

Clark County, Nevada
Business Impact Statement

The following Business Impact Statement was prepared pursuant to Nevada Revised Statutes (NRS) 237.080 and 237.090 to address the proposed impact of adoption of **an Ordinance amending Title 20 of the Clark County Code, Chapter 20.10, Section 20.10.010, to amend the rentals, fees, and charges, for air transportation companies and authorized operators at Harry Reid International Airport.**

1. The following constitutes a description of manner in which comment was solicited from affected businesses, a summary of their responses and explanation of the manner in which other interested persons may obtain a copy of the summary.
 - a. Notice: In 2013, the Clark County Department of Aviation (DOA) worked with the Director of the Department of Business License for Clark County Nevada to obtain an exemption from Section III – PROCEDURE, for those business impact statements that pertain specifically to aviation matters. The exemption limited the stakeholder group to be notified of the proposed ordinance or regulation change to only those aviation stakeholders that may be directly impacted by the proposed change. The exemption also reduced the timeframe of the process to be followed. On September 6, 2013, Jacqueline Holloway, Director of the Department of Business License, executed a memorandum dated July 25, 2013 (Memorandum) establishing the aforementioned exemption. **A copy of the Memorandum is attached.**

On April 14, 2025, in accordance with the requirements of the Airline-Airport Use and Lease Agreement, approved on September 7, 2010, as amended on January 18, 2011, November 5, 2014, and July 21, 2020 (Signatory Agreement) and following past practice, the DOA sent a letter of its proposed budgeted rentals, fees, and charges for Fiscal Year 2026 (FY2026) to all LAS Airline-Airport Affairs Committee (LAS AAAC) members for review and comment. **A copy of the April 14, 2025 letter is attached.**

The LAS AAAC consists of representatives from all the airlines (both Signatory and Non-Signatory), which operate at Harry Reid International Airport (Airport).

On April 22, 2025, the LAS AAAC stakeholder group and DOA met and discussed the calculation and budgetary requirements for the Airport. The methodology used to calculate the FY2026 rentals, fees, and charges followed the methodology established under the Signatory Agreement. The calculated budget includes a variety of assumptions that were presented and discussed with the LAS AAAC stakeholder group. The resulting calculated budget for FY2026 resulted in a measured increase in the overall rates and Cost Per Enplanement (CPE). A number of factors played a part in the increases, including no

more relief grant funds, flat passenger enplanement projections for FY2026, increases in wage and benefit costs, increases in operations and maintenance costs, and debt service. No objections were raised by the LAS AAAC stakeholder group.

- b. Summary of Comments: The DOA staff in attendance at the April 22, 2025 meeting held discussions with the LAS AAAC members in attendance, made clarifications, and answered all questions to their satisfaction regarding the FY2026 budget, as presented. Following conclusion of the meeting, the LAS AAAC Signatory Airline members held a vote and unanimously approved the Airport's FY2026 budget, including the proposed rentals, fees, and charges. All material questions and comments received from the LAS AAAC stakeholder group, collectively or individually, were addressed by the DOA.

The LAS AAAC sent written notification on May 1, 2025, indicating their formal approval of the proposed FY2026 Airport budgeted rentals, fees, and charges, as presented on April 22, 2025. The LAS AAAC stakeholder group also agreed with continuing the work necessary to execute the DOA's capital plan for the new fiscal year. **A copy of the May 1, 2025 letter is attached.**

- c. Public Availability of Comments: Upon request, a copy of the proposed Ordinance amendment and Business Impact Statement may be obtained by contacting the Clark County Department of Aviation Business Office, located at Harry Reid International Airport, 5757 Wayne Newton Boulevard, Las Vegas, Nevada 89119, or by emailing aviationaffairs@lasairport.com.

- 2. The total number of businesses likely to be affected by the proposed rule:

Please see attached Memorandum with exemption and which addresses business impact statements that pertain specifically to aviation matters and includes exemption to limit the stakeholders that may be directly impacted by the proposed change. The stakeholders are existing airport partners who are cognizant of the strict time frames associated with review of the financial documents and the need to provide feedback timely.

