



City Council Staff Report

Date: May 17, 2017 NEW BUSINESS

Subject: AUTHORIZE SUBMITTAL OF NEW AIRPORT PASSENGER FACILITY CHARGE APPLICATION

From: David H. Ready, City Manager

By: Department of Aviation

SUMMARY

This action addresses the Federal Aviation Administration's (FAA) requirements for the preparation and submittal of a Passenger Facility Charge (PFC) application to partially fund the construction of the City Council approved Palm Springs International Airport (PSP) Master Plan Ticketing Remodel Project and other Airport Improvement Program projects; to retire all existing PFC Bond-backed debt; and reimburse the Airport Fund balance for expenses associated with previous FAA projects.

RECOMMENDATION:

- 1) Authorize the preparation and submittal of a PFC application in accordance with FAA regulations and within the feasibility analysis range to fund, in part: 1) the City Council approved Airport Master Plan Ticketing Renovation Project and programmed FAA Airport Improvement Program (AIP) projects over the next 5 years; 2) to retire all existing PFC Bond debt in connection with the funding of new AIP projects; and 3) reimburse the Airport Fund for the local share of the cost of capital projects previously funded with FAA grants; and
- 2) Authorize the City Manager to execute all FAA required documents.

STAFF ANALYSIS:

On October 21, 2015, the City Council held a public hearing and adopted Resolution No. 23908 approving the Master Plan Update for the Palm Springs International Airport (the "Master Plan"). The Master Plan identified a Recommended Alternative that included the following elements:

Terminal Proposed Improvements

- Expand terminal building 60 feet north (no change to south façade that is designated as Class 1 historic site);

ITEM NO. 5.E.

- Reconfigure interior of ticketing wing and remodel Airline Ticket Office (ATO) space to allow for circulation area expansion;
- Construct a supplemental 5,000 square feet building behind the terminal to accommodate displaced ATO functions;
- Accommodate rental car counters and USO to allow for baggage claim device expansion.

Landside Proposed Improvements

- Reconfigure existing Ready/Return car rental lot to accommodate a Quick Turn Around (QTA) facility and structured parking and ready/return;
- Reconfigure and expand parking areas along Kirk Douglas Way.

A copy of the October 21, 2015, staff report is included as **Attachment 1**.

The Terminal proposed improvements are estimated to cost \$21-\$22 Million, and will be funded through AIP grant funds and capital funds generated by PFCs.

The Quick Turn Around (QTA) facility and structured parking for car rentals was estimated to cost \$24-\$25 Million, and will be funded through capital funds generated by Customer Facility Charges (CFCs).

In order to increase the authorized expenditure of eligible capital projects to be funded through PFC's, it was necessary to analyze the feasibility of this proposed method of financing. On December 7, 2016, the City Council approved a professional services contract with Ricondo & Associates (R&A) to provide the City with financial and bond consulting services. Subsequently, R&A has completed its analysis and is recommending the City Council authorize staff to proceed with the application process with the FAA, to authorize additional bond capacity through an extension of PFCs levied at PSP sufficient to finance construction of the various AIP projects.

PSP Airport's History with Passenger Facility Charges

PFCs were authorized by Congress in 1990 as an instrument for airports to fund FAA-approved projects that meet one or more of the following five objectives:

1. Preserve or Enhance Safety;
2. Preserve or Enhance Security;
3. Preserve or Enhance Capacity;
4. Furnish the opportunity to enhance competition between or among air carriers;
5. Mitigate noise impacts resulting from aircraft operations.

PFCs have resulted in over \$50 billion in airport capital investments since their implementation in 1990, funding construction of runways and terminal development at airports around the country.

In 1992, the City of Palm Springs was an early applicant to the FAA to receive authorization to levy PFCs at PSP for needed capital projects. Formal FAA authorization was received on June 25, 1992, to begin collection of a \$3.00 per enplaned passenger fee that was used to support bond financing for construction of various capital projects, including extension of runways and the Bono Concourse. The PFC levied at PSP was later increased to \$4.50 with enactment of AIR-21 by Congress in 2000.

