

SB

304

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 304
(S) Publish Date: 3/10/06

Revision Date/Time (Note if correction): _____ Dept. Affected: DOT&PF
Title: Airport Parking Shuttles/Charges RDU: Aviation
Component: International Airport System Office
Sponsor: Senate Transportation Committee
Requester: _____ Component No.: 1649

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill will not have a fiscal impact on the operations of the Department; however, its likely effect will be to shift a cost burden of between \$150,000 and \$200,000 from the off-site businesses to the signatory airlines that use the facilities of the International Airport System at Anchorage and Fairbanks. This is because, under the residual agreement between the airlines and the Department, the operations of the airports are revenue-neutral. Signatory airlines are obligated to pay the cost of operating the airports. Some of those costs are off-set by other airport users, such as car rental agencies and gift shops, which obtain their leases at a fair market value. If some of those sources of funds are eliminated, then the cost will be shifted to higher landing fees and terminal rental rates, and downstream to the ticket purchaser. The bill would undermine changes the Legislature enacted last year to AS 02.15.090(h) and (1) to provide the financing mechanism (customer facility charge) for the Anchorage airport rental car facility, currently under construction. The 8 percent Airport Parking Service fee is currently under administrative appeal.

Prepared by: John Manly
Division: Commissioner's Office DOT&PF
Approved by: Mike Barton, commissioner
Agency: DOT&PF

Phone: 465-8994
Date/Time: 2/28/06 at 11 am
Date: 2/28/06

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HCS SB 304 (TRA)
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: DOT&PF
Title Airport Parking Shuttles/Surcharge RDU Aviation
Component International Airport System Office
Sponsor Senate Transportation
Requester House Finance Committee Component No. 1649

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 0.0
Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill will not have a fiscal impact on the Department of Transportation and Public Facilities

Prepared by: House Finance Committee Phone 465-4945
Division _____ Date/Time 4/21/2006 1:48 p.m.
Approved by: Representative Meyer Date _____
Representative Chenault

pld 4/21

24-LS1678\Y

HOUSE CS FOR SENATE BILL NO. 304(TRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE HOUSE TRANSPORTATION COMMITTEE

Offered: 4/10/06

Referred: Finance

Sponsor(s): SENATE TRANSPORTATION COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the privileges of airport parking shuttles and to fees or charges
2 imposed on a person who is not a lessee or concessionaire of an airport."

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

4 * Section 1. AS 02.15.090(a) is amended to read:

5 (a) In operating an airport or air navigation facility owned or controlled by the
6 state, the department may enter into contracts, leases, and other arrangements covering
7 periods not exceeding 55 years with a person, municipality, or the United States,
8 granting the privilege of using or improving an airport or air navigation facility or a
9 portion of it or space in it for commercial, governmental, or other public purposes,
10 including private plane tie down, or conferring the privilege of supplying goods,
11 commodities, services, or facilities at an airport or air navigation facility. The
12 department may establish the terms and conditions and fix the charges, rentals, and
13 fees for the privileges or services that are reasonable and uniform for the same class of
14 privilege or service. Charges, rentals, or fees authorized by this subsection may be

1 fixed for the international airports by order of the commissioner or by negotiated or
 2 competitively offered contract. Notwithstanding AS 37.10.050(a), the fixing of
 3 charges, rentals, or fees as permitted under this subsection is not subject to the
 4 adoption of regulation provisions of AS 44.62 (Administrative Procedure Act). The
 5 terms, conditions, charges, rentals, and fees shall be established with due regard to the
 6 property and improvements used and the expense of operation to the state. A charge,
 7 rental, or fee imposed on a person who is not a lessee or concessionaire of the
 8 airport may not have the effect of charging a percentage of the gross revenue of
 9 the person as a condition of on-site access to customers who use the airport
 10 facility, unless the charge, rental, or fee was in existence before January 1, 2006,
 11 and this exception is not affected if the department amends, increases, or
 12 decreases a charge, rental, or fee that was in effect before January 1, 2006. Use
 13 [HOWEVER, USE] of state land and buildings by the Alaska Wing, Civil Air Patrol
 14 and its squadrons shall be permitted without rental charges. If the department permits
 15 space in state-owned or state-controlled airports to be used as lounges for members of
 16 the United States armed forces, the Alaska National Guard, the Alaska Naval Militia,
 17 or the Alaska State Defense Force, and if the lounges are operated by persons exempt
 18 from taxation under 26 U.S.C. 501(c)(3) (Internal Revenue Code), rent may not be
 19 charged for the use of the space. The department shall provide for public notice and an
 20 opportunity to comment before a charge, rental, or fee is fixed by order of the
 21 commissioner as permitted under this subsection. The public may not be deprived of
 22 its rightful, equal, and uniform use of the airport, air navigation facility, or a portion of
 23 them.

