

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

FISCAL YEARS	2007	2008	2009	2010	2011
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues (Grants)	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	=====	=====	=====	=====	=====
# ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included In Current Budget? Yes _____ No X
 Budget Account No.: Fund various Department various Unit various Object various
 Reporting Category various

B. Recommended Sources of Funds/Summary of Fiscal Impact:

Airport revenues are used for the Incentive Program, no ad valorem or General Fund money is affected. The Incentive credit to a particular airline could amount to \$164,000, assuming a daily operation for one year, \$54,000 if only landing fees are granted. The airline company will still be responsible for various rental and baggage system charges.

C. Departmental Fiscal Review: CM Summer

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Dev. and Control Comments:

Jim Durb 11-9-06
 OFMB
 11/09/2006
 11-9-06
 11-8-06

Dr. J. Jacobson 11/15/06
 Contract Dev. and Control
 11/15/06

B. Legal Sufficiency:
Amy Becke
 Assistant County Attorney

C. Other Department Review:

 Department Director

Background and Justification:

The Board originally approved an Airline Service Incentive Program Participation Agreement in 2002 to attract new non-stop airline service. The Program credits an airline for certain airport fees for qualified flights. The credit involves Airport revenues, no ad valorem or General Fund money is affected.

The objective of the program is to increase non-stop flights to new markets, which will benefit passengers, increase airline competition at PBIA, and increase overall revenues to airport concessions and the County. Defining a new destination at the airport level will help foster competition between airlines in certain markets where there is limited service to the primary airport. Discount carriers often select secondary airports to service locations; discount carriers have significant potential to increase competition and reduce fares to these markets.

RESOLUTION NO.

RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA; APPROVING NEW STANDARD FORM AIRLINE SERVICE INCENTIVE PROGRAM PARTICIPATION AGREEMENTS; AUTHORIZING THE COUNTY ADMINISTRATOR OR HIS DESIGNEE TO EXECUTE THE STANDARD FORM AIRLINE SERVICE INCENTIVE PROGRAM PARTICIPATION AGREEMENTS; ESTABLISHING AN AIRLINE SERVICE INCENTIVE PROGRAM; AUTHORIZING THE COUNTY ADMINISTRATOR OR HIS DESIGNEE TO ENTER INTO CERTAIN AMENDMENTS TO AIRLINE SERVICE INCENTIVE PROGRAM PARTICIPATION AGREEMENTS; REPEALING RESOLUTION 2004-2413; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Palm Beach County, by and through its Department of Airports, owns and operates Palm Beach International Airport ("Airport"); and

WHEREAS, the Board of County Commissioners desires to market and promote air transportation service at the Airport by adopting an Airline Service Incentive Program to be offered for a promotional period; and

WHEREAS, the Airline Service Incentive Program will provide for a reduction in Gate Usage Charges and/or Landing Fees in accordance with the terms and conditions of the standard form Airline Service Incentive Program Participation Agreement for Qualified Domestic Flights, which is attached hereto and incorporated herein as Attachment "A" ("Domestic Flight Participation Agreement"), and the standard form Airline Service Incentive Program Participation Agreement for Qualified International Flights, which is attached hereto and incorporated herein as Attachment "B" ("International Flight Participation Agreement") (hereinafter collectively referred to as the "Participation Agreements"); and

WHEREAS, on November 16, 2004, the Board of County Commissioners adopted Resolution 2004-2413, creating an Airline Service Incentive Program; and

WHEREAS, the Board of County Commissioners desires to modify the Airline Service Incentive Program adopted pursuant to Resolution 2004-2413 offered for the Airport; and

WHEREAS, the Board of County Commissioners desires to authorize the County Administrator or his designee to execute the standard form Participation Agreements on behalf of the Board of County Commissioners with any airline eligible to participate in the Airline Service Incentive Program.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, that:

1. The foregoing recitals are true and correct and are expressly incorporated herein by reference and made a part hereof. Terms not defined in this Resolution shall have the meanings provided in the Participation Agreements.

2. The Board of County Commissioners hereby adopts the standard form Participation Agreements. The County Administrator or his designee is hereby authorized to execute the Participation Agreements, on behalf of the Board of County Commissioners, with any airline eligible to participate in the Airline Service Incentive Program.