- 3. The following chambers of commerce and trade associations were notified of the proposed rule:

Please see attached Memorandum with exemption.

- 4. The following is a summary of the workshop(s) conducted pursuant to NRS 237.080 (5):

Please see attached Memorandum with exemption.

5. The estimated economic effect of the proposed rule on businesses, including, without limitation, both adverse and beneficial effects, and both direct and indirect effects:

The established distinction between Signatory Airlines and Non-Signatory Airlines of 125% of Signatory rates, as outlined in the Signatory Agreement, went into effect on July 1, 2010 and remains unchanged. Any airline that is able to meet the established Minimum Standards for Signatory Airline status will be offered such status.

- a. Adverse Effects: The following represents the impacts of the calculated budget and rentals, fees, and charges, effective July 1, 2025, for FY2026.

Landing Fee (All Airlines):

Signatory and Non-Signatory Airline tenants will see a rate increase of approximately \$0.29 cents for each 1,000 lbs., gross certified landing weight, or fraction thereof, of maximum gross landing weight. However, this is an activity-based fee, so any increase or decrease will be based upon activity at the Airport.

Terminal Complex Rental:

Signatory and Non-Signatory Airline tenants will see a rate increase of approximately 20% per square foot per annum for Terminal Complex rentals.

Aircraft Turn Fee:

Signatory and Non-Signatory Airline tenants will see a rate increase of approximately 14% for wide and narrow body aircraft turn fees. However, this is an activity-based fee, so any increase or decrease will be based upon activity at the Airport.

Common Use Ticket Counter Fee:

Signatory and Non-Signatory Airline tenants will see a rate increase of approximately 19%. This increase will only affect airlines that occupy common use ticket counters. This fee is also an activity-based fee, so any increase or decrease to a specific airline will be based upon their activity at the Airport.

Common Use Baggage Service Office Fee:

Signatory and Non-Signatory Airline tenants will see a rate increase of approximately \$0.03 cents. This increase will only affect airlines that occupy a common use baggage service office. This fee is also an activity-based fee, so any increase or decrease to a specific airline will be based upon their activity at the Airport.

Fuel Flowage Fee:

Tenants will see a rate increase of \$0.02 cents per gallon. The fuel flowage fee is typically paid by entities that dispense fuel on airport property. This includes Fixed Base Operators

(FBOs) and self-fueling permit holders. This fee is based on total gallons of fuel dispensed, so any increase or decrease to a specific entity will be based upon their fuel dispensed at the Airport.

- b. Beneficial Effects: The following represents the beneficial effects of adjusting the rentals, fees, and charges, effective July 1, 2025 for FY2026.

A modification of the overall fees is required to maintain the same level of customer service to the airlines and Airport customers and to help offset maintenance and operational costs to operate the Clark County Airport System. The projected Cost Per Enplaned Passenger (CPE) for FY2026 stands at \$8.69, representing a measured increase of \$1.42 compared to the previous fiscal year. This rate remains competitively lower than that of other comparable large hub airports. The Airport operates as an Enterprise Fund, therefore a combination of both minor increases and decreases to the various rentals, fees, and charges is anticipated to cover the operations and maintenance costs of the Clark County Airport System. This structure allows the Airport to manage its operations efficiently, reinvest in infrastructure, and plan for future growth without impacting the County's general budget.

Aircraft Gate Use Fee:

Signatory and Non-Signatory Airline tenants will see a rate decrease of approximately 4% per annum for each leased gate. This decrease only affects airlines that lease preferential gates.

Apron Storage Fee (Covered and Uncovered):

This fee did not change, no impact.

International Passenger Processing Facility Use Fee:

This fee did not change, no impact.

Off-Gate Aircraft Parking Fee:

The rate model was modified to simplify tracking and improve effectiveness of the Airport's fee structure to better regulate usage and ensure equitable access to resources. This is an activity-based fee, so any increase or decrease will be based upon activity at the Airport.