24 * Sec. 2. AS 02.15.095 is amended to read:

25 Sec. 02.15.095. Courtesy cars and airport parking shuttles.
 26 Notwithstanding the provisions of AS 02.15.090(a), the department may not exclude
 27 from the streets, roads, highways, parking facilities, or other portions of a state-
 28 operated airport designated for operation or parking of ground transportation vehicles,
 29 nor may the department prohibit from picking up and discharging passengers [.] those
 30 motor vehicles commonly known as "courtesy cars," which are owned or operated by
 31 hotels, motels, or other similar places of public accommodation for the transportation

1 of their guests to and from the airport at the request of the guest and for which service
2 no charge is made to the guest, and "airport parking shuttles," which provide
3 transportation services between the airport and off-airport rental car offices and
4 remote vehicle parking locations.

ALASKA STATE LEGISLATURE

SENATE TRANSPORTATION COMMITTEE

Committee Members

Senator Huggins, Chairman
Senator Cowdery, Vice-Chair
Senator Thierriault
Senator Kookesh
Senator French



State Capitol, Room 417
Juneau AK 99801-1182
907-465-3878
Fax: 907-465-3265

Sponsor Statement

Senate Bill 304

"An Act relating to the privileges of airport parking shuttles and to fees or charges imposed on a person who is not a lessee or holder of a privilege to use the property or a facility of an airport."

Under Alaska law, commercial vehicles that deliver people to the airport fall into one of six general categories: limos, tour buses, standard bus service, off airport shuttles, off airport car rental shuttles and courtesy vehicles. Depending upon the vehicle's classification, a fee is charged for what is essentially use of the airport's curb and roadway. The authority for the setting of these specific rates can be found in AS 02.15.090 which requires the fees charged to be "reasonable and uniform for the same class of privileges and services... and [to be established] with due regard to the property and improvements used and the expense of operation by the state."

At present, the rates charged by the Department of Transportation for these different vehicles to utilize the airport curb at the Anchorage International Airport varies from \$50.00 per year for a courtesy vehicle, taxi, or limo, to \$100 per year for a tour passenger vehicle, up to a maximum of \$1000.00 per year for a regularly scheduled bus.

In early 2005, the Department of Transportation proposed regulations, which would charge "off-airport valet parking services" a tax equal to 8% of their gross revenues. This change would constitute a drastic shift from the statutory language, which requires that the fees charged be "reasonable and uniform for the same class of privileges and services." While other courtesy services such as free hotel shuttles are charged a \$50 per vehicle fee, the proposal would charge free parking shuttles 8% of gross sales or \$250 annual minimum (whichever is greater). The two services are essentially the same class because both are "a free courtesy"; both offer an airport patron an off-site service and both require the same amount of accommodations on part of the Airport.

The purpose of SB304 is to clarify the law with regard to the charging of off-airport businesses who simply drop patrons at the curb or pick them up upon return and reflects the sentiment that the Department should set rates, which are based on use and not as a percentage of gross revenues. SB304 simply and specifically directs the Department that charges for usage must be consistent with other services that receive similar privileges and accommodations, may not be on a gross revenue basis and shall not have the effect of singling out one type of accommodations because it may currently or in the future compete with the airport.