3. In order to be eligible to participate in the Airline Service Incentive Program, an airline must: (1) be party to an agreement with the County authorizing the use of Airport facilities ("Use Agreement"); (2) not be in default of the Use Agreement or any other agreement with the County; (3) enter into a Domestic Flight Participation Agreement or International Flight Participation Agreement with the County; (4) add a Qualified Domestic Flight or Qualified International Flight on or after the effective date of this Resolution; and (5) provide the Qualified Domestic Flight or Qualified International Flight for the Required Service Duration.

4. The County Administrator or his designee may require an airline to complete a Required Service Duration of six (6) or twelve (12) months pursuant to a Domestic Flight Participation Agreement or International Flight Participation Agreement and may execute, on behalf of the Board of County Commissioners, amendments to Participation Agreements for the purpose of extending the Required Service Duration of a Qualified Domestic Flight or Qualified International

Flight and the associated credits or waivers from six (6) to twelve (12) months. The County Administrator or his designee may provide a Gate Use Charge Credit in addition to a Landing Fee Credit to any airline providing a Qualified Domestic Flight to a city that is not currently served on a non-stop basis by any airline. A Qualified Domestic Flight to an airport that is not currently served on a non-stop basis, which is located within a city that is currently served on a non-stop basis, shall not be entitled to receive a Gate Use Charge Credit unless the County Administrator or his designee has determined that the Qualified Domestic Flight is to: (i) a market with high passenger demand, or (ii) to an expanding market, which is anticipated to increase in passenger demand.

5. It is the intention of the Board of County Commissioners that this delegation of signature authority is strictly limited to the parameters set forth herein. Except as otherwise provided for herein, any deviation from the standard terms and conditions shall be brought before the Board of County Commissioners for approval. The County Administrator or his designee is hereby authorized to execute, on behalf of the Board of County Commissioners, Participation Agreements that include non-material changes. For purposes of this Resolution, "non-material changes" mean changes that do not modify the substantive obligations of the parties under the Participation Agreements. The County Administrator's designee under this Resolution includes the Director of the Palm Beach County Department of Airports.

6. If any section, sentence, clause, phrase, or word of this resolution is held invalid or unconstitutional by a Court of competent jurisdiction, then said holding shall in no way affect the validity of the remaining portions of this Resolution.

7. This Resolution shall repeal Resolution 2004-2413 in its entirety. Notwithstanding any provision of this Resolution to the contrary, the repeal of Resolution 2004-2413 shall not affect any agreement entered into pursuant to Resolution 2004-2413 prior to the effective date of this Resolution.

8. This Resolution shall be effective immediately upon adoption.

The foregoing Resolution was offered by Commissioner _____, who moved its adoption. The motion was seconded by Commissioner _____, and upon being put to a vote, the vote was as follows:

COMMISSIONER KAREN T. MARCUS	-
COMMISSIONER JEFF KOONS	-
COMMISSIONER WARREN H. NEWELL	-
COMMISSIONER MARY MCCARTY	-
COMMISSIONER BURT AARONSON	-
COMMISSIONER	-
COMMISSIONER ADDIE L. GREENE	-

Then the Chair thereupon declared this Resolution duly passed and adopted this ____ day of _____, 20__.

PALM BEACH COUNTY, FLORIDA, BY ITS BOARD OF COUNTY COMMISSIONERS

Sharon R. Bock, Clerk & Comptroller

By: _____
Deputy Clerk

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

By: *Sharon R. Bock*
County Attorney

**AIRLINE SERVICE INCENTIVE PROGRAM
PARTICIPATION AGREEMENT FOR QUALIFIED DOMESTIC FLIGHTS**

THIS AIRLINE SERVICE INCENTIVE PROGRAM PARTICIPATION AGREEMENT FOR QUALIFIED DOMESTIC FLIGHTS (this "Agreement") is made and entered into this ___ day of _____, 200__ by and between Palm Beach County, a political subdivision of the State of Florida ("County"), and _____, a _____, having its office and principal place of business at ("Airline").

WITNESSETH:

WHEREAS, County, by and through its Department of Airports ("Department"), owns and operates Palm Beach International Airport, located in Palm Beach County, Florida ("Airport"); and

WHEREAS, Airline is engaged in the business of scheduled air transportation of passengers; and

WHEREAS, County desires to market and promote air transportation service at the Airport; and

WHEREAS, County and Airline entered into that certain _____ Agreement dated _____, authorizing the use of Airport facilities ("Use Agreement"); and

WHEREAS, the Use Agreement provides for County's ability to charge certain fees and charges for use of the Airport facilities; and

WHEREAS, County wishes to encourage Airline to increase the number of non-stop destinations served by Airline from the Airport by providing certain incentives for such service by Airline for a promotional period.

