



March 3, 2025

Via Electronic Mail

Mr. Scott Butler
City Manager
sbutler@mesaaz.gov

Hon. Mark Freeman
Mayor
Mayor@mesaaz.gov

Hon. Rich Adams
Mesa City Council, District 1
Councilmember.Adams@mesaaz.gov

Hon. Dorean Taylor
Mesa City Council, District 2
District2@mesaaz.gov

Hon. Francisco Heredia
Mesa City Council, District 3
District3@mesaaz.gov

Hon. Jenn Duff
Mesa City Council, District 4
District4@mesaaz.gov

Hon. Alicia Goforth
Mesa City Council, District 5
District5@mesaaz.gov

Hon. Scott Somers
Mesa City Council, District 6
District6@mesaaz.gov

RE: Landing Fees Proposed for Falcon Field Airport

Ladies and Gentlemen:

The Aircraft Owners and Pilots Association (AOPA), the Arizona Pilots Association (APA) and the Aviation Safety Advisory Group of Arizona (ASAG) are concerned about the methodology used to develop the current proposal for Fees and Charges for Falcon Field Airport, including landing fees. The purpose of this letter is to formally object to the implementation of landing fees as proposed and to ask you to vote against this proposal as it has significant aviation safety implications and fails to comply with important federal requirements that are designed to protect our members and the National Airspace System (NAS) generally.

Our associations represent interests of general aviation pilots and aircraft owners nationally and in Arizona, including those who are tenants and users of Falcon Field Airport. Our members use their aircraft and the resources provided at Falcon Field and similar airports for business, charitable, educational, and personal purposes. We are strongly interested in the airport's safety, future accessibility, and viability, as well as the role it plays in the system of airports across the United States.

Our members are willing and eager to work with the City in a cooperative effort to reduce congestion and noise, and to address budget issues affecting the airport. Federal regulations require that the imposition and allocation of fees must be (i) limited to the reasonable costs of airport operation and (ii) developed through a collaborative process with airport users. The City's process has not complied with applicable regulatory requirements. For the benefit of Council Members and City staff who may not be familiar, we have attached Appendix A to this letter, which contains

our analysis of the regulatory requirements and our observations concerning the deficiencies in the City's process.

As a result, we respectfully request that the City remove the current fee proposal from the City Council agendas for March 5th, 12th and 23rd and instead engage with us and other interested parties in the following suggested actions:

1. Establish a Falcon Field Airport Advisory Board within 30 days composed of representatives from all categories of airport users, airport businesses, and residents. This board would be responsible for regularly reviewing airport operations and financial data to ensure that community concerns are addressed in a timely manner, and that there is transparency in financial matters as well as compliance with federal regulations. The formation of this Advisory Board includes the following actions:
 - a. Provide supporting data for a baseline review of airport financial statements for all years since 2015 including calculation of the base rate for Falcon Field.
 - b. Complete an airport financial compliance review based on the baseline data developed under item (1) in accordance with the FAA Airport Compliance Manual.
 - c. Complete a review of the current proposal for Falcon Field Airport Fees & Charges to ensure that they are fair and equitable to all classes of airport users and consider all options available to ensure that airport operating budget requirements are met including, but not limited to, Minimum Standards/Specialized Aviation Service Organizations (SASO) fees, changes to Falcon Field Transaction Privilege Tax (TPT), and if required landing fees.
 - d. Define a go-forward process for regularly engaging the Advisory Board in a collaborative process for substantive discussions regarding airport finances and any imposition and allocation of new fees and changes to existing fees.
 - e. Develop a separate charter for an Airport Operations Improvement Group under the Advisory Board to develop realistic and measurable changes/improvements to the current Falcon Field Fly Friendly program related to community noise impact, airspace congestion, and safety.
2. Refrain from entering a relationship with any vendor that assists the city in collecting fees where the fee of the vendor increases as airport operations increase pending Advisory Board review of the Proposed Falcon Field Airport Fees & Charges.
3. In light of Falcon Field's designation as a "Reliever Airport," consider returning to the airport from the City's general funds a portion of the economic benefits that the City receives because of Falcon Field.

Finally, we know that often when an issue arises in a single district, the members of the City Council defer to the Member in whose district the issue arises. Please do not take that approach

here. This is an issue that affects the City as a whole and requires the Council to hold itself and City staff accountable to act in accordance with applicable law with respect to the Falcon Field Airport. This discussion therefore deserves the attention and consideration of the full Council.

