Agenda Item: 3F6

PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

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Submitted By: Department of Airports				

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to receive and file:

- (A) Non-signatory Airline Agreement (Airline Agreement) with Allegiant Air LLC (Allegiant), commencing October 18, 2019, terminating September 30, 2020, and automatically renewing annually thereafter unless canceled; providing for Allegiant to provide commercial air service at the Palm Beach International Airport (PBI); and provides for the lease of 279 square feet of ticket counter space and 113 square feet of ticket office space at the PBI terminal building, for payment of rental in the amount of \$26,787.24, from the date of rental commencement for each space through September 30, 2020; and
- (B) Airline Service Incentive Program Participation Agreement (Incentive Agreement) with Allegiant, providing for waiver of landing fees from November 1, 2019, through November 30, 2021, for flights from Asheville, NC; Cincinnati, OH; Concord, NC; Indianapolis, IN; Pittsburgh, PA; and Knoxville, TN.

Summary: The Airline Agreement permits Allegiant to operate at PBI and to lease ticket counter space and office space for their operations. The Incentive Agreement waives landing fees for certain flights. Delegation of authority for execution of the standard form Non-signatory Airline Agreement was approved by the Board in R-2019-1156. Delegation of authority for execution of the standard Airline Service Incentive Agreement was approved by the Board in R-2019-1156. Delegation of authority for execution of the standard Airline Service Incentive Agreement was approved by the Board in R-2014-0251. <u>Countywide (AH)</u>

Background and Justification: N/A

Attachments: One (1) Airline Agreement One (1) Incentive Agreement

Recommended By: <u>Pu</u>	Laura	Bik	2-7-20
·	Department Director		Date
			-

Approved By:

ounty Administrator

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Capital Expenditures					
Operating Costs					
Operating Revenues	(\$26,810)				
Program Income (County)	1000, 011111111111111111111111111111111				
In-Kind Match (County)					
NET FISCAL IMPACT	(\$26,810)	<u></u>			
# ADDITIONAL FTE					
POSITIONS (Cumulative)		·			
Is Item Included in Current B	udaet? Ye	s X	No		
Does this item include the us				,	
Budget Account No: Fund					ce Various
	ting Category				
1 top 01					

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

Under Allegiant's Airline Agreement, rental for the 113 square feet of ticket office commenced 10/18/2019, and rental for the 279 square feet of ticket counter commenced 11/14/19. The annual rental rate for FY20 is \$75.84 per square foot. The fiscal impact above includes rental for the leasehold spaces for FY20. In addition, Allegiant will pay landing fees (except for qualified flights under the Incentive Agreement), baggage system charges, and per-use charges that may apply to Allegiant's operation. Renewal beyond October 31, 2020 is not assured and is not included in the above fiscal impact analysis. The Incentive Agreement allows for the waiver of landing fees for "qualified flights" from cities as listed in the Incentive Agreement. The Signatory Airline Agreement (R-2019-1155) establishes the basis for airline rates and charges for the operation of commercial air service at PBI. The Non-signatory Airline Agreement incorporates the rates and charges established under the Signatory Airline Agreement. Revenues from terminal rents, landing fees, and baggage system charges will average \$14 to \$16 million annually over the five-year period. Rates are established to recover the cost of airport operations, maintenance, and debt service for the terminal, terminal systems, and airfield

C. Departmental Fiscal Reviews

III. REVIEW COMMENTS

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

OFMB

B. Legal Sufficiency:

Achant 2-14-2020 me Assistant County Attorney

C. Other Department Review:

Department Director

REVISED 11/17

(THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT) G:\AGENDA ITEM\\$\2020 Final Agenda Item\\$-10-20\Allegiant Nonsig & Incentive Agents - R&F.docx

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