$60,703	\$399,925
Supplies & Materials					
Office Supplies	7,006	\$4,204	\$701	\$1,051	\$1,051
Operating Supplies	79,305	47,583	7,931	11,896	11,896
Gasoline	300	180	30	45	45
Diesel Fuel	500	300	50	75	75
Internal Fuel	1,860	1,116	186	279	279
Books, Pubs, Subs, Educ, Mem	8,929	5,357	893	1,339	1,339
Total Supplies & Materials	\$97,900	\$58,740	\$9,790	\$14,685	\$14,685
General					
County Overhead Allocation	170,000	\$42,500	\$42,500	\$42,500	\$42,500
Travel & Per Diem	25,847	6,462	6,462	6,462	6,462
Vehicle Maintenance Charges	13,879	3,470	3,470	3,470	3,470
Repairs and Maintenance	122,161	30,540	30,540	30,540	30,540
Printing and Binding	1,000	250	250	250	250
Promotions	0	0	0	0	0
Miscellaneous Expenses	500	125	125	125	125
Total General	\$333,387	\$83,347	\$83,347	\$83,347	\$83,347
TOTAL O&M EXPENSE	\$3,412,857	\$1,567,177	\$866,953	\$282,365	\$696,362
Minor Capital Outlays/Contingency	\$205,574	\$51,394	\$51,394	\$51,394	\$51,394
Subtotal	\$3,618,431	\$1,618,571	\$918,346	\$333,759	\$747,755
Checkpoint Security Direct Bill	(268,820)	(268,820)	n/a	n/a	n/a
ADJ. TOTAL O&M EXPENSE	\$3,349,611	\$1,349,751	\$918,346	\$333,759	\$747,755
Allocated Share of Total Expense	100%	40%	27%	10%	22%

**KEY WEST AIRPORT
FY 2007 AIRLINE RATES & CHARGES**

**SCHEDULE A: Airport Operating & Maintenance Expenses
(Page 3) - Budget Allocation Percentages**

	---- Cost Center Allocation ----				Total
	Terminal	Airfield	General Aviation	Other Leased	
Personal Services					
Administrative	50%	25%	10%	15%	100%
Maintenance	40%	20%	10%	30%	100%
Engineering	80%	10%	5%	5%	100%
ARFF	12.5%	65%	10%	12.5%	100%
Other	14%	52%	20%	14%	100%
Overtime	27%	43%	13%	17%	100%
Adjustment	25%	25%	25%	25%	100%
Weighted Average	27%	46%	10%	16%	100%
Contractual Services					
Professional Services	60%	10%	15%	15%	100%
Medical Services	60%	10%	15%	15%	100%
Legal Services	60%	10%	15%	15%	100%
Other Contractual Services	38%	19%	0%	43%	100%
Phone & Postage/Freight	60%	10%	15%	15%	100%
Security Services	75%	10%	5%	10%	100%
Less Operating Security Grants	75%	10%	5%	10%	100%
Utility Services	58%	10%	3%	29%	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	62%	12%	3%	23%	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	25%	25%	25%	25%	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%
Printing and Binding	25%	25%	25%	25%	100%
Promotions	25%	25%	25%	25%	100%
Miscellaneous Expenses	25%	25%	25%	25%	100%
Weighted Average	25%	25%	25%	25%	100%
Minor Capital Outlays/Contingency	25%	25%	25%	25%	100%
Total O&M Weighted Average	40%	27%	10%	22%	100%

KEY WEST INTERNATIONAL AIRPORT FY 2007 AIRLINE RATES & CHARGES

SCHEDULE A: Airport Operating & Maintenance Expenses (Page 4) - FY 07 Payroll by Function