As we stated earlier in this letter, we are strongly interested in the future viability of Falcon Field and the ability of the City to fulfill its obligations to the federal government and Falcon Field users. However, based on our research it is evident that the proposal is non-compliant with federal regulations and contractual obligations with the federal government. We are prepared to immediately commence discussions with the City on a better path forward.

Thank you for your time and consideration.

Sincerely,

Leon Jackler, Vice President, Airports and State Advocacy, Aircraft Owners and Pilots Association – leon.jackler@aopa.org

Niki Britton, Regional Manager, Government Affairs, Aircraft Owners and Pilots Association – niki.britton@aopa.org

Chris Nugent, President, Arizona Pilots Association – chris@azpilots.org

Cary Grant, President, Aviation Safety Advisory Group of Arizona – cbgrant@azboss.net

CC: Favi Garcia, Acting Director, FAA Western-Pacific Region Airports Division, Faviola.garcia@faa.gov

Brian Armstrong, Manager, FAA Western-Pacific Region Airport Safety and Standards Branch, brian.armstrong@faa.gov

Kyler Erhard, Acting Manager, FAA Phoenix Airport District Office, kyl.erhard@faa.gov

Appendix A – Falcon Field Landing Proposal Background Information

I. Background

We are aware that increasing flight school traffic at Falcon Field has been the subject of significant discussion for the past 10 -15 years. Several of our members were active in discussions that lead to the airport’s “Fly Friendly” program. We also understand that complaints about flight school traffic have again increased in the last 2 years or so and are coming both from pilots at Falcon Field and from neighbors. As more aircraft operate in the landing patterns at Falcon Field, aircraft are operating further east and west of the airport than has historically been the case. Particularly east of the airport landing aircraft are closer than in the past to homes that the city permitted to be built either directly under the arrival path of 22 runways, such as the Reserve at Red Rock, or on the rising terrain in Las Sendas and the surrounding neighborhoods.

For several months, Councilmember Goforth has held informal discussions in neighborhood meetings and in a focus group that she formed. The focus group consisted of residents, airport business representatives, a Falcon Field pilot/tenant, and airport and city staff. It did not include participation by AOPA, APA or ASAG. It is our understanding that those discussions have focused almost entirely on the impact of increased flight school traffic and available means to diminish that traffic. We understand that landing fees have been consistently discussed as the answer to the problem. Instituting fees for the purpose of curtailing flight school traffic alone is expressly contrary to federal regulations.

In the middle of these discussions, City staff reported for the first time that Falcon Field is projected to operate at a deficit in the near future, despite having published contrary financial information. Further, City staff has indicated that the airport has been operating for many years by spending capital acquired from the sale of real property in proximity to the airport that the then City Manager’s office authorized over objections by our members. When we requested balance sheets and income statements for the relevant years, City staff did not provide those but instead referred us to a City web page that contained financial data for the entire city with certain line items dedicated to Falcon Field. However, the site contains no budgets or financial statements for the airport. Shortly thereafter, a previously scheduled Council vote on landing fees was postponed allowing staff time to produce appropriate airport financial information. Approximately three weeks ago, City staff published a new fee proposal with financial information that was more focused on Falcon Field as a department. However, the proposal still does not contain balance sheets and income statements for each year isolating the airport financial information that allows readers to understand fully the components of income and expense that go into airport operations. Notwithstanding the lack of transparent financial information about airport operations, the City has scheduled an Audit & Finance committee meeting, a Study Session, and a Council meeting to consider and vote on the current staff fee proposal on March 23rd.

II. City Responsibilities for the Airport

Obligations of the City as an Airport Operator

Falcon Field is an important part of the U.S. public airspace system established and supported by the federal government to provide safe access to the National Airspace System (NAS), to support the U.S. national transportation policy to develop a national intermodal transportation system that transports passengers and property in an efficient manner. Falcon Field is not the same as other