Air Cargo Apron Use Fee:

This fee did not change. However, this is an activity-based fee, so any increase or decrease will be based upon activity at the Airport.

GSE Building Rental Fee:

This fee did not change, no impact. Only affects airlines that occupy GSE Building space.

Reservoir Storage Fee:

This fee did not change. However, this is an activity-based fee, so any increase or decrease will be based upon activity at the Airport.

Off-Airport Fuel Storage Fee:

This fee did not change. However, this is an activity-based fee, so any increase or decrease will be based upon activity at the Airport.

West Side International Aircraft Facility Use Fee:

This fee did not change. However, this is an activity-based fee, so any increase or decrease will be based upon activity at the Airport.

- c. Direct Effects: The following represents the direct effects of changes to the rentals, fees, and charges, effective July 1, 2025, for FY2026.

The DOA is committed to managing airline rates and charges in order to keep the cost per enplanement at reasonable levels to attract and retain air service into the Las Vegas market. The DOA continuously looks for ways to maximize non-airline revenues and minimize operating and debt service expenses. The calculated FY2026 budget is projecting 64% of total revenue being generated from non-airline sources versus 36% from airline revenue. This has shifted approximately 6% from the previous fiscal year, which reflected 70% non-airline sources versus 30% from airline revenue.

The rentals, fees, and charges were calculated in accordance with the rate-making methodology contained in the current Signatory Agreement and will result in an estimated cost per enplanement of \$8.69. This is a \$1.42 increase over the prior FY2025.

- d. Indirect Effects: The following represents the indirect effects of changes to the rentals, fees, and charges for FY2026.

Keeping the rentals, fees, and charges stabilized allows airlines to plan future air service activities without volatile swings.

The agreed-upon changes to the overall fees will ensure consistent levels of customer service to the airlines and Airport customers and will help offset maintenance and operational costs to operate the Clark County Airport System.

- e. Other Economic Effects to be Considered: None for this fiscal year.

6. The following constitutes a description of the methods that the local government considered to reduce the impact of the proposed rule on businesses and a statement regarding whether any, and if so which, of these methods were used:

The Clark County Department of Aviation (DOA) calculated the FY2026 rentals, fees, and charges in accordance with the rate-making methodology outlined in the current Airline Use and Lease Agreement (Signatory Agreement). In developing the proposed budget and rate structure, the DOA considered several methods to reduce the financial impact on airlines and other airport tenants. These included:

- Maintaining cost control by actively managing operating and maintenance expenses and optimizing debt service structures.
- Maximizing non-airline revenues through continued development of gaming concessions, parking operations, ground transportation fees, terminal retail and food concessions, and other building/land leases.
- Evaluating capital project timing and scope to defer or phase certain investments in order to reduce near-term cost pressures.

The DOA implemented several of these methods. For example, the FY2026 budget reflects a continued strategic focus on growing non-aeronautical revenue, with 64% of total revenue projected to be generated from non-airline sources. This is a shift from the prior fiscal year's 70%/30% split, representing a 6% increase in the share of costs supported by airline revenues. However, this adjustment was necessary due to evolving operational needs and market conditions. Despite this, the DOA remains committed to maintaining a competitive cost per enplanement (CPE) to support the retention and attraction of air service in the Las Vegas market.

7. The governing body estimates the annual cost to the local government for enforcement of the proposed rule is:

The governing body estimates that the annual cost to the local government for enforcement of the proposed rule is included within the Department of Aviation's FY2026 operating budget. Salary, wages, and benefits for FY2026 are projected at \$182.7 million, reflecting a measured 7% increase over the prior fiscal year. These costs support overall departmental operations and are sufficient to cover the ongoing enforcement and administration of the proposed adjustments.

All administrative and enforcement-related costs have been incorporated into the FY2026 rate-setting process in accordance with the Signatory Airline Use and Lease Agreement. This agreement outlines the methodology for allocating costs to appropriate cost centers, ensuring that users are charged based on actual usage and services received.

Any additional costs related to implementation of the ordinance change are expected to be minimal, consisting primarily of one-time administrative updates to internal forms and accounting

systems. These minor adjustments are not expected to result in any material financial impact to the local government.

8. The proposed rule provides for a new fee or increases an existing fee and the total annual amount expected to be collected is:

For Fiscal Year 2026, the estimated total amount to be collected from increases in existing fees, including Landing Fees, Terminal Complex Rentals, Aircraft Gate Use Fees, Aircraft Turn Fees, Common Use Ticket Counter Fees, and Common Use Baggage Service Office Fees, is approximately \$253.7 million. This represents a 19% increase in airline revenues over the previous fiscal year.

These fee adjustments are based on the cost recovery model outlined in the Airline Use and Lease Agreement, which ensures that charges are equitably distributed based on actual use of facilities and services. To help offset the impact of these increases, non-airline revenue is projected to grow by approximately 5%, supporting the Airport's goal of maintaining a competitive cost per enplanement and minimizing the financial burden on airline partners.

9. The money generated by the fee or increase in existing fee will be used by the local government to:

The Airport is operated as an Enterprise Fund, meaning it is financially self-sustaining and relies solely on revenues it generates through airline rates, concessions, parking, and other user fees. The money generated from the fee increases will be used to support the operational and maintenance costs of the Clark County Airport System. The combination of targeted increases and decreases to various rentals, fees, and charges for Fiscal Year 2026 is designed to ensure full cost recovery and maintain the financial stability of airport operations.

10. The proposed rule includes provisions that duplicate or are more stringent than federal, state, or local standards regulating the same activity. The following explains when such duplicative or more stringent provisions are necessary:

Not applicable.

11. Set forth the reasons for the conclusions regarding the impact of the proposed rule on businesses.


The Department of Aviation (DOA) carefully evaluated the potential business impact of the proposed modifications to rentals, fees, and charges. Management placed strong emphasis on minimizing financial disruption by ensuring that rate adjustments remain as stable and predictable as possible, based on current operational activity and financial data.

The Airport, in collaboration with the LAS Airline Airport Affairs Committee (AAAC), employs a rate-making methodology—approved and outlined in the current Signatory Agreement—that allocates revenues and expenses across designated cost centers using a residual rate-setting approach. This

method ensures transparency, fairness, and alignment between costs incurred and charges applied to airline and tenant users.

Certification of Business Impact Statement

Pursuant to NRS 237.090(2), I, Kevin Schiller, as County Manager for Clark County, Nevada, hereby certify that, to the best of my knowledge and belief, the information contained in this statement was prepared properly and accurately.



Kevin Schiller

County Manager, Clark County Nevada

Dated: 5-4-2025

MEMORANDUM

DEPARTMENT OF AVIATION

ROSEMARY A. VASSILIADIS
Director

TO: Jacqueline Holloway, Business License Director

FROM: Rosemary A. Vassiliadis, Director *RAV*

SUBJECT: Request Exemption from Admin Guideline #(draft) Business Impact Statements

DATE: July 25, 2013

The Department of Aviation seeks an exemption from Section III – PROCEDURE for those business impact statements that pertain specifically to aviation matters.

The exemption being sought is to limit the stakeholder group to be notified of the proposed ordinance or regulation change to only those aviation stakeholders that may be directly impacted by the proposed change. The exemption would also reduce the timeframe of the process to be followed in disseminating the notification, gathering the information from the stakeholders and developing the required analysis. As an example, the airport produces specific business impact statements annually which coincide with the development of the rates and charges program. The stakeholders are existing airport partners whom are cognizant of the strict time frames associated with review of the financial documents and the need to provide feedback timely. Our requested exemption would cover these rates and charges program changes, as well as, other similar airport-specific ordinance or regulation proposed changes. This request is not intended to limit the scope of the business impact statement as required by legislation. The Board of County Commission agenda process will be followed.

For other non-aviation specific business impact statements, the airport will follow the approved administrative guideline.