ALASKA STATE LEGISLATURE

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State Capitol, Room 417
Juneau AK 99801-1182
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MEMORANDUM

To: Representative Kevin Meyer
Co-Chair, House Finance Committee

From: Senator John Cowdery

Date: April 10, 2006

Re: Request for Hearing, SB 304 "An Act relating to the privileges of airport parking shuttles and to fees or charges imposed on a person who is not a lessee or holder of a privilege to use the property or a facility of an airport."

HCSSB 304 replaces:

A charge, rental, or fee imposed on a person who is not a lessee or person holding a privilege to use the property or facility may not have the effect of charging a percentage of the gross revenue of the person. Use

With:

A charge, rental, or fee imposed on a person who is not a lessee or concessionaire of the airport may not have the effect of charging a percentage of the gross revenue of the person as a condition of on-site access to customers who use the airport facility, unless the charge, rental, or fee was in existence before January 1, 2006, and this exception is not affected if the department amends, increases, or decreases a charge, rental, or fee that was in effect before January 1, 2006. Use

This change was made to allow "Off- Airport Rental Car Facilities" to be charged a percentage of gross revenue because they are currently paying fees to the airport through an 8% of gross revenue mechanism. This bill is intended to exempt off airport facilities from gross revenue fees if they have not historically been charged them, but wasn't intended to change current practice for this segment of off airport business.

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES



SB 304 INFORMATION SHEET

Below is a timeline of issues associated with DOT&PF's enactment of fee regulations at the Ted Stevens Anchorage International Airport.

- June 14, 2005 DOT adopts fees for airport and valet parking services with an effective date of Aug. 1, 2005
- July 1, 2005, Diamond Airport Parking files a protest to the fee adoption
- July 15, 2005 DOT denies the protest request
- Aug. 1, 2005 fees are put in place
- Aug. 4, 2005 Diamond Parking appeals the denial of protest.

Recently a hearing officer has been appointed.

The three attachments provide background information and are summarized below:

1. Concession - summarizes concession fees charged by the Airport for various business activities. These fees are standard throughout the Airport industry.
2. Parking Revenue - summarizes Airport Parking Revenues from FY03 to FY05. This is a summary of Airport Parking Revenues from on-airport parking at ANC for FY03 to FY05. These revenue figures serve as additional context, indicating that vehicle parking fees are a material part of an airport's revenue picture, ranging between 3.4 to roughly 4% of total AIAS operating revenues over the past few years.
3. Airport Ground Transportation Association (AGTA) Fee Survey - describes the fees charged by 85 airports for various ground transportation classes. (Please note the various categories and how the fees vary depending upon category.)

Ted Stevens Anchorage International Airport Concessions

Anchorage Airport Concessions	Percentage Rent*
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*Most concessionaires pay the greater of a minimum annual guarantee or a percentage of gross sales

Food & Beverage (HMSHost)	
Food	10.00%
Alcohol	15.00%
Vending/Starbucks Merchandise	15.00%
Employee Cafeteria	5.00%

News & Gifts (Hudson News)	
Books, Magazines, Newspapers	14.00%
Health & Beauty Aides/Sundries/Food	18.00%
Gifts/Retail	24.00%

Specialty Retail (Sourdough Mercantile)	
Books	11.00%
Gifts/Retail	17.00%
Alaska Made Products	13.00%
Seasonal Kiosks	10.00%

DVD Rental/Sales (InMotion)	
DVD Rentals	13.00%
Retail	10.00%

Public Pay Phones (GCI)	
Pay Phones & Long Distance	15.00%

Luggage Carts (FSS)	10.00%
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Duty Free/ North Terminal News & Gifts	
General Merchandise	12.50%
Books/Magazines	13.00%

On-Airport Rental Car Permit	10.00%
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Off-Airport Rental Car Permit	8.00%
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Relaxation Center (The Right Touch)	5.00%
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Display Advertising (Interspace)	40.00%
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Alaska Railroad Consideration & Rent	
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Constructed \$2 million tunnel for Airport

Land Rent (\$.08/sf/yr * 27,350 sf = \$2,188/yr for first 24yrs)

