

Rates and Charges Policy
Forsyth County Airport Department
Smith Reynolds Airport

Forsyth County (FC) owns and operates Smith Reynolds Airport in Winston-Salem, North Carolina. As set forth by the Federal Aviation Administration (FAA) by way of its Airport Sponsor Assurances, any airport developed with Federal grant assistance is required to operate for the use and benefit of the public and is to be made available to all types, kinds, and classes of aeronautical activity on fair and reasonable terms and without unjust discrimination. As the airport sponsor, FC receives Federal airport development funding. This Rates and Charges Policy will assist FC in maintaining compliance with the Airport Sponsor Assurances, so as not to jeopardize the ability to obtain future Federal airport development funding. This policy has further been developed to assist the FC to compete fairly with other airports and to maintain fiscal responsibility and oversight of the assets entrusted to the FC by the residents of the State of North Carolina.

The purpose of this document is to set forth a standardized system for the establishment of rates and charges which will be imposed on all users of the Airport and to comply with the Federal Aviation Administration (FAA) Final Policy regarding Rates and Charges published in the Federal Register, Volume 61, Number 121, on June 21, 1996. This Rates and Charges Policy is subject to the Forsyth County Board of Commissioners' Resolution Establishing Forsyth County as the Owner and Operator of Smith Reynolds Airport, adopted November 1, 2018.

It is the intent of this policy to benefit the public by the establishment of a standardized system of rates and charges, which is based on the following FC obligations:

- Ensure compliance with applicable legal requirements regarding Airport rates and charges through local communications, negotiations, and resolution with the Airport users.
- Ensure the rates, charges and fees imposed on the users of the Airport are fair and reasonable.
- Make the Airport available for public use on fair and reasonable terms without unjust discrimination. Ensure that any airport tenant is subject to the same rates, fees and charges as are uniformly applicable to other tenants offering similar services or utilizing the similar facilities at the Airport.
- Maintain a rate, charge, and fee schedule that guide the Airport toward the goal of financial self-sufficiency.
- Utilize revenue generated from Airport activities and services only for aeronautical purposes (no revenue diversion).

Establishment of Types of Rates and Charges

The obligation to make the Airport available to the public does not preclude FC from recovering the costs of operating, maintaining, and developing the Airport through fair and reasonable rates, charges, and fees. FC has the option to utilize various methods to assess Airport user rates, charges, and fees for the public use or tenancy of the Airport property and facilities. FC also has the option to grant Airport use privileges by contract, agreement, permit, or the direct assessment of fees. A person or business

may be granted a lease agreement, under which it pays the FC either: (a) an agreed rent for a defined land parcel, a hangar or other facility it occupies, or (b) a variable payment (related to fuel flowage, volume of business, aircraft operations, etc.) for the use of the Airport property by its own aircraft or those of its customers, or (c) a combination of these fees. FC shall use the following methodologies for assessing Airport user rates, fees and charges.

Each tenant of the Airport shall be subject to one or more of the following types of rates, charges, and fees for use of the premises and the rights granted by the FC:

Unimproved Land (Ground), Facility (Building and Hangar), Improved Land (Ramp) Rent

Tenants leasing unimproved or improved land for private and commercial building sites or building and hangars for private or commercial use or other activities shall be assessed an annual rate per square foot. Tenants shall also pay any applicable real property taxes assessed for the unimproved land lease. The rent shall be payable in full to FC annually at the lease commencement and on each anniversary date of the lease agreement, or in equal monthly installments in accordance with a payment schedule detailed in tenant lease. All payments are required in advance. In new leases where all or part of the capital improvements are constructed at FC's expense, FC reserves the right to amortize all or part of the construction costs of the capital improvements, plus a reasonable rate of return, during the term of the lease granted to the lessee. The attached Schedule of Charges, Fees and Rents provides a framework for negotiations.

Fuel Flowage Fees

A fuel flowage fee will be assessed to the FBO, or authorized Fuel Tank Operator, per gallon for all types of aviation fuel received from a commercial distributor. The FBO or Operator shall submit monthly fuel flowage reports to the FC for each type of aviation fuel delivered during the previous month accompanied with fuel delivery receipts from the oil supplier for the same period. Based upon the monthly fuel flowage delivery report, the FBO or Operator shall pay the FC the current fuel flowage fee payment in full by the last day of the reporting period.

Access (Ingress/Egress) Fees

Each non-commercial and commercial operator granted the right and privilege to access or ingress/egress the Airport property shall be assessed an Airport access fee for such right and privilege. All fees applicable to access agreements are to be negotiated and shall be fair to ensure equity among all users of the Airport.

Tiedown / Parking Fees

FC offers tiedown facilities to based aircraft. Tiedown rent shall be payable in full to the FC annually at the lease commencement or in equal monthly installments in accordance with a payment schedule detailed in tenant lease. In addition, space permitting, the FC allows the FBO to park aircraft on designated ramp outside of the FBO leasehold. Aircraft parking is temporary and compensation to the FC shall be based upon the attached Schedule of Charges, Fees and Rents.

Special Use Agreements

Special and unusual airport property leasing agreements required FC to retain sufficient flexibility in rate and fee negotiation to address such circumstances. The Airport Director reserves the right to negotiate a special use agreement rent or fee to benefit the public, community or FC. All rental rates and charges applicable to special use agreements shall be determined through analysis of similar

activities, rates, and charges at comparable airports in addition to consideration of overall benefits to public, community and the FC.

Mobile Service Provider Fees

Mobile Service Providers (MSPs) are persons or entities that provide commercial aeronautical services but do not operate out of owned or leased property on the Airport. Examples of MSPs include but are not limited to mobile mechanics, flight instructors, aircraft detailers, and mobile oil recyclers. Each MSP is required to obtain an Airport Operating Permit from the FC. Airport Operating Permits must be renewed annually and require payment of a fee.

Negotiated Fees

FC has established an equitable rates and charges schedule for aeronautical activities conducted at the Airport. However, unusual circumstances may arise even with the most conventional Airport use agreements and FC must retain sufficient flexibility in rate and fee negotiation to address such circumstances. Since the primary mission of the FC is to develop and promote aviation at the Airport, the Airport Director reserves the right to negotiate a specific rate or fee to accomplish such mission. It is important to maintain a fair and equitable rate structure.

Waived Fees

The Airport Director may waive certain fees for government aircraft to comply with Federal Airport improvement grant assurances. The Airport Director may also waive certain fees from an organization or person engaged in a non-profit aeronautical program or activity that benefits a charitable organization or community.

Adjustment of Fees and Rents

All fuel flowage, access, tiedown, mobile service, and special use fees imposed through new and renewal agreements, shall be subject to periodic adjustment during the base term of the agreement and during all extension periods.

All unimproved land (ground), improved land (ramp), and facility (building or hangar) rents, to include new leases and lease renewals, shall be subject to periodic adjustment during the base term of the lease and during all option periods.

Penalties

For any charges or fees due to the FC, a tenant shall pay a penalty for late or delinquent payments on any past due balance calculated from the date the amount is due until the close of the business day upon which the delinquent payment is received by the FC. In addition, whenever a bank-issued check is presented for payment of any fee, and said check is returned to the FC because of insufficient funds, closed account, or other similar reason, the FC shall charge to the person presenting such check an additional fee, plus any and all collection fees. If the initial charge and returned check fees are not paid after notification to the person, FC has the option to suspend, revoke, or place in default all of the person's permits, agreements, or leases in force at that time, according to the terms specified in such contract.