NOW THEREFORE, in consideration of the mutual covenants, promises and representations contained herein, the parties hereto agree to the following terms and conditions:

1. RECITALS

The recitals set forth above are true and correct and form a part of this Agreement.

2. DEFINITIONS

A. "Airline Service Incentive Program" means the incentive program detailed in this Agreement and the Resolution.

B. "Airline Service Incentive Reporting Forms" means the forms attached hereto as Exhibit "A".

C. "Board" means the Palm Beach County Board of County Commissioners.

D. "Flight Destination" means a particular city or airport.

[INSERT IF APPLICABLE: E. "Gate Usage Charge" means a charge assessed by County on Airline for loading bridge use, pre-conditioned air, 400-hertz power, and holdroom equipment and areas pursuant to the Use Agreement.

[INSERT IF APPLICABLE: F. "Gate Usage Charge Credit" means a one-time credit of up to **[CHOOSE ONE: twelve (12) OR six (6)]** months of Gate Usage Charges, payable by Airline to County for a Qualified Domestic Flight. The amount of a Gate Usage Charge Credit shall be based on the Per Use Gate Charge

(as hereinafter defined) applicable to Airline under its Use Agreement with County. The term "Per Use Gate Charge" shall have the meaning provided in Exhibit "E" (Rate and Fee Schedule) of the Airline-Airport Use and Lease Agreement adopted by the Board pursuant to Resolution No. 2006-1906, as such agreement and calculations may be amended from time to time, or any successor resolution or agreement adopted by the Board establishing similar charges. Notwithstanding the foregoing, Gate Usage Charge Credits shall not exceed the actual charges assessed to Airline during the Required Service Duration.]

- G. "Landing Fee" means a charge assessed by County to Airline based on landed weight for aircraft arriving at Airport pursuant to the Use Agreement.
- H. "Landing Fee Credit" means a one-time credit of up to **[CHOOSE ONE: twelve (12) OR six (6)]** months of Landing Fees, payable by Airline to County for a Qualified Domestic Flight.
- I. "Qualified Domestic Flight" means domestic flight service by Airline to Airport, which meets the following criteria:
- (1) the flight is added on or after the effective date of the Resolution, or the flight is converted to jet-powered aircraft on or after the effective date of the Resolution;
 - (2) the Flight Destination is not currently served on a non-stop basis by any airline and has not been served by Airline on a non-stop basis within the preceding thirty-six (36) months, or the Flight Destination is not currently served by Airline or any airline on a non-stop basis by jet-powered aircraft and has not been served by Airline using jet-powered aircraft within the preceding thirty-six (36) months;
 - (3) the flight consists of non-stop arrival and departure passenger service;
 - (4) the flight has weekly service frequency at a minimum;
 - (5) the flight is provided for the Required Service Duration; and
 - (6) the flight satisfies the eligibility rules set forth in the Resolution.
- J. **[CHOOSE ONE: "Required Service Duration" means twelve (12) consecutive months of operation, commencing on or about _____, 20__.** **OR: "Required Service Duration" means six (6) consecutive months of operation, commencing on or about _____, 20__.]**
- K. "Resolution" means Resolution No. ____ - ____ adopted by the Palm Beach Board of County Commissioners on _____, as may be amended from time to time, which is incorporated herein by this reference.

3. CREDITS FOR QUALIFIED DOMESTIC FLIGHTS

- A. Subject to the terms and conditions of this Agreement and the Resolution, County agrees to provide Airline with a **[CHOOSE ONE: Gate Usage Charge Credit and Landing Fee Credit OR Landing Fee Credit]** for each Qualified Domestic Flight identified in Exhibit "B".
- B. Airline shall complete and deliver to County all required Airline Service Incentive Reporting Forms within ninety (90) days of completion of the Required Service Duration of a Qualified Domestic Flight. Airline acknowledges and agrees County shall have no obligation to accept incomplete or inaccurate Airline Service Incentive Reporting Forms. Within forty-five (45) days of receipt of complete Airline Service Incentive Reporting Forms, County shall notify Airline