New PFC Funding Plan

A single new series of bonds secured by the PFCs levied at PSP would be used to redeem the outstanding principal of existing bonds (currently estimated at \$11.5 Million), and provide new capital to complete the Terminal Proposed Improvements and future AIP projects. Ricondo & Associates has been working with the City's longstanding financial consultant, Harrell & Company Advisors, to develop a financial analysis, a project funding plan, and estimated bond debt capacity that could be supported by PFC revenues.

Another benefit of the new PFC will be to reimburse the Airport Fund for past FAA grant projects local share expenditures totaling \$4.5 million. This is permissible in the PFC regulations with the new project application. These additional funds in the Airport Fund will then be used to pay for capital expenditures that are not eligible to be funded with PFCs associated with the Ticketing Renovation Project including: airline relocation during construction, build-out of the permanent airline offices, storage areas, and other miscellaneous expenses not eligible to be paid by PFC's. The PFC application will contain sixteen total projects, to include reimbursement of the local share of twelve already completed AIP projects, the ticket wing project, two future anticipated FAA eligible projects (acquisition of 2 Aircraft Rescue and Firefighting vehicles and the design of the baggage claim area improvement project), and the reimbursement of the new PFC project development costs.

The Airport Commission's Finance Committee reviewed the program and the full Commission voted unanimously in favor of proceeding with the new PFC application.

Timing of the PFC Process

The PFC Application approval process will commence upon City Council authorization, and is anticipated to be completed by December 2017; a tentative schedule identifying the PFC application process is included as **Attachment 2**. Once the PFC receives the approval of the FAA, the PFC Bonds would be issued in early 2018, to meet the funding needs of the 2018 construction season. Based on a debt capacity analysis prepared by Ricondo & Associates, it is projected that up to \$29,000,000 in funding will be available for construction of the Terminal Proposed Improvements.

ENVIRONMENTAL IMPACT:

Section 21084 of the California Public Resources Code requires Guidelines for Implementation of the California Environmental Quality Act (“CEQA”). The Master Plan Update for the Palm Springs International Airport (“Master Plan”) is considered a “Project”, and in accordance with the CEQA Guidelines, the City acting as “Lead Agency” pursuant to CEQA, previously completed an environmental analysis of the potential impacts resulting from implementation of the Master Plan. A Notice of Intent to Adopt a Mitigated Negative Declaration (“MND”) was previously filed, and on October 21, 2015, the City Council held a public hearing, and independently reviewed and considered the information contained in the MND prior to its review and approval of the Master Plan, and adopted Resolution No. 23908, adopting and ordering the filing of a Mitigated Negative Declaration for the Master Plan. A copy of Resolution No. 23908 is included as **Attachment 3**.

FISCAL IMPACT:

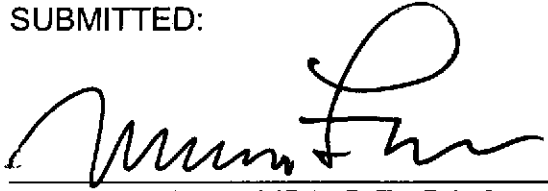
Because an FAA-approved PFC program is reliant on the amount of passenger activity at PSP, careful analysis was given in forecasting future PFC revenues. The chart below presents the projected enplaned passenger levels and the ensuing anticipated PFC revenues for the next five years at PSP:

<u>Budget Year</u>	<u>Enplaned Passengers</u>	<u>PFC Revenue</u>
2017-18	1,022,040	\$4,038,080
2018-19	1,042,481	\$4,118,842
2019-20	1,063,330	\$4,201,218
2020-21	1,084,597	\$4,285,243
2021-22	1,106,289	\$4,370,948

PFC revenues will be obligated to bond payments through June 2040, and any excess revenues would be committed to reducing the outstanding principal, similar to the structure of the outstanding PFC Bonds, or used for future pay-as-you-go projects. The PFC application will include a request for funding the cost of the projects and redemption of the existing PFC debt, as well as financing and bond administration costs.

