



Milwaukee County

Legislation Details (With Text)

File #: 11-91 **Version:** 1 **Name:** Establishment of an Off Airport Parking Privilege Fee in the Ordinances of Milwaukee County

Type: Action Report **Status:** Placed on File, End of Term

File created: 2/14/2011 **In control:** County Clerk

On agenda: **Final action:** 4/16/2012

Title: From the Director of Transportation and Public Works, requesting that the County Board amend Milwaukee County Ordinance Section 4.05.04(2)(a) and create Section 4.33(3) to provide for an Off-Airport Parking Operator Privilege Fee.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Resolution - Off Airport Parking 4.33(3).doc, 2. FISCAL NOTE - Off Airport Parking Fee.doc, 3. Attachment Off Airport Parking Fee.pdf

| Date | Ver. | Action By | Action | Result |
|-----------|------|---------------------------------------|-----------------------------|--------|
| 4/16/2012 | 1 | Milwaukee County Board of Supervisors | PLACED ON FILE | |
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From the Director of Transportation and Public Works, requesting that the County Board amend Milwaukee County Ordinance Section 4.05.04(2)(a) and create Section 4.33(3) to provide for an Off-Airport Parking Operator Privilege Fee.

POLICY ISSUE

Changes to County Ordinances require County Board approval.

BACKGROUND

All users of General Mitchell International Airport are required to pay a user fee in the form of lease or rental payments, landing fees, gallonage fees, or a percentage of gross revenues for the opportunity to conduct business with the tenants and passengers who travel through or use the Airport. This policy is further embodied in County Ordinance 4.02(1).

Many of the nation’s airports have already adopted ordinances to require that off-airport parking companies pay a percentage of gross receipts to the airport operator for the opportunity and privilege of conducting business and earning revenue that is generated from the airport.

Table II-12 is a compilation of the results of two surveys conducted by Airport Ground Transportation in 2010 and Airports Council International - North America (ACI-NA) in 2005. Table II-12 lists 58 airports that assess one or more types of fees on off-airport parking operators. The surveys show:

- Types of fees collected from off-airport parking operators: (1) percentage of gross revenue, (2) annual fee per shuttle vehicle, (3) fee per trip, (4) annual fee per parking

space, and (5) annual permit fee by company.

- The most common practice is the assessment of fee as a percentage of gross revenue (Figure II-5). Thirty-three of the 58 airports in Table II-12 collected a percentage of gross revenue, ranging from 2% to 10%. Figure II-6 shows how many airports in the combined sample collected a particular percentage: 13 airports collected 10%; 8 airports, 8-9%; 7 airports 6-7%; and 6 airports, 1-5%.
- A number of airports collect more than one type of fee. Of the 16 airports that collect more than one type of fee, 11 collect two fees, four collect three fees, and one collects four fees. An annual permit fee and a per trip fee is the most popular combination of fees.

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four fees. An annual permit fee and a per trip fee is the most popular combination of fees.

TABLE II-12 (1 of 2)
FEE ASSESSED ON OFF-AIRPORT PARKING OPERATORS

| Airport | 2009 Total Passengers ¹ | Annual Permit Fee per Company | Per Trip Fee | Annual Fee Per Shuttle | Percent of Gross Revenue | Annual Fee Per Space |
|--|------------------------------------|-------------------------------|--|----------------------------------|--------------------------|----------------------|
| Hartsfield-Jackson Atlanta International | 88,032,086 | | | \$360 | | \$10.00 |
| Los Angeles International | 56,520,843 | \$120 | \$1.60 >= 25 pax; \$2.45 <= 25 pax | | | |
| Dallas-Fort Worth International | 56,030,457 | | | | 10.0% | |
| Denver International | 50,167,485 | | \$1.75 - \$5.30 based on vehicle | | | |
| George Bush Intercontinental | 40,007,354 | | | \$400 | 8.0% | |
| Phoenix Sky Harbor International | 37,824,982 | | | | | |
| San Francisco International | 37,338,942 | | \$2.90 | | | |
| Charlotte-Douglas International Airport | 34,536,666 | | \$1.00 | | | |
| Miami International | 33,886,025 | | \$1.00-\$3.00 based on vehicle and pickup location | | | |
| Orlando International | 33,693,649 | | | | 10.0% | |
| Minneapolis-St. Paul International | 32,378,599 | \$60 | \$2.50 w/ permit, \$6.00 w/o permit ³ | | | |
| Detroit Metropolitan Wayne County | 31,357,388 | | | \$9,360 | | |
| Seattle-Tacoma International | 31,227,512 | | \$2.11 | | | |
| Boston Logan International | 25,512,086 | | \$3.75 | | | |
| Fort Lauderdale-Hollywood International | 21,060,144 | | | | 4.0%, 8.0% ⁴ | |
| Baltimore/Washington International | 20,963,048 | | | \$100 | | |
| Salt Lake City International | 20,442,178 | | \$1.57 | | | |
| San Diego International | 16,974,172 | \$200 | | | | |
| Tampa International | 16,965,545 | | | \$550 | | |
| Portland International | 12,929,675 | | \$2.00 | | 7.0% | |
| Lambert-St. Louis International | 12,796,302 | | | | | \$40.00 |
| Cincinnati-Northern Kentucky International | 10,622,185 | | | | 4.0% | |
| Memphis International | 10,264,327 | \$105 | | | 10.0% | |
| Kansas City International | 10,041,165 | | | | 10.0% | |
| Oakland International | 9,652,782 | \$500 | \$3.00 | \$50 | 3.0% | |
| Raleigh-Durham International | 8,973,209 | | | | 10.0% | |
| Nashville International | 8,936,860 | \$900 | | \$900 - \$2,400 based on vehicle | | |
| William P. Hobby | 8,498,441 | | | | 7.0% | |