Passenger Access Fees* After first 5 years

TED STEVENS ANCHORAGE INTERNATIONAL AIRPORT PARKING REVENUES

FY03

Gross	\$4,817,000	Concession Agreement ¹
Net	\$2,204,000	Concessionaire's check to the Airport

FY04

Gross	\$4,456,000	Concession Agreement ¹
Net	\$2,009,000	Concessionaire's check to the Airport

FY05

Gross	\$4,686,000	Concession Agreement ¹
Net	\$2,462,000	Concessionaire's check to the Airport ²

*FY06

*Note: July and August were under the concession agreement, i.e., all expenses were paid by the concessionaire. Beginning September 1, 2005, the concession agreement was replaced with a management agreement. Under the management agreement, the Airport pays all operating expenses and a management fee but retains all parking revenues.

¹ Garage and Shuttle Expenses paid by Concessionaire out of gross revenues.

² Concessionaire percentage rent increased during this year from 46% to 55%.

Dated: 4/3/06

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COPIES

AIRPORT GROUND TRANSPORTATION ASSOCIATION

**2003
Airport Ground Transportation
Fees and Fares Survey
Summary**

February 2004



AIRPORT GROUND TRANSPORTATION ASSOCIATION

2003 Airport Ground Transportation Fees and Fares Survey Participants

1. Albuquerque International Sunport
2. Ted Stevens Anchorage International Airport
3. Hartsfield Atlanta International Airport
4. Austin - Bergstrom International Airport
5. Bradley International Airport
6. Boise Air Terminal
7. Logan International Boston
8. Birmingham Airport / Birmingham Airport Authority
9. Burbank-Glendale-Pasadena Airport
10. Baltimore Washington International Airport
11. Port Columbus International Airport
12. Cleveland Hopkins International Airport
13. Charlotte / Douglas International Airport
14. Colorado Springs Airport
15. Cincinnati / Northern Kentucky International Airport
16. Daytona Beach International Airport
17. Dayton International Airport
18. Ronald Reagan Washington National Airport
19. Denver International Airport
20. Dallas / Ft. Worth International Airport
21. Newark International Airport
22. Fort Lauderdale Int'l Airport
23. Spokane International Airport
24. Gullport-Biloxi International Airport
25. Grand Rapids Int'l Airport / Kent County International Airport
26. Piedmont Triad International Airport
27. Honolulu
28. Huntsville International Airport
29. Metro Washington Airport Authority Dulles Airport
30. Indianapolis Airport Authority
31. John F. Kennedy International Airport
32. McCarran International Airport (Las Vegas, NV)
33. City of Los Angeles Department of Airports
34. La Guardia Airport
35. Little Rock National Airport
36. Kansas City International Airport
37. Orlando International Airport
38. Harrisburg International Airport
39. Chicago Midway Airport
40. Memphis International Airport
41. Miami Dade Aviation Department
42. General Mitchell International Airport
43. Minneapolis/St. Paul International Airport
44. New Orleans Aviation Board
45. Oakland International Airport
46. Will Rogers World Airport
47. Omaha Airport Authority
48. Ontario (CA) International Airport
49. Chicago O'Hare International Airport
50. Norfolk Airport Authority
51. Philadelphia International Airport
52. Phoenix Sky Harbor International Airport
53. Pittsburgh International Airport
54. Portland International Airport
55. Raleigh-Durham International Airport
56. Richmond International Airport
57. Reno - Tahoe Int'l Airport
58. Greater Rochester International Airport
59. Southwest Florida International Airport Lee County (Ft. Myers, FL)
60. San Diego Int'l Lindbergh Field
61. City of San Antonio Department of Aviation
62. Savannah International Airport
63. Louisville International Airport
64. Seattle - Tacoma Int'l Airport
65. City / County of San Francisco Airports
66. San Jose International Airport
67. Salt Lake City International Airport
68. Sacramento International Airport
69. Santa Ana - John Wayne Airport
70. Lambert - St. Louis International Airport
71. Tampa International Airport
72. Tulsa International Airport
73. Metropolitan Knoxville Airport Authority
74. Edmonton Regional Airport Authority
75. Halifax International Airport
76. Ottawa International Airport
77. Toronto - Lester B. Pearson Int'l Airport
78. Montreal (Dorval) International Airport
79. Vancouver International Authority
80. Winnipeg Airports Authority Inc.