PSP currently imposes a \$4.50 per passenger ticket PFC levy and this new application does not increase the current levy of \$4.50 – which is the maximum allowed by FAA regulations. However, the PFC application will allow an extension of the time of which PFCs can be levied, to June 2040, in order to finance the proposed AIP projects. The PFC levy is collected by the airlines at the time an airline ticket is purchased, and then reimbursed to the City on a monthly basis, net of an administrative fee of \$0.11 per enplaned passenger.

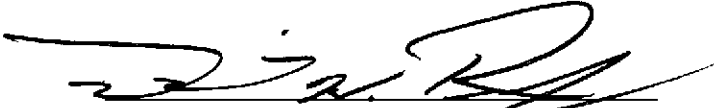
SUBMITTED:



Marcus L. Fuller, MPA, P.E., P.L.S.
Assistant City Manager



Thomas Nolan
Executive Director, Airport



David H. Ready, Esq., Ph.D.
City Manager

Attachments:

1. October 21, 2015 staff report
2. PFC Application Process Schedule
3. Resolution 23908

Attachment 1



CITY COUNCIL STAFF REPORT

DATE: October 21, 2015 PUBLIC HEARING

SUBJECT: APPROVAL OF THE CITY OF PALM SPRINGS AIRPORT MASTER PLAN UPDATE AND ADOPTION OF A MITIGATED NEGATIVE DECLARATION

FROM: David H. Ready, City Manager

BY: Department of Aviation

SUMMARY

An action to address the California Environmental Quality Act (CEQA) Initial Study for the Palm Springs International Airport Master Plan Update.

RECOMMENDATION:

1. Open the public hearing and take testimony.
2. Close the public hearing and adopt Resolution No. _____, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, ADOPTING A MITIGATED NEGATIVE DECLARATION (MND) AND APPROVING THE MASTER PLAN UPDATE FOR PALM SPRINGS INTERNATIONAL AIRPORT."

RELATED PRIOR ACTIONS:

<i>Related Relevant PSP Master Plan Prior Actions</i>	
08. '94	The original Palm Springs International Airport Master Plan was completed and adopted by the City Council.
5.07.03	The Palm Springs International Airport Commission approved the Master Plan Update.
5.28.03	The Planning Commission approved the Master Plan Update as recommended.
7.02.03	The City Council adopted the 2003 Airport Master Plan Update.
3.10.09	The Historic Society Preservation Board (HSPB) voted 5-1 to recommend that Council designate the west façade of the airport as a Class 1 Historic Site.
5.13.09	The City Council designated the west façade of the Palm Springs International Airport as a Class 1 Historic Site.
4.16.14	The Airport Commission reviewed the updated Mitigated Negative Declaration and Master Plan.
5.08.14	The Riverside County Airport Land Use Commission (ALUC) reviewed and found the Airport Master Plan Update consistent with Land Use Compatibility Plan.

5.13.14	The HSPB reviewed the proposed Master Plan Update; it was recommended that any plans for changes to the front façade would be presented to the HSPB at a future date.
5.28.14	The Planning Commission recommended approval of the Mitigated Negative Declaration and recommended approval of the Master Plan Update to the City Council.
11.05.14	The City Council reviewed the Master Plan Update for informational purposes and recommended changes, specifically related to avoiding impacts to the historic terminal façade and centralizing rental car facilities in their existing location.
03.04.15	The City Council reviewed the revised Recommended Alternative in the Master Plan Update.
09.30.15	The Palm Springs International Airport Commission voted to recommend the Mitigated Negative Declaration for the Master Plan Update to City Council for consideration.

