

**CITY OF FRESNO
 MASTER FEE SCHEDULE
 AMENDMENT DETAIL**

AIRPORTS DEPARTMENT

**Signatory Landing Fee Rate (LFR) Commercial Operations per 1,000 pound units
 of Landed Weight;**

The purpose of this fee is to recover operating and capital costs allocated to the Airfield Area cost center.

Like other small hubs, Airports has historically charged a Signatory LFR below cost recovery pricing, in an effort to financially partner with the carriers. The current effective Signatory LFR is \$2.35 per 1,000 pound units of landed weight; the cost-recovery rate is \$3.11. The Signatory LFR has not been adjusted since FY 2009.

The proposed amendment is consistent with this approach. As shown below, the Signatory LFR would be increased annually by a four (4) percent factor over a five-year period. The pricing adjustment would offset modest anticipated increases in operating expenses allocated to the Airfield Area, allowing Airports to continue to recover about 40% of airfield costs from the airlines, roughly equal to the current share. At the end of the five-year period (FY 2021), the Signatory LFR would be low by industry standards, and below the cost-recovery rate.

Signatory Landing Fee Rate: Proposed Amendment FY 2017 - FY 2021					
FY 2016	Projection Period				
	2017	2018	2019	2020	2021
\$2.35	\$2.44	\$2.54	\$2.64	\$2.75	\$2.86
	4.00%	4.00%	4.00%	4.00%	4.00%

Fee to be effective July 1, 2016
 MFS Amendment 526 (June 2016)