Functic Position	FTE	Existing	New Hire	----- Cost Center Allocation -----				
				Total	Terminal	Airfield	General Aviation	Other Leased
Administration:								
Director of Airports	1.00	\$120,644	\$0	\$120,644	\$60,322	\$30,161	\$12,064	\$18,097
Sr Administrator Airport Business	0.85	74,003	0	74,003	37,002	18,501	7,400	11,100
Sr. Coord. Airport Grants/Finance	1.00	0	55,351	55,351	27,676	13,838	5,535	8,303
Sr. Office Assistant/Proj Dev Coord.	1.00	0	54,318	54,318	27,159	13,580	5,432	8,148
Subtotal	3.85	\$194,647	\$109,669	\$304,316	\$152,158	\$76,079	\$30,432	\$45,647
Maintenance:								
Superintendent - Maintenance	1.00	\$64,680	\$0	\$64,680	\$25,872	\$12,936	\$6,468	\$19,404
Sr. Technician - Maintenance	1.00	61,974	0	61,974	24,790	12,395	6,197	18,592
Maint. Worker - Facilities Maint.	1.00	0	44,882	44,882	17,953	8,976	4,488	13,465
Painter	1.00	52,045	0	52,045	20,818	10,409	5,205	15,614
Subtotal	4.00	\$178,699	\$44,882	\$223,581	\$89,432	\$44,716	\$22,358	\$67,074
Engineering:								
Director Facilities Development	0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Project Architect	0.00	0	0	0	0	0	0	0
Airport Project Develop Coord.	0.00	0	0	0	0	0	0	0
Subtotal	0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ARFF:								
Firefighters - Chief Airport Rescue	1.00	\$85,055	\$0	\$85,055	\$10,632	\$55,286	\$8,506	\$10,632
Shift Captain - ARFF	1.00	84,500	0	84,500	10,563	54,925	8,450	10,563
Shift Captain - ARFF	1.00	66,526	0	66,526	8,316	43,242	6,653	8,316
Shift Captain - ARFF	1.00	77,510	0	77,510	9,689	50,382	7,751	9,689
Airport Rescue Fire Fighter	1.00	56,975	0	56,975	7,122	37,034	5,698	7,122
Airport Rescue Fire Fighter	1.00	52,611	0	52,611	6,576	34,197	5,261	6,576
Airport Rescue Fire Fighter	1.00	66,526	0	66,526	8,316	43,242	6,653	8,316
Airport Rescue Fire Fighter	1.00	59,158	0	59,158	7,395	38,453	5,916	7,395
Airport Rescue Fire Fighter	1.00	54,793	0	54,793	6,849	35,615	5,479	6,849
Airport Rescue Fire Fighter	1.00	52,611	0	52,611	6,576	34,197	5,261	6,576
Subtotal	10.00	\$656,265	\$0	\$656,265	\$82,033	\$426,572	\$65,627	\$82,033
Other								
Assistant County Attorney	0.25	\$26,073	\$0	26,073	\$3,650	\$13,558	\$5,215	\$3,650
Total Employees	18.10	\$1,055,684	\$154,551	\$1,210,235	\$327,274	\$560,925	\$123,631	\$198,405

KEY WEST INTERNATIONAL AIRPORT FY 2007 AIRLINE RATES & CHARGES

SCHEDULE A: Airport Operating & Maintenance Expenses (Page 5) - Payroll Allocation Percentages

Function	Position	----- Cost Center Allocation -----				Total
		Terminal	Airfield	General Aviation	Other Leased	
Administration:						
	Director of Airports	50%	25%	10%	15%	100%
	Sr Administrator Airport Business	50%	25%	10%	15%	100%
	Sr. Coord. Airport Grants/Finance	50%	25%	10%	15%	100%
	Sr. Office Assistant/Proj Dev Coord.	50%	25%	10%	15%	100%
Maintenance:						
	Superintendent - Maintenance	40%	20%	10%	30%	100%
	Sr. Technician - Maintenance	40%	20%	10%	30%	100%
	Maint. Worker - Facilities Maint.	40%	20%	10%	30%	100%
	Painter	40%	20%	10%	30%	100%
Engineering:						
	Director Facilities Development	0%	0%	0%	0%	0%
	Project Architect	0%	0%	0%	0%	0%
	Airport Project Develop Coord.	0%	0%	0%	0%	0%
ARFF:						
	Firefighters - Chief Airport Rescue	13%	65%	10%	13%	100%
	Shift Captain - ARFF	13%	65%	10%	13%	100%
	Shift Captain - ARFF	13%	65%	10%	13%	100%
	Shift Captain - ARFF	13%	65%	10%	13%	100%
	Airport Rescue Fire Fighter	13%	65%	10%	13%	100%
	Airport Rescue Fire Fighter	13%	65%	10%	13%	100%
	Airport Rescue Fire Fighter	13%	65%	10%	13%	100%
	Airport Rescue Fire Fighter	13%	65%	10%	13%	100%
	Airport Rescue Fire Fighter	13%	65%	10%	13%	100%
	Airport Rescue Fire Fighter	13%	65%	10%	13%	100%
Other	Assistant County Attorney	14%	52%	20%	14%	100%

