

Agenda Item:

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA ITEM SUMMARY

Meeting Date: May 1, 2012

[X] Consent [] Regular
[] Workshop [] Public Hearing

Department:

Submitted By: Department of Airports

Submitted For:

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to receive and file: Agreement for One-Year Extension and Amendment of Airline-Airport Use and Lease Agreement with American Airlines, Inc. to extend the termination date of the Agreement for one year to expire on September 30, 2012.

Summary: Delegation of authority for execution of the standard County agreements above was approved by the BCC in R-2011-0183. **Countywide (AH)**

Background and Justification: N/A

Attachments: One (1) Standard Agreement for the Department of Airports

LB

Recommended By:

~~Department Director~~

Date _____

Approved By:

County Administrator

Date _____

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
Operating Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	~0~ * see below	_____	_____	_____	_____
# ADDITIONAL FTE	_____	_____	_____	_____	_____
POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included in Current Budget? Yes X No _____

Budget Account No: Fund 4100 Department 120 Unit 8320/8430 RSource Various
Reporting Category _____

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

Airlines pay a variety of fees for use of Airport facilities including terminal rent, baggage facilities, loading bridge systems, apron areas, and runways. Some charges are variable and are dependant on flight operations and passenger traffic. Fees are calculated based on the Airline Use and Lease Agreement, adjusted annually for current operations and maintenance costs and debt service allocations. Airline revenues are budgeted in total by revenue source based on projected activity. The total Airline revenue budget for fiscal year 2012 is approximately \$23.5 million.

C. Departmental Fiscal Review: _____

III. REVIEW COMMENTS

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

[Signature] 4/4/2012
OFMB VA
4/3/12
2/13/12

[Signature] 4/13/12
Contract Dev. and Control
4-12-12 B. Wheeler

B. Legal Sufficiency:

Anne Deland 4/16/12
Assistant County Attorney

C. Other Department Review:

Department Director

CERTIFICATE
(Corporation)

The undersigned hereby certifies that the following are true and correct statements:

1. That Kenneth Wimberly is the Secretary of American Airlines Inc., a corporation organized and existing in good standing under the laws of the State of Delaware, hereinafter referred to as the "Corporation", and that the following Resolutions are true and correct copies of certain Resolutions adopted by the Board of Directors of the Corporation as of the 25th day of July, 1983, in accordance with the laws of the State of Delaware, the Articles of Incorporation and the By-laws of the Corporation:

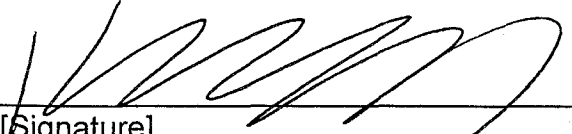
RESOLVED, that the Corporation shall enter into that certain Agreement for One-Year Extension and Amendment of the Airline-Airport Use and Lease Agreement between Palm Beach County, a political subdivision of the State of Florida and the Corporation (the "Agreement"), a copy of which is attached hereto; and be it

FURTHER RESOLVED, that Charlotte Teklitz, the MD, Corp. Real Estate of the Corporation, is hereby authorized and instructed to execute such Agreement and such other instruments as may be necessary and appropriate for the Corporation to fulfill its obligations under the Agreement.

2. That the foregoing resolutions have not been modified, amended, rescinded, revoked or otherwise changed and remain in full force and effect as of the date hereof.

3. That the Corporation is in good standing under the laws of the State of Florida, and has qualified, if legally required, to do business in the State of Florida and has the full power and authority to enter into such Agreement.

IN WITNESS WHEREOF, the undersigned has set his hand and affixed the Corporate Seal of the Corporation the 20th day of December, 2011.


[Signature]

