Agenda Item: **3F6**

PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

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Meeting Date: November 1, 2022	 Consent Workshop] Regular] Public Hearing
Submitted By: Department of Airports			

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to receive and file: Signatory Airline Agreement (Agreement) with Frontier Airlines, Inc. (Frontier), commencing July 29, 2022, and terminating September 30, 2024, with one 2-year renewal option, providing for Frontier to provide commercial air service at the Palm Beach International Airport (PBI); and for the lease of 282 square feet of ticket counter space, 240 square feet of ticket office space and one preferential use passenger gate and holdroom for payment of rental in the amount of \$106,526 per year.

Summary: The Signatory Agreement allows Frontier to operate at PBI as a signatory airline and provides for the lease of approximately 2,615 square feet of space, including two ticket counters, ticket office space and one preferential use passenger gate. In order to become a signatory airline, airlines are required to execute a Signatory Airline Agreement, which requires the lease of a minimum amount of space and does not permit termination for convenience. Rate and charges for airlines are determined in accordance with methodology established by the Signatory Airline Agreement, which are lower for airlines willing to commit to a Signatory Airline Agreement. The Signatory Airline Agreement expires September 30, 2024, and will automatically renew through September 30, 2026, unless terminated in accordance with the terms of the Signatory Airline Agreement. Frontier previously operated as a non-signatory airline at PBI. Delegation of authority for execution of the standard form Signatory Airline Agreement above was approved by the Board in R-2019-1155. Countywide (AH)

Background and Justification: Frontier's Non-Signatory Airline Agreement (R-2015-1611, as amended), was terminated upon commencement of this Agreement.

Attachments: One (1) Signatory Airline Agreement.

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Recommended By: _	ew Augura Bube Department Director	7-29-22 Date
	Department Director	Date
Approved By:	Pos por	10/13/22
	County Administrator	Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>			
Capital Expenditures Operating Costs Operating Revenues Program Income (County) In-Kind Match (County)	(106,526)	(106,526)						
NET FISCAL IMPACT	(106,526)	<u>(106,526)</u>	\$-0		\$-0-			
# ADDITIONAL FTE POSITIONS (Cumulative)								
Is Item Included in Current Budget? Yes <u>X</u> No Does this item include the use of federal funds? Yes No <u>X</u>								

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

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

Exhibit "E", <u>Rate and Fee Schedule</u>, to the standard form Signatory Airline Agreement establishes the methodology for all airline rates and charges for the operation of commercial air service at PBI and is adjusted annually each October 1. Airlines pay a variety of fees for use of the Airport facilities, including terminal rent, baggage facilities, loading bridge systems, apron area and runways. The fiscal impact shown above is the annual rental for ticket counter, ticket office and holdroom space, as well as a common area charge, all at the rate of \$40.12 per square foot in effect as of October 1, 2022. Other charges are variable and are dependent on flight operations and passenger traffic and are not shown above. There is one 2-year renewal option not shown in the fiscal impact above.

NUDAN C. Departmental Fiscal Review

III. REVIEW COMMENTS

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

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B. Legal Sufficiency:

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C. Other Department Review:

Department Director

REVISED 11/17

(THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT)