



October 7th, 2020

Torrance Airport Commission

Dear Commissioner,

Landing Fees, Action Item 7a, Airport Commission Agenda for October 8, 2020

Sling Pilot Academy is strongly against the application of landing fees at the Torrance Airport. We would like to respectfully urge the commission to propose **OPTION 3: Take No Action** on this item.

Why?

- **Landing Fees are Not Routine**

The City recommendation regarding this matter to the Commission makes it seem that charging landing fees is a 'routine' practice in California, by describing their administration using the word 'typical'. In fact, there are over 800 airports/gliderports/heliports in California, and only ONE public airport among them charges light General Aviation Aircraft landing fees (Santa Monica). This is absolutely not typical and represents 0.1% of airports. Catalina is another example of a (Privately-Owned) airport that charges landing fees. It, like Santa Monica is a well-known tourist destination and, like Santa Monica, almost all flight schools will not land there as a result. (In the case of Catalina, there is an option for a fixed annual fee for unlimited landings (\$150/year)).

- **Landing Fees are a Tax on Businesses that Contribute to Torrance Tax Collection and Economy**

Our company pays taxes in the form of Sales Tax on aircraft sold (\$4 million per year and growing), property taxes, taxes on fuel purchased in the City of Torrance and income tax. We contribute to the Torrance economy by employing about 35 people, paying rental on office space and 3 large executive hangars, bringing in approximately 140 students from out-of-city to rent apartments and patronize local businesses. This landing fee tax would render Torrance unfriendly to our business and we would be forced to move most of our

operations elsewhere. The net effect of this fee to the City of Torrance could well be a negative one in terms of revenues if just a handful of Torrance airport tenants were pushed out.

- **Current Flight Training Traffic Should Not Be Included in Landing Fee Revenue Projections**

The Annual Net Income calculations used in Options 1 and 2 of City recommendation incorrectly assume that flight training traffic will continue at the same rates as current with the imposition of landing fees. This is not the case, as it is not viable to conduct training activities with this additional expense when other local airports do not charge landing fees. We conducted a data study to try to determine just how much traffic at Torrance is flight training traffic. We came up with a conservative approximate 69%. This means that the City's 'projected revenues' can be easily reduced to 31% of projected values to determine more realistic income from landing fees. Further, the outside vendor used to collect and administer landing fees is known to take around 70% of the gross revenue, netting the city only 30% of gross fees. So, the projections would likely be more accurate if reduced by 70%, twice.

Just how much traffic at KTOA is Flight Training Traffic?

In order to provide more accurate numbers on the proportion of flight training activity compared to total flight operations that takes place at Torrance Airport, Sling Pilot Academy conducted a study of operations at KTOA (1/1/2019-7/31/2020).

This study can be accessed by anyone in the public here:

https://docs.google.com/spreadsheets/d/1rP0V7-7EeHMhMDIUS-03vdAuGBT6mDJFFuzX_d4T1L4/edit?usp=sharing

The following pages outlines the study...

Study of KTOA Landing Operations from Jan 1, 2019 - July 31, 2020

Sling Pilot Academy, with partial sponsorship from the Torrance Airport Association, conducted a study of operations at KTOA between Jan 1, 2019 and July 31, 2020 to try to determine how much traffic at Torrance is flight training traffic that would for the most part no longer operate out of Torrance if landing fees are imposed.

Dataset

Sling Pilot Academy purchased a raw dataset of all traffic operating out of KTOA for the period listed. The data includes landings and takeoffs and all tail numbers of aircraft operating out of Torrance.

Dataset Integrity

The dataset comes from ADS-B traffic stored by FlightRadar24. It includes 134,143 landings over the 18-month period which is close to the number of landings shown in other records.

Methodology

We manually gathered the tail numbers of as many flight schools in the region as were available. We assigned an aircraft "**Operator**" to each of these tail numbers, identifying them as Flight School Aircraft. The manually gathered list is not exhaustive and many are missing. Torrance is used as a cross-country destination by many flight schools within several hundred miles of KTOA since KTOA has an ILS. Looking at the operations of other flight schools in the area (such as Santa Monica, one of the few airports in the country that charges landing fees to small aircraft), we know that flight schools avoid airports with landing fees. Therefore, it is safe to say that the bulk of this traffic would avoid KTOA if landing fees were imposed. And several based flight schools have made clear that they will leave Torrance if landing fees are imposed.

We used formulas to check the number of landings an airplane did on a given day, and if more than 1 landing, we marked the flights as "**Training Activity**". Non-flight school airplanes would conduct training activities such as multiple landings on a given day at other airports if landing fees were imposed.

We used a formula to check the number of landings an airplane did over the period and marked those flights as "**Training Activity**" if over a certain amount over the period (editable). The number we came to excluded even the most active Private Pilots, making the "**Training Activity**" most likely flights conducted by a Flight School that we did not have verified Fleet information on.

Conclusion

Flight Training activity constitutes around 70% of all landings at Torrance. Therefore, any calculations regarding potential landing fee revenue should be decreased by approximately this amount, since training activity cannot be counted on continuing if landing fees are imposed. Further, we have not calculated the additional economic impacts of airport businesses leaving the Torrance area.

Results

Undetermined - Landings

(Not enough information to determine whether personal/business/flight training)

30.99%

All Flight Training - Landings

(Verified Flight School or Flight Training Activity)

69.01%

Sample Landing Data from the Study:

Verified Flight School Traffic, Training Activity and Undetermined:

Type of Flight	COUNTA of event
Undetermined	41570
Flight Training Activity	41746
Verified Flight School Traffic	50827
Grand Total	134143

Known Local Flight School Operators:

Operator	COUNTA of event	
	83316	
Sling Pilot Academy	22871	17.05%
Pacific Skies	12764	9.52%
South Bay Aviation	7972	5.94%
Universal Flight Operation INC	1857	1.38%
Pacific Air Flight School	1348	1.00%
Plus One Flyers	1189	0.89%
Pacific Coast Flyers	651	0.49%
Santa Monica Flyers	620	0.46%
Fly AFI	465	0.35%
Rolling Hills Aviation	298	0.22%
Cal Air	282	0.21%
Long Beach Flying Club & Flight Academy	270	0.20%
Pinnacle Aviation	199	0.15%
Corsair Aviation	22	0.02%
Silver Aviation	19	0.01%
Grand Total	134143	

With respect, we believe that landing fees do not bring in anywhere near the projected revenues shown in City projections, and have many negative consequences to the City and local businesses.

Best regards,



Matt Liknaitzky, Jean d'Assonville, Wayne Toddun
Co-CEOs