



## **AGENDA MEMORANDUM**

First Reading Ordinance for the City Council Meeting August 23, 2022  
Second Reading Ordinance for the City Council Meeting August 30, 2022

---

**DATE:** August 23, 2022

**TO:** Peter Zaroni, City Manager

**FROM:** Kevin Smith, Director of Aviation  
[KevinS4@cctexas.com](mailto:KevinS4@cctexas.com)  
(361) 826-1292

<b>Amending Chapter 9 of the City Code of Ordinances</b>
--

### **CAPTION:**

Ordinance amending City Code Chapter 9, Aviation, Section 9-54, pertaining to landing fees at the Corpus Christi International Airport by revising the landing weight for aircraft subject to a landing fee from 12,500 to 6,000 pounds; and authorizing execution of a five-year contract with Vector Airport Systems, LLC, for the billing and collection of landing fees. Effective upon City Council approval.

### **SUMMARY:**

Currently landing fees are only applicable to aircraft with a maximum landing weight greater than 12,500 pounds. Today, only airlines are charged a landing fee. By lowering the landing weight to 6,000 pounds, CCIA expands the applicability of landing fees to include a wider variety of aircraft.

To streamline the landing fee assessment and collection process, CCIA intends to enter into an agreement with Vector Airport Systems, LLC, who will provide a PlanePass billing and collection service.

### **BACKGROUND AND FINDINGS:**

On August 18, 1987, the City Council approved Ordinance 19930, establishing the landing fees for commercial aircraft. On January 20, 2004, the City Council approved Ordinance No. 025628, revising Chapter 9, Aviation, Section 9-54 – Landing fees for commercial aircraft, to change the landing fee for nonscheduled commercial aircraft, to change the definition of commercial aircraft, and to include the gross certified landing weight of greater than 12,500 pounds for aircraft that uses the airport for commercial purposes.

CCIA intends to expand the applicability of landing fees to aircraft over 6,000 pounds, because the technology that will be used for the collection of fees has the capability of identifying aircraft 6,000 pounds or more. This maximizes the ability and utility of the new technology and system.

CCIA will also expand applicability beyond just commercial aircraft to apply to all aircraft over 6,000 pounds.

Vector Airport Systems, LLC is a technology company that offers a proprietary information collection and landing fee billing system at 36 airports across the country. The City's Procurement Division has confirmed that Vector Airport Systems, LLC is a sole source vendor for this type of service. The system monitors the airfield for landing aircraft using a transponder antenna and cross references FAA aircraft registration databases to find owner information. Vector automatically bills aircraft owners for the applicable landing fees. Vector has a 99.6% collection rate on billed fees.

Vector's fee for providing this service will be 20% of amounts collected for landing fees. This fee is lower than the industry standard 25-33% for the traditional method of Fixed Based Operators collecting landing fees on behalf of the airport.

Aircraft based at CCIA will not be charged landing fees. Vector will not bill tenant airlines (Southwest, American and United), but will provide CCIA a report that can be used to audit the airlines' monthly self-reporting documentation.

### **ALTERNATIVES:**

Alternatives include implementing Vector but maintaining a landing fee applicability of 12,500 pounds or more. Alternatives also include lowering the window of applicability to 6,000 pounds but utilize the Fixed Base Operator to collect the fees, which will result in lower collection rates and lower overall yield.

### **FISCAL IMPACT:**

A forecast analysis was conducted to understand potential fiscal year landing fee revenue. The analysis excluded CCIA-based aircraft and airlines, per the applicability of the Vector agreement. The analysis indicates an increase in revenue of \$139,000 per year after Vector assesses their fees for service.

### **FUNDING DETAIL:**

Fund:	4610	Airport Fund
Organization/Activity:	35000	Airport Administration
Mission Element:	272	Manage Airport Operations
Project # <b>(CIP Only)</b> :	N/A	
Account:	320000	Landing Fees

### **RECOMMENDATION:**

City staff recommends approval of this action item.

The Airport Board recommended approval of this action item at their regularly scheduled meeting.

### **LIST OF SUPPORTING DOCUMENTS:**

Ordinance  
Agreement for Professional Services – Vector Airport Systems, LLC