AIRPORT GROUND TRANSPORTATION ASSOCIATION

Ground Transportation Vehicle Fees Paid to Airports

On Airport Rental Car Fee

86.25% of respondents charge this type of fee.

- ✓ 82.25% base this fee strictly on a percentage of gross.
Range: 4% - 12.75%
Average 9.87%
Std. Dev: 1%
- ✓ 13.75% base this fee on a percentage of gross in addition to a Minimum Agreement Guarantee.
- ✓ 6.25% base this fee on a percentage of gross in addition to counter space rental.
Range: \$20 - \$35
Average \$26.54
Std. Dev: \$7.68
- ✓ 2.50% base this fee on a percentage of gross in addition to a transaction fee.
Range: \$1.50 - \$2.00
Average \$1.75
Std. Dev: \$0.35
- ✓ 1.25% base this fee on a percentage of gross in addition to Parking Lane Rental
- ✓ 1.25% base this fee on a percentage of gross in addition to a Contract Fee
- ✓ 1.25% base this fee on a percentage of gross in addition to a Facility Charge
- ✓ 1.25% base this fee on a percentage of gross in addition to a per Vehicle Fee

AIRPORT GROUND TRANSPORTATION ASSOCIATION

Ground Transportation Vehicle Fees Paid to Airports

Off Airport Rental Car Fee

78.75% of respondents charge this type of fee.

- ✓ 65.00% base this fee strictly on a percentage of gross.
Range: 4% - 11.00%
Average 8.10%
Std. Dev: 1.84%
- ✓ 5.00% base this fee on a percentage of gross in addition to a per trip fee.
Range: \$.75 - \$1
Average \$.92
Std. Dev: \$.14
- ✓ 7.50% base this fee on a percentage of gross in addition to a per vehicle charge.
Range: \$50- \$400
Average 2.17
Std. Dev: \$175.59
- ✓ 3.75% base this fee on a percentage of gross in addition to a contract fee.
Range: \$3.95 - \$5.00
Average \$4.32
Std. Dev: \$.59
- ✓ 5.00% base this fee on a percentage of gross in addition to an annual fee.
Range: \$150 - \$500
Average \$312.50
Std. Dev: \$165.20
- ✓ 1.25% base this fee on a percentage of gross in addition to a Monthly Fee.

AIRPORT GROUND TRANSPORTATION ASSOCIATION

Ground Transportation Vehicle Fees Paid to Airports

Off Airport Parking Fee

67.5% of respondents charge this type of fee.

- ✓ 25.00% base this fee strictly on a percentage of gross.
Range: 2% - 10.00%
Average 7.40%
Std. Dev: 2.62%
- ✓ 23.75% base this fee on an annual fee.
Range: \$120 - \$660
Average \$382
Std. Dev: \$175
- ✓ 23.75% base this fee on a per trip basis in addition to a percentage of gross or an annual fee.
Range: \$.20 - \$4
Average \$1.37
Std. Dev: \$.93
- ✓ 12.50% base this fee on a per vehicle fee in addition to a percentage of gross and annual fee.
Range: \$100 - \$1,883
Average \$773
Std. Dev: \$777
- ✓ 6.25% base this fee on a decal or monthly fee in addition to a percentage of gross, annual fee, or per trip fee.
Range: \$3.95 - \$5
Average \$4.32
Std. Dev: \$.59
- ✓ 3.75% base this fee on a per day fee.
Range: \$.15 - \$12
Average \$4.17
Std. Dev: \$6.78
- ✓ 2.50% base this fee on a per company basis.
Range: \$25 - \$3,930
Average \$1,998
Std. Dev: \$2,761

AIRPORT GROUND TRANSPORTATION ASSOCIATION

Ground Transportation Vehicle Fees Paid to Airports

Charter Bus Fee

73.75% of respondents charge this type of fee.