Corporate Seal

CORPORATE, Secretary

American Airlines		Certificate of Insurance No. 1388	
Named Insured: AMR Corporation and its subsidiaries including American Airlines, Inc. P.O. Box 619616 Dallas/Ft. Worth Airport, TX 75261		This certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend or alter the coverage afforded by the policies listed below. Cancellation: Should any of the described policies be cancelled, the issuing company will endeavor to mail 30 days written notice to the below named certificate holder, but failure to mail such notice shall impose no obligation or liability of any kind upon the company.	
NAME AND ADDRESS OF CERTIFICATE HOLDER		PRODUCER	
Palm Beach County, Board of County Commissioners c/o Department of Airports 846 Palm Beach International Airport West Palm Beach, FL 33406		Aon Risk Services Southwest, Inc. 2711 N. Haskell Avenue, Suite 800 Dallas, Texas 75204 Contact: T. Robinson - (214)989-2321 1AAINC / Standard / 1388	
TYPE OF COVERAGE	LIMITS OF LIABILITY LIMITS SHOWN ARE AS REQUESTED	POLICY PERIOD (MM/DD/YY)	INSURANCE COMPANY AND POLICY NUMBER
A. AIRCRAFT LIABILITY in respect of all aircraft owned, leased, or operated by the Named Insured, worldwide	\$25,000,000 Bodily Injury & Property Damage Combined	07/01/2011- 07/01/2012	SUBSCRIBING INSURERS FOR 100% PARTICIPATION ALLIANZ GLOBAL RISKS US INSURANCE COMPANY A1AL000136711AM STARNET INSURANCE COMPANY per Berkley Aviation BA-11-07-00041 COMMERCE & INDUSTRY INSURANCE COMPANY per Charis Aviation, Inc. HL3387434-15 XL SPECIALTY INSURANCE COMPANY per XL Aerospace UA00001136AV11A AVION ASSURANCE LIMITED AVI 1001-11
B. AIRCRAFT HULL INSURANCE in respect of all insured aircraft owned or leased by the Named Insured, worldwide.			
C. COMPREHENSIVE GENERAL LIABILITY in respect of all Ground Operations of the Named Insured, including but not limited to Premises Operations, Contractual, Products and Completed Operations, Hangerskeepers Liability, in flight	\$10,000,000 Bodily Injury & Property Damage Combined Per Occurrence		
D. EXCESS LIABILITY (per occurrence & in the Aggregate) in respect of all Owned, Hired and Non-Owned Automobiles, worldwide; Coverage G (Commercial General Liability, non-aviation operations), & Employers' Liability	\$9,000,000		
E. EXCESS CARGO LEGAL LIABILITY & SHIPPERS INTEREST			
F. COMMERCIAL GENERAL LIABILITY in respect of non-aviation operations of the Named Insured including Premises and Operations and Contractual			
G. COMPREHENSIVE AUTOMOBILE LIABILITY in respect of all Owned, Leased, Hired and Non-Owned Automobiles - USA	\$1,000,000 Combined Single Limit Each Accident	12/01/2011- 12/01/2012	National Union Fire Insurance Company of Pittsburgh CA 294-68-66, CA 294-68-67, CA294-68-68
H. PROPERTY			
I. CARGO LEGAL LIABILITY & SHIPPERS INTEREST			
J. WORKERS' COMPENSATION & EMPLOYERS' LIABILITY	Bodily Injury by Accident \$1,000,000 Each Accident Bodily Injury by Accident \$1,000,000 Policy Limit Bodily Injury by Disease \$1,000,000 Each Employee	08/01/2011 - 08/01/2012	New Hampshire Ins Co. WC044216327, WC044216328, WC044216329, WC044216330, WC044216331, WC044216332, WC044216333, WC044216334, WC044216335
Each of the above Insurers has authorized Aon Risk Services Southwest, Inc. to issue this certificate on its behalf. Aon Risk Services is not an insurer and therefore has no liability under the above policies as an insurer, nor does it have any liability under the policies as an insurer as a result of the issuance of this certificate. The policy is subject to an Electronic Date Recognition Exclusion and Electronic Date Change Recognition Exclusion Coverage Endorsement.			
Description of Operations: RE: Airline-Airport Use and Lease Agreement Note: Coverage for vehicles operated on restricted access airport premises is provided under Coverage C, Comprehensive General Liability.		Date Issued: 11/28/2011	
SEVERABILITY LIABILITY NOTICE The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligation.		By: <u>Thana L. Robinson</u> Thana L. Robinson	

2011 DEC -6 PM 12:32
RECEIVED
Bldg. 846
11/28/2011

Attachment to Certificate No. 1388

2b. ADDITIONAL INSURED: "As required by contract, but subject to the terms, conditions and exclusions of the policy, Palm Beach County, a political subdivision of the State of Florida, its Officers, Employees and Agents, c/o Department of Airports, 846 Palm Beach International Airport, West Palm Beach, FL 33406 is (are) included as additional insured(s) as respects operations performed by or for the named insured for all coverages evidenced on this certificate except Workers' Compensation and Cargo Insurance Coverage."

3b. CANCELLATION NOTICE: "In the event the Aircraft Liability, Aircraft Hull Insurance, Comprehensive General Liability, Excess Automobile Liability, Excess Employers' Liability, or Excess Cargo Legal Liability & Shipper's Interest insurance described on this certificate is cancelled, non-renewed or there is a reduction in coverage/material change which effects the interests of Palm Beach County, or if this insurance is allowed to lapse for non-payment of premium, the insurers agree to provide thirty (30) days prior written notice of such cancellation, change or lapse to Palm Beach County."

8. CONTRACTUAL LIABILITIES: "Such coverages as is afforded by the policies includes contractual liabilities and insurance requirements assumed under the referenced contract Airline-Airport Use and Lease Agreement to the extent that insurance is afforded under the policy."

