



# Milwaukee County

## Legislation Text

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File #: 11-91, Version: 1

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

Airport	2009 Total Passengers <sup>1</sup>	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	\$120	\$1.60 >= 25 pax; \$2.45 <= 25 pax	\$360		\$10.00
Los Angeles International	56,520,843					
Dallas-Fort Worth International	56,030,457		\$1.75 - \$5.30 based on vehicle		10.0%	
Denver International	50,167,485					
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	\$60	\$2.50 w/ permit, \$6.00 w/o permit <sup>3</sup>		10.0%	
Minneapolis-St. Paul International	32,378,599					
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% <sup>4</sup>	
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.

<sup>1</sup> ACI-NA 2009 Final Rankings.

<sup>2</sup> 2005 ACI-NA Airport Parking Survey.

<sup>3</sup> \$2.00 per 10 minutes dwell time after the first 10 minutes.

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

<sup>5</sup> Per occupied space, per day.

<sup>6</sup> Per parked vehicles on lots with less than 10 spaces.

<sup>7</sup> Per parked vehicles on lot with more than 10 spaces.



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

Airport	2009 Total Passengers <sup>1</sup>	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 <sup>5</sup>
Pittsburgh International	8,031,175	\$660	\$1.00	\$75		
San Antonio International	7,831,267				10.0%	
Louis Armstrong New Orleans Int'l	7,787,373			\$100	7.0%	
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 <sup>2</sup>	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 <sup>6</sup>			\$1.25 <sup>7</sup>
Albany International	2,630,578				10.0%	
Little Rock National	2,254,124	\$128				
Charleston International	2,190,251	\$120				
Gerald R. Ford International <sup>2</sup>	1,771,465				7.0%	
Knoxville McGhee Tyson	1,680,314				5.0%	
Wichita Mid-Continent <sup>2</sup>	1,505,607				8.0%	
Huntsville International	1,171,147				Greater of \$1K per month or 10%	
Eastern Iowa <sup>2</sup>	945,350				10.0%	
Chattanooga Metropolitan <sup>2</sup>	614,426				10.0%	
Monroe County <sup>2</sup>					6.0%	
<b># of airports (total=58)</b>		<b>12</b>	<b>19</b>	<b>13</b>	<b>33</b>	<b>4</b>

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

<sup>1</sup> ACI-NA 2009 Final Rankings.

<sup>2</sup> 2005 ACI-NA Airport Parking Survey.

<sup>3</sup> \$2.00 per 10 minutes dwell time after the first 10 minutes.

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

<sup>5</sup> Per occupied space, per day.

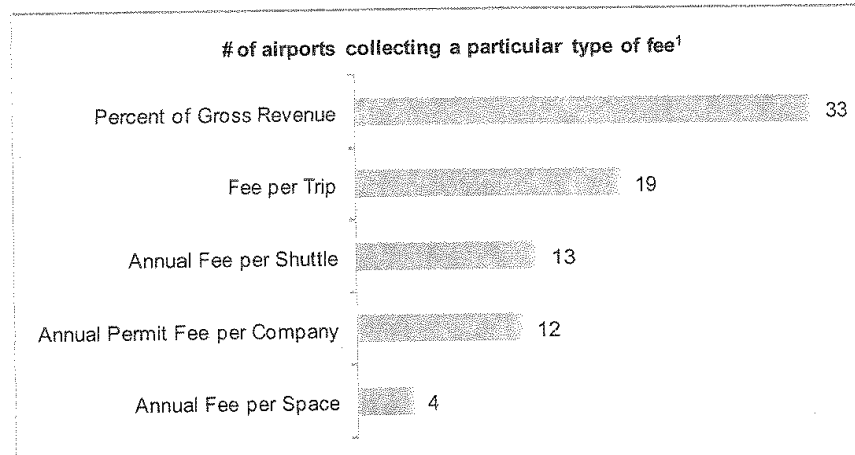
<sup>6</sup> Per parked vehicles on lots with less than 10 spaces.

<sup>7</sup> Per parked vehicles on lot with more than 10 spaces.



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



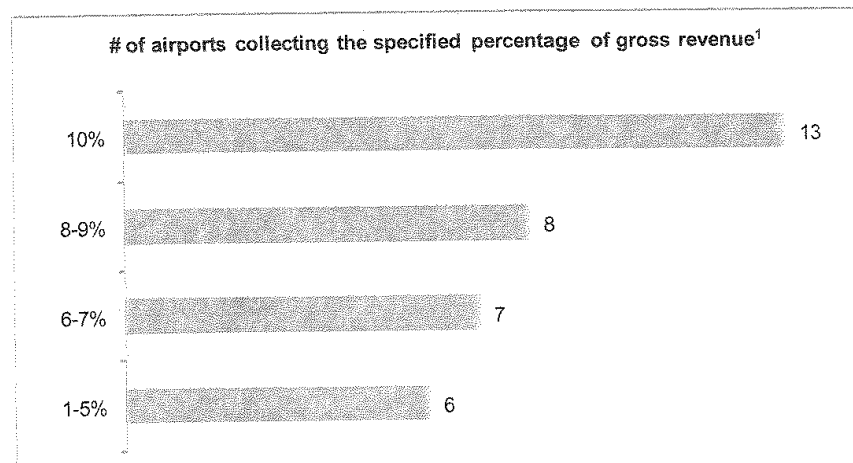
<sup>1</sup> Out of 58 airports that assess fees on off-airport parking operators.

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**



<sup>1</sup> 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.

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Jack H. Takerian, Director  
Transportation and Public Works

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C. Barry Bateman  
Airport Director

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