- | | | |
|------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| ✓ 38.75% base this fee on a per trip basis.
<i>Range:</i> \$1 - \$10.50
<i>Average</i> \$3.28
<i>Std. Dev:</i> \$2.40 | ✓ 5.00% base this fee on a percentage of gross.
<i>Range:</i> 2.00% - 10.00%
<i>Average</i> 6.25%
<i>Std. Dev:</i> 3.30% | ✓ 2.50% charge this fee on a per passenger basis.
<i>Range:</i> \$.15 - \$.25
<i>Average</i> \$.20
<i>Std. Dev:</i> \$.07 |
| ✓ 23.75% charge this fee on a per vehicle basis.
<i>Range:</i> \$5 - \$41
<i>Average</i> \$18.40
<i>Std. Dev:</i> \$12.03 | ✓ 2.50% charge this fee on a monthly basis.
<i>Range:</i> \$25 - \$75
<i>Average</i> \$50
<i>Std. Dev:</i> \$35.36 | ✓ 1.25% charge this fee on a weekly basis. |
| ✓ 22.50% charge this fee on an annual basis.
<i>Range:</i> \$60 - \$660
<i>Average</i> \$220
<i>Std. Dev:</i> \$161 | ✓ 2.50% charge this fee on a per company basis.
<i>Range:</i> \$25 - \$200
<i>Average</i> \$112.50
<i>Std. Dev:</i> \$123.74 | |

AIRPORT GROUND TRANSPORTATION ASSOCIATION

Ground Transportation Vehicle Fees Paid to Airports

Limo Fee

81.25% of respondents charge this type of fee.

- ✓ 48.75% base this fee on a per trip basis.
 - Range: \$50 - \$10
 - Average \$2.45
 - Std. Dev: \$1.94
- ✓ 36.25% charge this fee on an annual basis.
 - Range: \$100- \$660
 - Average \$292
 - Std. Dev: \$166
- ✓ 22.50% charge this fee on a per vehicle basis.
 - Range: \$100- \$660
 - Average \$276
 - Std. Dev: \$170
- ✓ 3.75% base this fee on a percentage of gross.
 - Range: 2.00% - 10.00%
 - Average 6.00%
 - Std. Dev: 4.00%
- ✓ 3.75% charge a minimum agreement guarantee.
- ✓ 3.75% charge this fee on a monthly basis.
 - Range: \$25 - \$75
 - Average \$50
 - Std. Dev: \$25
- ✓ 3.75% charge this fee on a per company basis.
 - Range: \$10 - \$30
 - Average \$21.67
 - Std. Dev: \$10.41
- ✓ 2.50% charge this fee on a daily basis.

AIRPORT GROUND TRANSPORTATION ASSOCIATION

Ground Transportation Vehicle Fees Paid to Airports

Shared Ride Van Fee

76.25% of respondents charge this type of fee.

- ✓ 38.75% charge this fee on a per trip basis.
 - Range:* \$1 - \$11.30
 - Average* \$2.98
 - Std. Dev:* \$2.47
- ✓ 11.25% base this fee on a percentage of gross.
 - Range:* 2.00% - 15.00%
 - Average* 9.16%
 - Std. Dev:* 4.19%
- ✓ 1.25% charge this fee on a per company basis.
- ✓ 1.25% charge this fee on a per sit/year basis.
- ✓ 27.50% charge this fee on an annual basis.
 - Range:* \$100 - \$1,000
 - Average* \$302
 - Std. Dev:* \$241
- ✓ 5.00% charge a minimum agreement guarantee.
 - Range:* \$120,000 - \$500,000
 - Average* \$255,000
 - Std. Dev:* \$172,530
- ✓ 15.00% charge this fee on an per vehicle basis.
 - Range:* \$100- \$1,436
 - Average* \$562
 - Std. Dev:* \$499
- ✓ 3.75% charge this fee on a monthly basis.
 - Range:* \$25 - \$30
 - Average* \$28.33
 - Std. Dev:* \$2.89

AIRPORT GROUND TRANSPORTATION ASSOCIATION

Airport Hotel/Motel Courtesy Vehicles

Access Fee

23.75% of respondents charge this type of fee.