**KEY WEST INTERNATIONAL AIRPORT
FY 2007 AIRLINE RATES & CHARGES**

SCHEDULE B: Capital Projects & Purchases

	Total Cost	Less Grants	Cost Net Of Grants	Expensed	Yrs.	Amortized @6%--- Amount	----- Cost Center Allocation -----			
							Terminal	Airfield	General Aviation	Other Leased
Capital Projects:										
Runway Strengthening	\$0	\$0	\$0	\$0	5	\$0	\$0	\$0	\$0	\$0
ARFF Truck	0	0	0	0	5	0	0	0	0	0
Access Road	0	0	0	0	5	0	0	0	0	0
Part 150 Noise	0	0	0	0	5	0	0	0	0	0
Apron Expansion	0	0	0	0	5	0	0	0	0	0
Building Renovations	0	0	0	0	5	0	0	0	0	0
Total	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0
Capital Purchases:										
Expensed:										
Fire Equipment	\$0	\$0	\$0	\$0	3	\$0	\$0	\$0	\$0	\$0
Amortized:										
Airport Vehicle	0	0	0	0	5	0	0	0	0	0
Fire Equipment	0	0	0	0	5	0	0	0	0	0
Total	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0
Total Projects & Purchases being "Expensed" FY 07				\$0		\$0	\$0	\$0	\$0	\$0
Total Projects & Purchases to be Amortized beginning in FY 07						\$0	\$0	\$0	\$0	\$0

KEY WEST INTERNATIONAL AIRPORT FY 2007 AIRLINE RATES & CHARGES

SCHEDULE C: Calculation of Landing Fee

	Budget FY 2006	Final FY 2006	Budget FY 2007
AIRFIELD O&M EXPENSE:			
Personal Services	\$624,999	\$693,217	\$560,925
Contractual Services	179,250	180,751	212,891
Supplies & Materials	9,595	11,629	9,790
General	55,885	87,826	83,347
Minor Capital Outlays	46,169	738	51,394
Total Airfield O&M Expense	\$915,898	\$974,161	\$918,346
AIRFIELD CAPITAL EXPENSE:			
Airfield Amortization	\$0	\$0	\$0
Airfield Capital Expense	0	0	0
Total Airfield Capital Expense	\$0	\$0	\$0
TOTAL AIRFIELD REQUIREMENT:	\$915,898	\$974,161	\$918,346
Less: Estimated General Aviation Revenue*	134,291	134,291	140,076
Net Airfield Requirement	\$781,607	\$839,870	\$778,270
LANDING FEE CALCULATION:			
Estimated Passenger Airline Landed Weight (000 Lb. Units)	328,701	328,701	338,580
Estimated Cargo Airline Landed Weight (000 Lb. Units)	4,628	4,628	8,046
Estimated Total Airline Landed Weight (000 Lb. Units)	333,329	333,330	346,626
Airline Landing Fee Rate	\$2.3449	\$2.5196	\$2.2453
	(Net Airfield Requirement / Airline Landed Weight)		

* Excludes ground rental of new hangar development.