Please let me know if you wish to discuss this further.

I appreciate your consideration of this request.

Reviewed and Discussed with Aviation

Jacqueline R. Holloway
Jacqueline Holloway, Business License Director

7/6/13
Date

cc: Harry Waters, Deputy Director



Department of Aviation
Rosemary A. Vassiliadis, Director
P.O. Box 11005
Las Vegas, NV, 89111-1005
(702) 261-5211
Fax (702) 597-9553

April 14, 2025

Mr. David Sellers
Manager, Airport Affairs
LAS Airline and Airport Affairs Committee Chair
SOUTHWEST AIRLINES CO.
P.O. Box 36611
HDQ-4PF
Dallas, TX 75235-1611

RE: LAS FISCAL YEAR 2026 BUDGET / RATES AND CHARGES SUBMITTAL

Dear Mr. Sellers,

Please find attached the budget report for review by the **LAS Airline and Airport Affairs Committee (AAAC)** in advance of our upcoming meeting scheduled for **Tuesday, April 22, 2024, at 12:00 PM (Pacific Time)**. We welcome any questions or feedback you or other AAAC members may have regarding this information.

The enclosed report provides financial information for the FY2026 Airport Budget. It is important to highlight that this information is provided in compliance with the approved rates and charges methodology outlined in Exhibits D1 through D12 of the Airline-Airport Use and Lease Agreement, as amended.

We are pleased to report that the **projected Cost Per Enplaned Passenger (CPE) for FY2026 is \$8.69**, a measured increase of \$1.42 from the FY2025 CPE of \$7.27. Despite this increase, the rate remains competitively lower than that of other large hub airports. Additionally, moderate increases are reflected in the Landing Fees, Terminal Rentals, Aircraft Gate Use Fees, Aircraft Turn Fees, and Common Use Per Passenger rates. Projections indicate that enplanements are expected to show flat growth during the upcoming fiscal year.

The Department of Aviation remains committed to supporting our airline partners by maintaining competitive and cost-effective operations in Las Vegas. We appreciate your continued collaboration and look forward to discussing the FY2026 budget in more detail at our upcoming meeting.

Sincerely,

PHILLIP DETMER
Manager, Commercial Business & Development

Attachment(s)

cc: Rosemary Vassiliadis Joseph Piurkowski Tyler McHenry Scott Kichline
LAS Airline-Airport Affairs Committee (AAAC) Members



Clark County Board of Commissioners

Tick Segerblom, Chair • William McCurdy II, Vice Chair • April Becker
James B. Gibson • Justin C. Jones • Marilyn Kirkpatrick • Michael Naft

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David Sellers – Sr. Advisor
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May 1, 2025

Ms. Rosemary A. Vassiliadis
Director, Clark County Department of Aviation
Harry Reid International Airport
5757 Wayne Newton Blvd.
Las Vegas, NV 89119

Re: **Approval of the Proposed Airline Rates and Charges - Fiscal Year Ended June 30, 2026**

Dear Rosemary,

Thank you once again for your gracious hosting of the annual AAAC Rates and Charges meeting on April 22, 2025. As always, you and your team were extremely informative in discussing all of the exciting developments transpiring in and around the airport and very thorough in your review of the airport financial data.

In light of the increases in the rates and charges, the airlines asked for a few additional days to review the comprehensive information presented at the meeting and we thank you for allowing us this time. As of the date of this letter, all questions have been answered and the cost-benefit analysis related to the proposed DOA Administration Building has been received and reviewed by the carriers without further comment. Therefore, please accept this correspondence as formal notification of the LAS air carrier's support for the proposed rates and charges for the Fiscal Year ending June 30, 2026, and our support for the capital expenditures planned for the new FY.

As always, it was a great pleasure meeting with you and your team. Thank you for your wonderful hospitality and please don't hesitate to contact me if you have any questions.

Sincerely,

DP Sellers

David Sellers
SOUTHWEST AIRLINES CO.
Chair - LAS Airline and Airport Affairs Committee

Cc: LAS AAAC