City departments. As referenced in numerous federal statutes and regulations, the federal government has entrusted the City to operate the airport as an important part of the NAS akin to federal highways. (See e.g. 49 U.S.C. 47151 et. Seq.; FAA Order 5190.6B *Airport Compliance Manual; Aircraft Management Services v. Santa Rosa County, Florida*, FAA Docket No, 16-12-02; 64 Fed. Reg. 7676, *Policy and Procedures Concerning the Use of Airport Revenues*, February 16, 1999). Like federal highways, the federal government has entrusted local governments with the ability to tax to maintain airports because of the greater efficiencies of local control. But with that control comes the local responsibility to (i) protect the airport with prudent land use decisions, (ii) spend no more than is reasonable to operate the airport, and (iii) allocate the cost of maintaining the airport in a non-discriminatory manner among airport users. These responsibilities, memorialized in grant assurance covenants, the original transfer documents themselves, and federal statutes and regulations (See e.g. 49 U.S.C. 47107), the City to place preservation of the airport above day-to-day local interests and politics to ensure perpetual access to the NAS in a safe and efficient manner. (See FAA Order 5190.6B). Because this relationship represents an express delegation of federal authority, the federal government retains the authority to override any City failure to properly discharge its delegated responsibilities. And pilots, aircraft owners, businesses and other airport users have the right under federal law to ask the federal government to correct any such failure. Separately, the City may have civil liability to airport users for charging excessive fees or for failures that violate commercial relationships created through marketing promises, leases or other otherwise. And we have learned that at least some flight schools came to the airport with encouragement or at the request of airport staff.

While the City now declares that its actions are motivated solely by financial necessity, we know that the discussions over the past 1-2 years have been about noise and traffic congestion with numerous demands from neighbors and some pilots at Falcon Field to impose landing fees to address these issues. Only since December of 2025 has the City claimed the need to address an operating deficit in the Falcon Field finances, after consistently reporting Falcon Field operating at or above break-even. Landing fees implemented for the purpose of addressing noise and traffic congestion are illegal and constitute a breach by the City of the responsibilities delegated to it by the federal government.

Federal regulations (See *FAA Policy Regarding Airport Rates and Charges*, 61 Fed. Reg. 31994, 32014 (June 21, 1996), *Policy Regarding Airport Rates and Charges*) provide clear standards for managing airport finances. By regulation, the City is entitled to charge fees to cover the reasonable cost of operating the airport. However, those regulations do not allow the City to overburden the airport with unreasonable costs or to allocate overhead of other city departments without demonstrating the cost of services that such departments actually provide. Financial information must be transparent and freely available. It must permit the reader to determine the airport base rate (cost of operation) and the components thereof. Once the base rate is determined, the City may impose fees if other airport revenues are insufficient. In the aggregate, fees may not be charged to the extent that aggregate airport revenue would exceed the base rate for operating the airport. (See 64 Fed. Reg. 7676, *Policy and Procedures Concerning the Use of Airport Revenues*, February 16, 1999). And, in the case of reliever airports such as Falcon Field, the Federal Aviation Administration expects that the airport users will *not* bear the entire cost burden of airport operation. (See *FAA Policy Regarding Airport Rates and Charges*, 61 Fed. Reg. 31994, 32014 (June 21, 1996); 49 U.S.C. 471339(a)(2))

Lack of Financial Transparency with Respect to Falcon Field

Recognizing the need for greater flexibility with respect to certain fees, the Federal Aviation Administration has adopted additional regulations allowing the imposition of congestion pricing (See 73 Fed. Reg. 40430, July 14 2008), and also allows the imposition of minimum standards fees, and other measures.

With respect to Falcon Field, the City first proposed a vote on proposed landing fees in early February but quickly postponed the vote until late March to give staff time to compile financial information that was initially unavailable. When we requested a simple balance sheet and income statement, the City failed to provide such information. Prior to the postponement, separate financial information regarding Falcon Field could only be obtained by combing through several hundred pages of aggregate City financial information to pick out line items. And even if one took that effort, the result did not provide the information necessary to calculate the airport's base rate. Approximately 2 weeks ago, the City published a new web page, purportedly giving specific financial information about Falcon Field. It still does not provide either (i) financial statements focused solely on Falcon Field, or (ii) the base rate with respect to the airport, or even sufficiently clear information to allow the reader to calculate it. The City's attempts to thus obscure key financial information related to the Airport are an obvious and disappointing violation of its obligations to the federal government and airport users. (See 64 Fed. Reg. 7676, 7719, Section V, C of *Policy and Procedures Concerning the Use of Airport Revenues*, February 16, 1999)

Using the information contained on the new fee proposal, we have been able to review the contents of the published disbursements with respect to the airport. Those documents disclose allocations of a portion of expenses of other City departments in accordance with the City's accounting practices. However, there is no indication of whether those departments actually provide service to the airport or, if so, how much the actual cost of those services was; information that is required to determine whether expenditures are reasonable or to calculate the airport's base rate. Any such allocations must strictly comply with 64 Fed. Reg. 7676, 7719, Section V.B of the *Policy and Procedures Concerning the Use of Airport Revenues*, February 16, 1999.