KEY WEST INTERNATIONAL AIRPORT FY 2007 AIRLINE RATES & CHARGES

SCHEDULE D: Calculation of Terminal Rental Rates

SUMMARY TERMINAL SPACE:	% Rentable	Productive Sq. Ft.	Total Sq. Ft.
Airline Space	51%	12,337	12,337
Concession and Other Rentable Space	27%	6,444	6,444
Public Space	12%	2,927	2,927
Administrative & Support Space	9%	0	2,250
Total Terminal Space	100%	21,708	23,958

	Budget FY 2006	Final FY 2006	Budget FY 2007
TERMINAL O&M EXPENSE:			
Personal Services	\$274,598	\$354,247	\$327,274
Contractual Services	856,752	941,485	1,097,817
Supplies & Materials	57,568	69,772	58,740
General	55,885	87,826	83,347
Minor Capital Outlays	46,169	738	51,394
Total Terminal O&M Expense	\$1,290,970	\$1,454,069	\$1,618,571
Less: Direct Billed Security Charge	(259,980)	(229,426)	(268,820)
Net Terminal O&M Requirement	\$1,030,990	\$1,224,643	\$1,349,751

TERMINAL CAPITAL EXPENSE:			
Debt Service (Bonds/Notes)	\$0	\$0	\$0
Amortization	0	0	0
Depreciation	0	0	0
Total Terminal Capital Requirement	\$0	\$0	\$0

TERMINAL REQUIREMENT:	\$1,030,990	\$1,224,643	\$1,349,751
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TERMINAL RENT CALCULATION:			
Terminal Requirement	\$1,030,990	\$1,224,643	\$1,349,751
Total Terminal Space (Sq. Ft.)	25,883	23,958	23,958
Average Terminal Rental Rate Per Square Foot (Terminal Requirement/Total Terminal Space)	\$39.83	\$51.12	\$56.34

AIRLINE SPACE RENTAL			
Airline Space (Sq. Ft.)	14,262	12,337	12,337
Airline Requirement (Average Terminal Rental Rate times Airline SF)	\$568,098	\$630,626	\$695,050

AIRLINE RATE STRUCTURE			
Average Rental Rate - Passenger Terminal Building*	\$40.77	\$41.77	\$56.34

*FY 2006 Average Rental Rate included Cape Air Building, which was destroyed in FY 2006.

KEY WEST INTERNATIONAL AIRPORT FY 2007 AIRLINE RATES & CHARGES

SCHEDULE D (Page 2): Calculation of Airline Terminal Class Rentals

Category of Space	Terminal Space	Relative Value	Equivalent Class I Space	Total Airline Space
Ticket Counter	2,481	100%	2,481	2,481
Office Space	1,978	80%	1,582	1,978
Second Floor Office	0	70%	0	0
Storage	0	50%	0	0
Covered Space	2,831	50%	1,416	2,831
Covered Space - Common Use	325	50%	163	325
Hold Room	3,226	100%	3,226	3,226
Baggage Claim	1,496	100%	1,496	1,496
Total	12,337		10,363	12,337

Average Rental Rate per Square Foot Per Annum

\$67.07 \$56.34

Calculation of Class I Rate:

Equivalent Class I Rental Required

\$695,050 \$695,050

Equivalent Class I Space

10,363

Required Class I Rate (Per Sq. Ft.)

\$67.07

Rate Structure:

Average Rental Rate

\$56.34

Rental Rates - By Class Type	Rental Rate	Relative Value	Revenue by Space Type
Ticket Counter	\$67.07	100%	\$166,395
Office Space	\$53.65	80%	106,128
Second Floor Office	\$46.95	70%	0
Storage	\$33.53	50%	0
Covered Space	\$33.53	50%	94,934
Covered Space-Common Use	\$33.53	50%	10,899
Hold Room	\$67.07	100%	216,361
Baggage Claim	\$67.07	100%	100,333
			<u>\$695,050</u>

KEY WEST INTERNATIONAL AIRPORT FY 2007 AIRLINE RATES & CHARGES

SCHEDULE D (Page 3): Calculation of Airline Terminal Rental Amounts

Airline Space:

Space Classification	Ticket Counter	Office Space	2nd Floor Space	Storage Space	Covered Area	Hold Room	Bag Claim	Total Space
Rental Rates	\$67.07	\$53.65	\$46.95	\$33.53	\$33.53	\$67.07	\$67.07	

Airline Terminal Building:

American Eagle	886	532	-	-	196	-	-	1,614
Continental Connection	667	482	-	-	868	-	-	2,017
Delta Connection	464	455	-	-	558	-	-	1,477
USAirways Express	464	509	-	-	1,209	-	-	2,182

Subtotal	2,481	1,978	-	-	2,831	0	-	7,290
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Non-Exclusive Space:

Hold Room	-	-	-	-	-	3,226	-	3,226
Baggage Claim Area	-	-	-	-	325	-	1,496	1,821

Total Airline Space	2,481	1,978	-	-	3,156	3,226	1,496	12,337
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Rental Amount:

American Eagle	Continental Connection	Delta Connection	USAirways Express	Common Use	Total Amount
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Airline Space						
Ticket Counter	\$59,422	\$44,734	\$31,119	\$31,119	-	\$166,395
Office Space	28,544	25,861	24,413	27,310	-	106,128
Second Floor Space	-	-	-	-	-	0
Storage	-	-	-	-	-	0
Covered Space	6,573	29,107	18,712	40,542	-	94,934

Annual Rental	\$94,539	\$99,703	\$74,244	\$98,972	-	\$367,458
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Common Use Space	-	-	-	-	327,593	327,593
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Total Annual Rental	\$94,539	\$99,703	\$74,244	\$98,972	\$327,593	\$695,050
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Est. Monthly Rental	\$7,878	\$8,309	\$6,187	\$8,248	\$27,299	\$57,921
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KEY WEST INTERNATIONAL AIRPORT FY 2007 AIRLINE RATES & CHARGES

SCHEDULE D (Page 4): Space Reconciliation Summary

Available Space:

	Ticketing	Office	Other Rentable	Departure Lounge	Bag Claim	Covered Area	All Other	Total
Passenger Terminal Building:								
First Level	2,276	2,023	4,323	1,890	1,524	3,112	4,420	19,568
Second Level	0	0	2,234	0	0	0	2,156	4,390
Total Space	<u>2,276</u>	<u>2,023</u>	<u>6,557</u>	<u>1,890</u>	<u>1,524</u>	<u>3,112</u>	<u>6,576</u>	<u>23,958</u>

Space Breakdown by Use:

	American Eagle	Continental Connection	Delta Connection	US Airways	Common Use	Total
Airline Space:						
Ticket Counter	886	667	464	464	0	2,481
Office Space	532	482	455	509	0	1,978
Second Floor Space	0	0	0	0	0	0
Storage	0	0	0	0	0	0
Covered Space	196	868	558	1,209	0	2,831
Covered Space-CUA					325	325
Departure Room					3,226	3,226
Baggage Claim					1,496	1,496
Airline Totals	<u>1,614</u>	<u>2,017</u>	<u>1,477</u>	<u>2,182</u>	<u>5,047</u>	<u>12,337</u>

Concessions and Other Rentable Space:

Car Rental	964	
Gift Shop	361	
Restaurant	2,998	
Second Floor Rentable Space	<u>2,121</u>	6,444

Public Space

2,927

Support Space:

Airport Offices	1,898	
Other	<u>352</u>	2,250

Total Terminal Building Space

23,958

KEY WEST INTERNATIONAL AIRPORT FY 2007 AIRLINE RATES & CHARGES

NEW FY 2007 RATES

<u>KEY WEST INTERNATIONAL AIRPORT</u>	<u>New Rates</u>
TERMINAL RENT	
Airlines	
Publicly Exposed Space	\$67.07
Nonpublic Office Space	\$53.65
Second Floor Office	\$46.95
Covered Areas & Storage	\$33.53
Concessions (All Space)	
Car Rental	\$67.07
Gift Shop	\$67.07
Restaurant	\$67.07
UTILITIES - Electric, Water, Sewer, Trash Removal	
(Included in the rental rate)	
LANDING FEE	
Rate per Thousand Pounds of Gross Landing Weight	\$2.25
EYW SECURITY CHECKPOINT REIMBURSEMENT CHARGES	
Per Enplaned Passenger	\$0.92
Cost: <u>\$268,820</u>	Enpl. Pax: <u>291,764</u>
OTHER TSA MANDATED SECURITY CHARGES	
Per Enplaned Passenger	n/a
Cost: undetermined	Enpl. Pax: <u>291,764</u>
RON CHARGES	
For each aircraft in excess of 3 parked overnight at the Passenger Terminal Ramp	
For aircraft with more than 13 seats	\$25.85
For aircraft with 13 or less seats	\$12.93
FUEL FLOW FEES (per Gallon Delivered)	\$0.06
LAND RENTAL RATES	
Aviation Use Property	\$0.75
Hangar Rental Rate	\$1.84
Non-Aviation Use Property	By Appraisal
County Leased Property	\$1.35
FIS Building Space	
Per Square Foot Rental Rate per Annum	\$56.34

KEY WEST INTERNATIONAL AIRPORT FY 2007 AIRLINE RATES & CHARGES

WORKSHEET - OPERATING STATISTICS

Passengers /1 Year	Actual FY 2002	Actual FY 2003	Actual FY 2004	Actual FY 2005	Actual 2006	Avg Ann Growth Rate	2006 Mkt Share	Estimated 2007
ENPLANED PASSENGERS								
American Eagle	83,766	99,493	105,290	96,903	80,791	-0.90%	28.0%	
Cape Air	18,298	18,242	15,443	16,983	8,981	-16.30%	3.1%	
Delta Connection	22,357	66,661	73,479	82,042	89,933	41.62%	31.1%	
Continental Connection	65,329	66,919	75,611	93,290	71,804	2.39%	24.9%	
US Airways Express	61,374	40,026	28,958	30,188	37,300	-11.71%	12.9%	
Fla Coastal	0	0	826	1,011	66	N/A	0.0%	
Fiscal Year Enplanements	251,124	291,341	299,607	320,417	288,875	3.56%		291,764
	-10.3%	16.0%	2.8%	6.9%	-9.8%			1.0%

ESTIMATED LANDING WEIGHTS:

Year	2002	2003	2004	2005	2006		2007
Passenger Airlines							338,580
Cargo Airlines							8,046
Landing Weights 2/	299,087	328,801	328,907	331,110	333,329	2.75%	<u>346,626</u>
Monthly Average	24,924		27,409	27,593	27,777	2.75%	<u>28,886</u>
Annual Growth Rate	0.7%	9.9%	0.0%	0.7%	0.7%	-0.90%	4.0%
Compound Annual Rate of Increase 2000-2006						<u>1.9%</u>	

1/ NAI Estimate and Airport Records

2/ KWIA Final Report Terminal Concept Study - September 2004

**KEY WEST INTERNATIONAL AIRPORT
FY 2007 AIRLINE RATES & CHARGES**

**Variance Analysis
Cause and Effects on Airline Rates and Charges**

					Additional Airport Security	Other Personal Contractual Services, Supplies, and General Expense		Loss of Cape Air Building		Total		
	FY 2006	FY 2007	Difference	Percent Difference	Effect	Portion of Difference	Effect	Portion of Difference	Effect	Portion of Difference	Effect	Portion of Difference
Terminal Rentals												
Terminal O&M Expense												
Personal Services	\$274,598	\$327,274	\$52,676	19.18%	\$0	0.00%	\$52,676	100.00%	0	0.00%	\$52,676	100%
Contractual Services	856,752	1,097,817	241,065	28.14%	191,190	79.31%	49,874	20.69%	0	0.00%	241,065	100%
Supplies & Materials	57,568	58,740	1,172	2.04%	0	0.00%	1,172	100.00%	0	0.00%	1,172	100%
General	55,885	83,347	27,462	49.14%	0	0.00%	27,462	100.00%	0	0.00%	27,462	100%
Minor Capital Outlays	46,169	51,394	5,225	11.32%	0	0.00%	5,225	100.00%	0	0.00%	5,225	100%
Total Terminal O&M Exp.	\$1,290,972	\$1,618,571	\$327,599	25.38%	\$191,190	58.36%	\$136,408	41.64%	\$0	0.00%	\$327,599	100%
(Direct Bill Security Charges)	(259,980)	(268,820)	(8,840)	3.40%	(8,840)	100.00%	0	-0.00%	0	-0.00%	(8,840)	100%
Net Terminal Requirement	\$1,030,992	\$1,349,751	\$318,759	30.92%	\$182,351	57.21%	\$136,408	42.79%	\$0	0.00%	\$318,759	100%
Total Terminal Space	25,883	23,958	(1,925)	-7.44%	0	n/a	0	n/a	(1,925)	n/a	n/a	n/a
Airline Terminal Space	14,262	12,337	(1,925)	-13.50%	0	n/a	0	n/a	(1,925)	n/a	n/a	n/a
Airline Portion	55.10%	51.49%	-3.61%	-6.55%	0.00%	n/a	0.00%	n/a	-3.61%	n/a	n/a	n/a
Airline Terminal Requirement	\$568,100	\$695,050	\$126,951	22.35%	\$72,624	57.21%	\$54,327	42.79%	\$0	0.00%	\$126,951	100%
Average Rental Rate	\$39.83	\$56.34	\$16.51	41.44%	\$7.05	42.68%	\$5.27	31.93%	\$4.19	25.39%	\$16.51	100%