STAFF ANALYSIS:

The Federal Aviation Administration (FAA) mandates that airports receiving Airport Improvement Program Grant funding maintain an Airport Master Plan with the appropriate environmental analysis and clearance in order to be eligible for funding of related future capital projects. As taken directly from the FAA Regulatory Guidance AC No. 150/5070-6B: *"An airport master plan is a comprehensive study of an airport and usually describes the short-, medium-, and long-term development plans to meet future aviation demand... The goal of a master plan is to provide the framework needed to guide future airport development that will cost-effectively satisfy aviation demand..."*

Consistent with the Federal Aviation Administration's guidance, the Airport Master Plan Update was prepared by a qualified airport planning firm: HNTB Corporation, under the approval and funding of the FAA Western Region Airport District Office. The elements of the plan are comprehensive and include essentially six major areas of emphasis:

- ✓ Inventory of Existing Conditions
- ✓ Aviation Activity Forecasts
- ✓ Facility Requirements
- ✓ Master Plan Alternatives
- ✓ Alternatives Evaluation
- ✓ Recommendations and Implementation

In addition to using these core guidelines established by the Federal Aviation Administration, the following City Ordinance was also utilized as guidance for the plan:

**PALM SPRINGS INTERNATIONAL AIRPORT
 AIRPORT ORDINANCE
 (ORD. 1693 § 2, (PART), 2006)**

- Plan, Manage, Operate, Finance, and Develop the Airport in a manner consistent with the adopted goals and policies of the City Council;
- Provide the residents of the city of Palm Springs and the Coachella Valley with access to the nation's aviation system;
- Preserve and enhance the City's status as a premier tourist destination;

- Ensure the Airport's long term financial health;
- Protect and promote the health, safety, security, and general welfare of the public consistent with all applicable Regulatory Measures;
- Encourage the development and operation of General Aviation businesses and the provision of quality aviation products, services, and facilities to the public at the Airport; and
- Ensure that the Airport is operated for the use and benefit of the public and made available to all types, kinds, and classes of aeronautical activity on fair and reasonable terms and without unjust discrimination.

This current Master Plan Update was initiated through a City Council approved FAA grant and then prepared by HNTB Corporation, a consultant and scope of work that was authorized by the FAA in 2011. Since this time, the ensuing environmental review (CEQA) Initial Study process has been completed as required prior to the City Council formally adopting the plan. Along with the Master Plan adoption being considered today, the action here includes the adoption of a Mitigated Negative Declaration (MND) associated with the CEQA Initial Study process.

A copy of the MND was made available to the public with notice published on March 20, 2014, in the local newspaper, and a full copy for public review at the Palm Springs Library and also at the Department of Planning Services. Other public meeting opportunities have included the Riverside Airport Land Use Commission meeting on May 8, 2014, and the Airport Commission meeting in Council Chambers on April 16, 2014. Additionally, a special Airport Commission Meeting was held in the City Council Chambers on September 30, 2015, for a final review of the Master Plan and Environmental Review prior to this submission to the City Council. Moreover, working through the ONE-PS neighborhood involvement organization, invitations were provided to abutting airport neighborhoods.

MASTER PLAN UPDATE – PROCESS AND FINDINGS:

The Master Plan process facilitates the FAA's goal of "providing the framework needed to guide future airport development that will cost-effectively satisfy aviation demand, while considering potential environmental and socioeconomic impacts." The process identified a series of goals and objectives aligned with existing City of Palm Springs policy.

