



MEMORANDUM

To: Mayor and City Council

From: Ghizlane Badawi, Austin Aviation CEO

Date: March 11, 2026

Subject: Staff response to City Council Resolution 20250813-015: Austin Aviation Fee Adjustments and New Revenue Analysis

The purpose of the memorandum is to provide a response to [Resolution 20250813-015](#), which directed the City Manager to explore and evaluate possible fee adjustments and new revenue sources at Austin-Bergstrom International Airport (AUS). The following is a set of recommended fee adjustments and revenue sources based on benchmarking of other airports of similar size within the state of Texas where applicable.

These recommendations include estimated revenue potential, legal considerations, implementation timelines and use of the prospective revenues. Austin Aviation believes that these fees will keep Austin-Bergstrom International Airport competitive among Texas airports, while still generating new airport revenue.

Should you have any questions or concerns, please contact John Gallo, Deputy Chief Officer-Commercial Development of Austin Aviation at John.Gallo@FlyAustin.com or 512-530-2461.

cc: T.C. Broadnax, City Manager
Erika Brady, City Clerk
Corrie Stokes, City Auditor
Mary Jane Grubb, Municipal Court Clerk
Judge Sherry Statman, Municipal Court
CMO Executive Team

Per [Resolution 20250813-015](#), the City Manager was directed to work with Austin Aviation to “*explore and evaluate the feasibility of the following fee adjustments and new revenue sources at AUS*”:

1. **Increase of fuel flowage fees** in accordance with FAA requirements.
2. **Tiered general aviation landing fees** based on aircraft weight or other permissible classifications.
3. **Event-based surge pricing** for tie-downs, ramp usage, and landing fees during high-traffic events such as SXSW, Formula 1, and Austin City Limits Festival.
4. **Increased hangar rental rates** to the extent allowed under current FBO leases and agreements.
5. **Implementation of environmentally focused aviation fees and incentives.**

Fuel Flowage Fees:

Fuel flowage fees vary among airports across the country, but for large U.S. airport hubs, the current average fuel flowage fee falls within the range of \$0.07 to \$0.25 per gallon. AUS currently charges \$0.10/gallon. Based on benchmarking analysis, **Austin Aviation recommends, starting in FY27 (effective October 1, 2026), increasing the fuel flowage fee at AUS to \$0.12 per gallon, stepping the fee up two cents per year for five years, capping at \$0.20 per gallon.**

Consistent with federal law, these new revenues would be used exclusively to support airfield maintenance costs.

General Aviation Landing Fee:

Landing fees are usage fees levied on an airline or aircraft operator for the right to land at and use airport infrastructure (i.e. runways, taxiways, etc), and are used to help cover the maintenance and operation costs of that infrastructure. Non-commercial, or General Aviation (GA), aircraft are not currently subject to landing fees at AUS, but establishing such a fee structure has been under consideration to more justly balance usage costs between commercial and non-commercial users.

Calculating landing fees varies between airports but is often assigned based on aircraft weight and size, among other factors. Based on benchmarking analysis, **Austin Aviation recommends, starting in FY27 (effective October 1, 2026), implementing a new GA landing fee using a combination of flat and weight-based fees. The new GA landing fee will be 115% of the Non-Signatory Landing Fee (130% of the Signatory Landing Fee). Aircraft that are 12,500 lbs. and under would be charged a \$50 flat fee, which is similar to other airports.**

To ensure successful implementation, the department will seek a knowledgeable vendor experienced in tracking and billing for this revenue type. The department will also communicate its plans with existing fixed base operators (FBO's) and other based tenants before any changes are implemented. Consistent with federal law, these new revenues would be used exclusively to support the airfield cost center.

Surge Pricing:

Austin Aviation does not currently impose event-based surge pricing, but based on the practices of other GA airports that do, **the department recommends that a \$100 flat fee be imposed on GA users for special events such as:**

- F1 weekend (Thursday-Monday)
- NASCAR weekend (Thursday-Monday)
- South x Southwest (Friday-Sunday) each weekend
- UT Football Conference Home Games (Friday-Sunday)

Hangar Rental Rates:

The department reviewed its current hangar rental rates and **recommends adjusting T-Hangar rental rates by 3% annually for the next three years.**

Environmentally Focused Aviation Fees and Incentives:

The Federal Aviation Administration (FAA) strictly governs the assessment of airport rates and charges. For airport sponsors that have accepted federal grants, the fees they impose – such as fuel flowage fees and landing fees – must be reasonable, based on cost, and not unjustly discriminatory (determined to unfairly target specific user groups).

Based on the department's research no other airport has such a fee or incentive model. The department will continue to monitor possible fee approaches that conform to current FAA requirements.