					Additional Airport Security	Other Personal Contractual Services, Supplies, and General Expense		Change in Landed Weight		Total		
	FY 2006	FY 2007	Difference	Percent Difference	Effect	Portion of Difference	Effect	Portion of Difference	Effect	Portion of Difference	Effect	Portion of Difference
Landing Fees												
Landing Fee O&M Expense												
Personal Services	\$624,999	\$560,925	(\$64,074)	-10.25%	\$0	-0.00%	(\$64,074)	100.00%	\$0	-0.00%	(\$64,074)	100%
Contractual Services	179,250	212,891	33,641	18.77%	25,492	75.78%	8,149	24.22%	0	0.00%	33,641	100%
Supplies & Materials	9,595	9,790	195	2.03%	0	0.00%	195	100.00%	0	0.00%	195	100%
General	55,885	83,347	27,462	49.14%	0	0.00%	27,462	100.00%	0	0.00%	27,462	100%
Minor Capital Outlays	46,169	51,394	5,225	11.32%	0	0.00%	5,225	100.00%	0	0.00%	5,225	100%
Total Airfield O&M Exp	\$915,898	\$918,346	\$2,448	0.27%	\$25,492	104.125%	(\$23,044)	-94.125%	\$0	0.00%	\$2,448	100%
(General Aviation Revenue)	(134,291)	(140,076)	(5,785)	4.31%	0	n/a	(5,785)	n/a	0	-0.00%	(5,785)	n/a
Net Airfield Requirement	\$781,607	\$778,270	(\$3,337)	-0.43%	\$25,492	-763.97%	(\$28,829)	863.97%	\$0	-0.00%	(\$3,337)	100%
Est. Pax Airline Landed Weight	328,701	338,580	9,879	3.01%	0	n/a	0	n/a	9,879	100.00%	n/a	n/a
Est. Cargo Airline Land Weight	4,628	8,046	3,418	73.86%	0	n/a	0	n/a	3,418	100.00%	n/a	n/a
Est Airline Landed Weight	333,329	346,626	13,297	3.99%	0	n/a	0	n/a	13,297	100.00%	n/a	n/a
Landing Fee Rate	\$2.34	\$2.25	(\$0.0996)	-4.25%	\$0.07	-73.85%	(\$0.08)	83.52%	(\$0.09)	89.95%	(\$0.0992)	100%

Memo

To: Board of County Commissioners
From: Peter Horton, Director of Airports
Date: 5/16/07
Re: Agenda Item - Rates & Charges

This item requests County Commission approval of Fiscal Year 2007 Rates and Charges for the Key West International Airport, to become effective May 1, 2007

Newton & Associates has updated the Rates and Charges for the Key West International Airport, as an integral part of the Airports budget process as required by the Bond Resolution in connection with issuance of the Series 2006 Variable Rate Revenue Bonds.

On June 21, 2006, the Commission previously approved resolution authorizing issuance of Monroe County, Florida Airport Variable Rate Revenue Bonds.

PJH/bev