**AGREEMENT FOR ONE-YEAR EXTENSION AND AMENDMENT OF
AIRLINE-AIRPORT USE AND LEASE AGREEMENT
PALM BEACH INTERNATIONAL AIRPORT**

THIS AGREEMENT FOR ONE-YEAR EXTENSION AND AMENDMENT OF AIRLINE-AIRPORT USE AND LEASE AGREEMENT (this "Amendment") is made and entered into MAR 13 2012, 2011, by and between Palm Beach County, a political subdivision of the State of Florida ("COUNTY"), and American Airlines, Inc., a Delaware corporation, having its office and principal place of business at 4333 Amon Carter Blvd., MD 5317, Fort Worth, Texas 76155 ("AIRLINE").

WITNESSETH:

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

WHEREAS, AIRLINE is engaged in the business of scheduled air transportation for the carriage of persons, property, parcels, cargo, and mail; and

WHEREAS, COUNTY and AIRLINE have entered into that certain Airline-Airport Use and Lease Agreement dated January 29, 2007 (R2007-0385) as amended (the "Agreement"), which is scheduled to terminate on September 30, 2011; and

WHEREAS, COUNTY and AIRLINE desire to extend the termination date of the Agreement for one year and to amend the Agreement in accordance with the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, and for such other good and valuable consideration, the receipt of which the parties hereby acknowledge, the parties hereto covenant and agree to the following terms and conditions:

1. Recitals. The recitals set forth above are true and correct and incorporated herein by this reference. Terms not defined herein shall have the meaning ascribed to them in the Agreement.

2. Term. The term of the Agreement shall be extended by one (1) additional year, expiring on September 30, 2012.

3. Modification of Article 22 of the Agreement. Article 22 of the Agreement is modified to add the following Section 22.31:

22.31 Office of the Inspector General. AIRLINE acknowledges that the Palm Beach County's Office of Inspector General is authorized to review past, present and proposed County contracts, transactions, accounts, and records. The Inspector General's authority includes, but is not limited to, the power to audit, investigate, monitor and inspect the activities of entities contracting with the County, or anyone acting on their behalf, in order to ensure compliance with contract requirements and to detect corruption and fraud.

4. Ratification of Agreement. Except as specifically modified herein, all of the terms and conditions of the Agreement shall remain unmodified and in full force and effect and are hereby ratified and confirmed by the parties hereto.

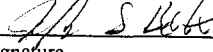
5. Conflict. In the event of a conflict between any provision of this Amendment and the provisions of the Agreement, or any other amendment thereto, the provisions of this Amendment shall control.

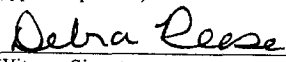
6. Paragraph Headings. The heading of the various sections of this Amendment are for convenience and ease of reference only, and shall not be construed to define, limit, augment or describe the scope, context or intent of this Amendment or the Agreement.

7. Effective Date. This Amendment shall be considered effective upon execution by the parties hereto.

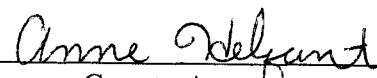
IN WITNESS WHEREOF, COUNTY and AIRLINE have executed this Amendment as of the day and year first written above.

Signed, sealed and delivered in the presence of two witnesses for COUNTY:

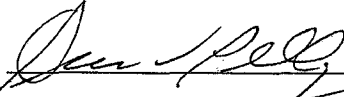

Witness Signature
Jeffrey S. Bolton
(typed or printed)


Witness Signature
Debra Reese
(typed or printed)

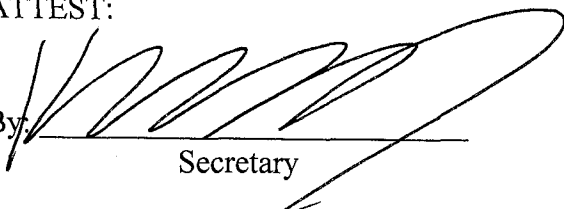
APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

By: 
County Attorney


PALM BEACH COUNTY, FLORIDA

By: 
Title: Director of Airports

ATTEST:

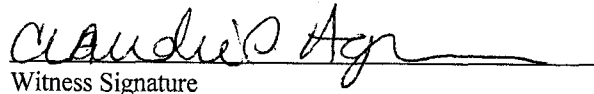
By: 
Secretary

AIRLINE: American Airlines, Inc.

By: 
CHARLOTTE TEKLITZ
Typed or Printed Name of Corporate Officer-
Charlotte Teklitz
Title: Managing Director Corporate Real Estate

(Corporate Seal)

Signed, sealed and delivered in the presence of two witnesses for AIRLINE:


Witness Signature

CLAUDIA I. AGUIAR
(typed or printed)


Witness Signature

Donna Robinson
(typed or printed)