

APPLICATION OF CPI RENT INCREASE

The ground rental rate is adjusted annually as of the anniversary of the Effective date based on the percentage increase in the Consumer Price Index - All Urban Consumers (CPI-U) since the last anniversary date. The Department uses the most current CPI data available on the anniversary date. For billing purposes, the result is then rounded to the nearest whole cent.

Assume for example, a lease is effective June 1, 2013. As a practical matter the most recent CPI data available at that time is April 2013 – typically there is about a two month lag before the Bureau of Labor Statistics publishes the CPI for a given month. Assume that in April 2013 the ground rental rate was 21.0 ¢/SF. The CPI – U for April 2013 was 194.6. In April 2014 the CPI-U was 201.5. Therefore the adjusted rental rate for the lease year commencing June 2014 would be $201.5/194.6 \times 21.0¢ = 21.74¢/SF$. For billing purposes this would be rounded to 22¢.

In April 2007, the CPI – U was 206.7. So, the adjustment for the lease year commencing June 2015 would be as follows: $206.7/201.5 = 1.026 \times 21.74¢ = 22.30¢$. Since this rounds to 22¢, there would be no change in the rental rate for billing purposes for the lease year commencing June 2015.

The CPI – U for April 2016 was 214.8. So, the adjustment for the lease year commencing June 2016 would be as follows: $214.8/206.7 \times 22.30 = 23.2$, which for billing purposes is rounded to 23¢. DRAFT FOR DISCUSSION PURPOSES ONLY April 10, 2017

Rates are set annually by the DOA after consultation with Signatory Airlines serving ABIA. Payment of Landing Fees shall be made in accordance with the terms of the aircraft owner or operator's Operating Agreement. Persons who incur Landing Fees that do not have an Operating Agreement with DOA shall pay Landing Fees either (i) directly to the DOA upon receipt of invoice, or (ii) to the FBO that services and fuels their aircraft.

- b. FBOs and SASOs will report to the DOA all Revenue Flights landing at the Airport that utilize their facilities for service, including fueling and ramp service, on the forms provided by the DOA.
- c. FBOs that collect Landing Fees from persons operating Revenue Flights shall forward such fees to the DOA at least monthly, as agreed in writing between the FBO and the DOA.

5. **Fuel Flowage Fees.** Fuel Tenants are subject to a Fuel Flowage Fee. As of the effective date of this policy, the Fuel Flowage Fee is ten cents (\$0.10) per gallon of aviation fuel delivered (i) to the Fuel Tenant's fuel storage facilities at ABIA, or (ii) for the Fuel Tenant's account at the fuel storage facilities of another Fuel Tenant. Fuel Flowage Fees are subject to change by the County upon written notice to the Fuel Tenant. Fuel Flowage Fees are payable in accordance with the terms of the Fuel Tenant's lease, permit, or other agreement with the DOA.

6. **Deduction for Revenue Flights.** Revenue Flights using aircraft having a MGLW greater than or equal to 25,000 pounds are EXEMPT from the Airport Fuel Flowage Fee. Fuel Tenants may deduct from the amount of Fuel Flowage Fees due the DOA the Fuel Flowage Fees attributable to fuel dispensed into aircraft operating exempt Revenue Flights. There is no deduction or exemption from payment of Fuel Flowage Fees for (i) Revenue Flights using aircraft having a MGLW less than 25,000 pounds, or (ii) non-Revenue flights, regardless of aircraft MGLW.

7. **Reporting of Fuel Flowage Fees.** On a monthly basis a report of all Fuel Flowage Fees must be sent to the County Airport Manager. A duplicate copy must also be sent to the County Auditor's Dept.. Included must be the total number of delivered gallons per month including the total \$ fees.