Source: 2010 Airport Ground Transportation Association Survey, except as noted.

¹ ACI-NA 2009 Final Rankings.

² 2005 ACI-NA Airport Parking Survey.

³ \$2.00 per 10 minutes dwell time after the first 10 minutes.

⁴ 4% on first \$20K per month; 8% on revenue greater than \$20K per month.

⁵ Per occupied space, per day.

⁶ Per parked vehicles on lots with less than 10 spaces.

⁷ Per parked vehicles on lot with more than 10 spaces.

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TABLE II-12 (2 of 2)
FEE ASSESSED ON OFF-AIRPORT PARKING OPERATORS

| Airport | 2009 Total Passengers ¹ | Annual Permit Fee per Company | Per Trip Fee | Annual Fee Per Shuttle | Percent of Gross Revenue | Annual Fee Per Space |
|---|------------------------------------|-------------------------------|--------------------------------|------------------------------|----------------------------------|----------------------|
| San Jose International | 8,321,750 | \$200 | \$1.00-\$4.00 based on vehicle | | 8.0% | |
| Austin-Bergstrom International | 8,220,898 | | | \$400 | | \$0.15 ⁵ |
| Pittsburgh International | 8,031,175 | \$660 | \$1.00 | \$75 | 10.0% | |
| San Antonio International | 7,831,267 | | | | 7.0% | |
| Louis Armstrong New Orleans Int'l | 7,787,373 | | | \$100 | | |
| Dallas Love Field | 7,744,522 | \$200 | \$0.75 | | | |
| Indianapolis International | 7,465,719 | | | | 10.0% | |
| Southwest Florida International | 7,415,958 | | \$1.00 | \$180-\$600 based on vehicle | 8.0% | |
| Port Columbus International Airport | 6,243,717 | | | | 10.0% | |
| Palm Beach International ² | 5,994,606 | | | | 8.0% | |
| Albuquerque International | 5,895,211 | | \$0.20 | | 2.0% | |
| Jacksonville International | 5,605,934 | | | | 6% w/ \$10k annual exemption | |
| Bradley International | 5,334,322 | | | | 4.0% | |
| Bob Hope | 4,588,433 | | \$1.50 | | 10.0% | |
| Reno-Tahoe International | 3,755,935 | | | | 7.0% | |
| Norfolk International | 3,412,749 | | | | 8.0% | |
| Will Rogers World | 3,384,671 | | | \$600 | | |
| Richmond International | 3,305,199 | | | | 8.0% | |
| Spokane International | 3,055,081 | | \$0.50 | | | |
| Boise | 2,795,297 | \$50 | \$1.50 ⁶ | | | \$1.25 ⁷ |
| Albany International | 2,630,578 | | | | 10.0% | |
| Little Rock National | 2,254,124 | \$128 | | | | |
| Charleston International | 2,190,251 | \$120 | | | | |
| Gerald R. Ford International ² | 1,771,465 | | | | 7.0% | |
| Knoxville McGhee Tyson | 1,680,314 | | | | 5.0% | |
| Wichita Mid-Continent ² | 1,505,607 | | | | 8.0% | |
| Huntsville International | 1,171,147 | | | | Greater of \$1K per month or 10% | |
| Eastern Iowa ² | 945,350 | | | | 10.0% | |
| Chattanooga Metropolitan ² | 614,426 | | | | 10.0% | |
| Monroe County ² | | | | | 6.0% | |
| # of airports (total=58) | | 12 | 19 | 13 | 33 | 4 |

Source: 2010 Airport Ground Transportation Association Survey, except as noted.

¹ ACI-NA 2009 Final Rankings.

² 2005 ACI-NA Airport Parking Survey.

³ \$2.00 per 10 minutes dwell time after the first 10 minutes.

⁴ 4% on first \$20K per month; 8% on revenue greater than \$20K per month.