- ✓ 10.00% charge this fee on a per trip basis.
Range: \$1.10 - \$4.30
Average \$2.24
Std. Dev: \$1.39
- ✓ 6.25% charge this fee on a per vehicle basis.
- ✓ 6.25% charge this fee on a per room basis.

Permit Fee

55% of respondents charge this type of fee.

- ✓ 37.50% charge this fee on an annual basis.
Range: \$100- \$1,959
Average \$510
Std. Dev: \$467
- ✓ 15.00% charge this fee on a per vehicle basis.
Range: \$210- \$1,1959
Average \$799
Std. Dev: \$606
- ✓ 10.00% charge this fee based on miscellaneous methods.

Per Trip Fee

40% of respondents charge usage on a per trip fee.

Range: \$.20 - \$6.00
Average \$1.66
Std. Dev: \$1.37

Dwell Time Fee

30.00% charge for usage through dwell time fees.

Range: \$.10 – \$1.90
Average: \$.94 per
 minute
Exclusion: Up to 45
 minutes
Exclusion Avg.: 7 minutes

GROUND TRANSPORTATION FEES 17 AAC 42.095

COURTESY VEHICLE, TAXI CAB	\$50 PER VEHICLE PER YEAR
LIMOUSINE	\$500 FOR THE FIRST VEHICLE AND \$50 FOR EACH THEREAFTER PER YEAR
TOUR BUS	\$100 PER VEHICLE PER YEAR OR \$50 PER VEHICLE PER YEAR IF LESS THAN 10 TRIPS
SCHEDULED BUS SERVICE	\$1,000 PER VEHICLE PER YR.
OFF AIRPORT SHUTTLE	\$500 FOR THE FIRST VEHICLE AND \$50 FOR EACH VEHICLE THEREAFTER PER YEAR
OFF AIRPORT CAR RENTAL	GREATER OF 8% OF GROSS SALES OR \$250 ANNUAL MINIMUM

Finance Committee

Chairman

1. SignUpToTestify

Thank you Mr. Chairman for allowing me to testify concerning Senate Bill 304. My name is Mike Neely and I am the Regional Vice President Alaska for Diamond Parking. I am testifying in favor of this bill. A situation has been hanging over our heads since we opened Diamond Airport Parking facility near the Ted Stevens International Airport in Anchorage.

In a complicated land trade & purchase involving the Municipality of Anchorage and private business, Diamond Parking owns the former Spenard Community dump and has developed it into a facility with a capacity to park nearly 1200 vehicles at a cost of \$12,000,000. We sell service. People park their cars at our facility, we pick them up at their car and transport them to the airport, and pick them up again when they return. We are open 24 hours a day 365 days a year employing 25 to 30 people with an annual payroll of half a million dollars. To do business at the Airport we are currently required to have ramp passes for each of our shuttle buses to drive onto airport property. We purchase 5 annual passes at \$500 each. In addition to the ramp passes expense, the airport seeks a percentage of our gross revenue. Based on our projections for 2006, this amount could be as high as \$120,000, which would be the difference between profit and loss.

I do not think this is fair. All other businesses that pick up and drop off customers from off airport facilities are charged a flat fee. The fees range from \$50 to \$1000.

We have been trying to come to an agreement, but our attempts to reach an equitable solution have been rebuffed. Diamond Parking believes it should pay a fair fee for our usage of the Airport.

We have proposed 2 solutions.

Our first proposal, is to pay a per car fee. A customer only uses the airport once when they leave Anchorage and again once when they return. So charging for their usage seems like a fair way to go.

The second proposal is a per trip fee for each time one of our buses went to the airport. This is based on several large airports outside, Seattle, Portland and Salt Lake City. We offered to install the equipment needed and have our fees be deducted from the expense until we were whole. Then we would pay our fair share going forward. In the cities mentioned above, all commercial vehicles paid for their usage as well. This included taxis, shuttle buses and passenger buses for tourists.

Both of these proposals were rejected.