Falcon Field Financial Management Issues

Other potential financial concerns arise concerning the management of airport finances. The City's unwillingness to address financial issues in accordance with federal regulations and the anomalies we have observed in the information provided to the public lead us to believe that it is likely that the expenses currently allocated to the airport exceed the reasonable amount that should be used to determine the airport base rate. Even in our meetings with Council Members, some have wondered why Falcon Field needs so many staff members dedicated to its operations. Our understanding is that the number is approximately 14 people. Also note that to the extent that airport expenses exceed the reasonable costs of airport operation, the City is in violation of A.R.S. 9-834, which grants to aggrieved parties a private right of civil action for damages against the City. We acknowledge that City staff may be learning about airport financing rules for the first time. We express our thanks to staff for removing from the airport expenditures anticipated capital expenditure for water off-airport pumping facilities that may become necessary and we agree that those expenditures are not properly attributable to the airport.

City staff report that for the past several years Falcon Field has paid for operations from capital funds received from the sale of airport-related property. If that is true, it raises serious concerns about whether Falcon Field finances have been properly managed. Also, we have been led to

believe that the sale of that property facilitated residential development directly under the flight pattern less than 2 miles from the east end of the runways where aircraft are necessarily close to the ground and understand that those residents now account for a large portion of noise complaints from east of the airport. Also, we note that in past years when that development was proposed, we objected to the proposal because of the risk of noise impact on future residents. We believe that allowing that development was a significant failure by the city to properly discharge its obligations to the federal government and airport users.

Falcon Field's Role as a Reliever Airport

It is important to note that Falcon Field is designated as a “reliever airport” in the National Plan of Integrated Airport Systems (See www.faa.gov/airports/planning_capacity/npias/current). The goal of reliever airports is to attract general aviation traffic away from congested commercial airports such as Phoenix Sky Harbor and Phoenix Mesa Gateway Airport. The Federal Aviation Administration’s long-standing policy that reliever airport costs should not be borne solely by general aviation users, to avoid disincentivizing their use (see *FAA Policy Regarding Airport Rates and Charges*, 61 Fed. Reg. 31994, 32014 (June 21, 1996); 49 U.S.C. 471339(a)(2)). And even information posted on the City’s website recounts the significant economic impact that Falcon Field has on the City generally. The City’s policy of applying **no** general fund revenue to support the airport, and the apparent proposal of fees to diminish flight school and non-based aircraft activity, the proposal fails to comply with federal law, particularly if the impact of the City’s proposal lands disproportionately on general aviation users, who the Federal Aviation Administration expects will use Falcon Field because of its “Reliever Airport” status. We request that the City reconsider it’s position and agree to allocate to the airport budget a reasonable portion of the value the airport brings to the City.

III. Our Efforts to Assist the City

In the face of this discussion, we have reached out to both City Staff and Council Members. Unfortunately, we have found that the City is treating this issue like any other issue that comes before the Council, instead of recognizing the unique responsibilities that the City has with respect to Falcon Field. We have tried to educate the City about (i) a variety of alternative fees charged by other local airports for business use of an airport that do not include landing fees, (ii) alternatives to fee allocation that are expressly provided in the Federal Aviation Administration Airport Operations Manual that allow the city to directly address flight school traffic to ensure the safe and efficient operation of the airport, and (iii) shared information about the Federal Aviation Administration’s updated regulations on congestion pricing, that give the City more flexibility in targeting fees towards times of particular congestion. The City has apparently rejected all of these overtures, with one Council Member indicating that if the City tries any of these alternatives, it would lose the opportunity to impose landing fees at all (presumably because airport financing would not be the focus of such fees). Whether that is true or not, it certainly is an indication that the proposal is about noise and flight school regulation and not about airport finances.

We acknowledge that one positive result of our limited discussion with the City has been a proposed increase from 5 to 10 the number of no-charge landings for Falcon Field tenants. This should at least allow tenants to meet their minimum obligation for landing currency. We remain concerned that even the additional free landings likely compromise safety as the likely result of the proposed fees, as projected by the City, will decrease the frequency of landing practice and thus, of pilot proficiency.

Based on various discussions, we firmly believe that if the City continues on this course, administrative and civil litigation will follow, and that the City's legal position is weak in light of available evidence. Some flight schools may become less cooperative or may even leave Falcon Field. If the City continues to pursue a course of action that does not more directly address the real problem of congestion and noise, the result will be discrimination against members of the general aviation users of the airport and the businesses that support their aviation activities because they will bear the greatest burden. In addition, the City will be in violation of the federal policies regarding reliever airports.