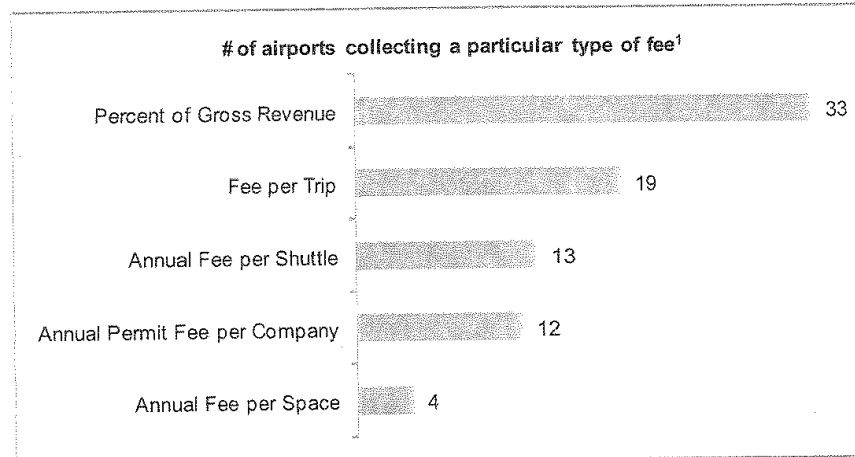
⁵ Per occupied space, per day.

⁶ Per parked vehicles on lots with less than 10 spaces.

⁷ Per parked vehicles on lot with more than 10 spaces.

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**FIGURE II-5
FEES ASSESSED ON OFF-AIRPORT PARKING OPERATORS**



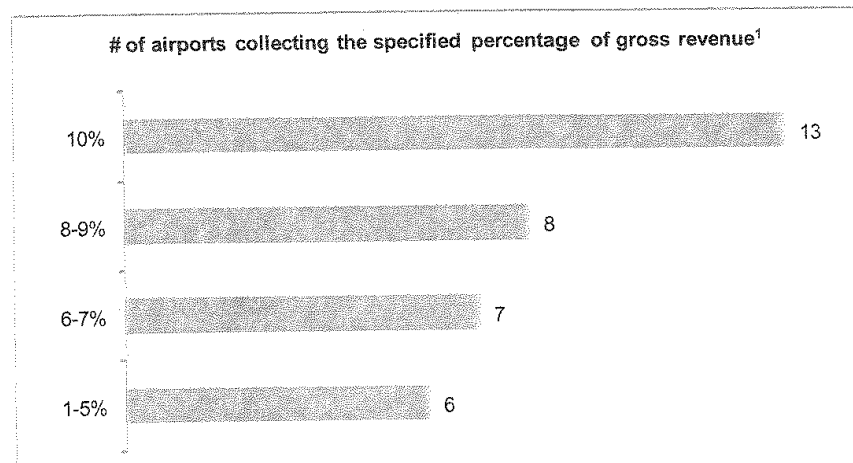
¹ Out of 58 airports that assess fees on off-airport parking operators.

Sources:

2010 Airport Ground Transportation Association Survey.

2005 ACI-NA Airport Parking Survey.

**FIGURE II-6
AIRPORTS THAT ASSESS FEES AS A PERCENTAGE OF GROSS REVENUE**



¹ Out of 58 airports that assess fees on off-airport parking operators.

Sources:

2010 Airport Ground Transportation Association Survey.

2005 ACI-NA Airport Parking Survey.

The County currently assesses off-airport parking operators at GMIA an annual fee of \$500 per shuttle vehicle.

For some time now, airport staff has been considering an ordinance to assess a percent-of-gross privilege fee for off-airport parking operators. Similar percent-of-gross fees are already being assessed by County Ordinance to the off-airport rent-a-car companies and off-airport catering companies.

The City of Oak Creek is negotiating a fee proposal with a developer which is proposing building hotel(s) and a large off-airport parking lot to generate revenue for Oak Creek (see attachment 1).

Toward the goal of initiating such an off-airport parking operator privilege fee, airport staff met with the operators on February 3, 2011. At that meeting Airport staff provided a draft County Ordinance which, in addition to defining off airport parking operators and their requirements for providing service to the airport, included subparagraph (d) Charges Fees and Accounting which indicated that “in addition, pursuant to the exercise of the privileges identified herein, said Off-Airport Parking Operator will pay to the Airport a Privilege Fee for the privilege and opportunity of using the Airport and the business benefit it derives there from, said Privilege Fee to be in the amount of eight percent (8%) in 2011 of the gross revenues that are received as a result of Airport patrons parking in Off-Airport parking lots; that percentage privilege fee is to increase by ½% each calendar year thereafter and would maximize at, and not exceed, ten percent 10% in 2015, payable monthly as defined in (d)(ii) below.”

At the meeting the Airport Director answered numerous questions from the operators and offered to consider any counter proposal. Corporation Counsel was present at the meeting and explained that Courts have upheld fees similar to the one proposed here. The off-airport parking operators opposed the ordinance, and offered no counter proposals for consideration.

RECOMMENDATION

Airport staff recommends that Section 4.33(3) be established and that Section 4.05.04(2)(a) of the General Ordinances of Milwaukee County be amended to initiate an Off Airport Parking Operator Privilege Fee in recognition of the operators’ use of General Mitchell International Airport for its revenues.

FISCAL NOTE

In 2011, an estimated \$320,000 will be generated by the collection of 8% of off-airport parking revenue, with a projected increase of ½% each calendar year thereafter and would maximize at, and not exceed 10% in 2015.

Jack H. Takerian, Director
Transportation and Public Works

C. Barry Bateman
Airport Director