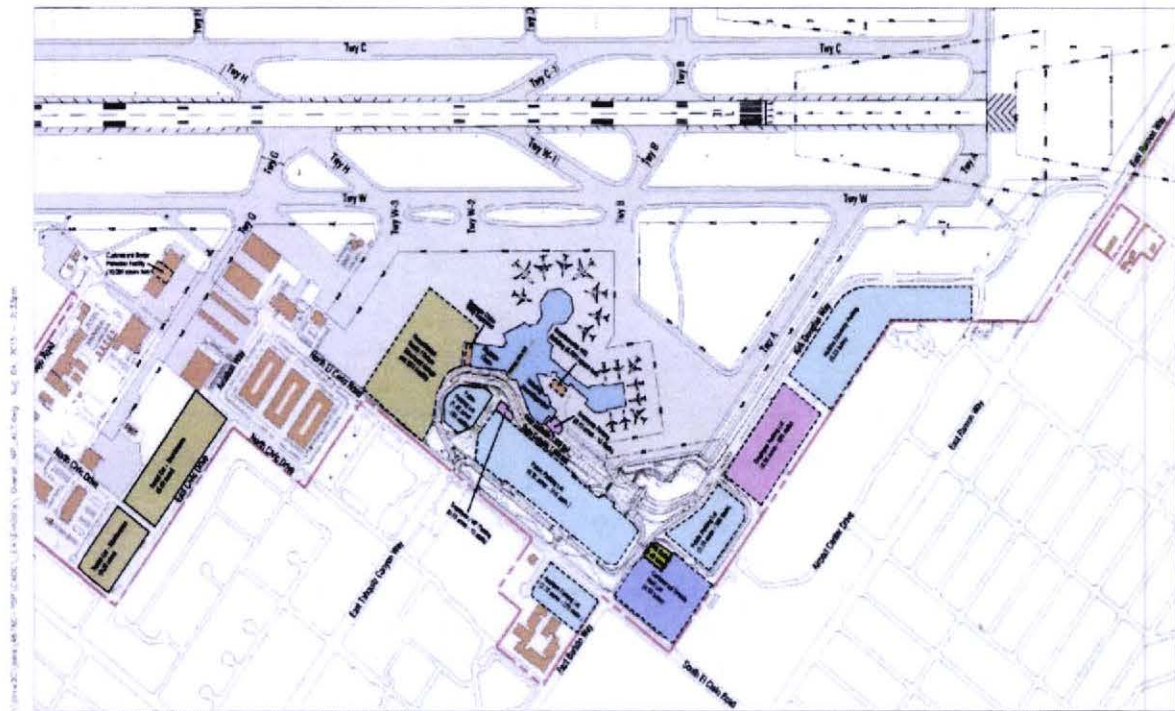
An FAA-approved 20-year aviation activity forecast was prepared early in the process to project future passenger enplanements and total airport operations. The PSP aviation activity forecast indicates the potential for growth at PSP in the long term over the next 20 years. Total domestic and international enplanements are forecast to increase by an average annual 3.1 percent. This forecast is used to identify critical facility requirements that will be necessary to address passenger demand.

Facility requirements were prepared for all functional airport components (airside, terminal, landside, general aviation, support and maintenance.) Improvements are identified as required in the terminal baggage claim and baggage transfer areas due to peak passenger loads and growing congestion. The facility analysis highlighted that accommodating PSP growth requires key terminal and landside improvements, particularly in these areas of baggage claim and luggage transfer, ticketing lobby circulation, rental car vehicle pickup lots, car rental customer service areas, and rental car service areas. The Facility Requirements identified that the Airport's airfield has adequate size and capacity to serve forecast operations beyond 2028 and therefore no runway, taxiway, or apron expansion is necessary.

As part of the Master Plan process, one alternative was developed that provides a plan for near-term improvements at PSP while two alternatives were developed that provide plans for long-term improvements at PSP. The Alternatives Analysis in the Master Plan Update included a concept refinement process, which involved key airport tenants and stakeholders. The near-term plan was developed to address the near-term constraints and functional deficiencies with rental car facilities and the terminal processor in a financially prudent manner, while the long-term development alternatives meet aviation activity forecast demand through 2028.

The alternatives were evaluated based on criteria developed during the goals and objectives phase of the Master Plan, subjective ratings, cost estimates, and financial feasibility. An outcome of the master planning process is the recommendation of an Airport development plan. The preferred master plan alternative will address predefined goals and objectives, the aviation activity forecast demand, and the identified facility requirements. The alternatives were presented to the nineteen-member Airport Commission and unanimously approved. The recommendation was to proceed with the environmental phase analysis. The project elements from the Immediate Action Plan were depicted on an Airport Layout Plan (ALP) approved by the FAA. The City Council was presented with the No Action (No Build), Immediate Action Plan, Expand in Place, and New Processor Alternatives on November 4, 2014.

During the environmental review, changing economic conditions and the public comment/review process, including comments and direction provided by City Council, led to revisions of various aspects of the near-term Recommended Alternative. The Master Plan Update has been amended to reflect these changes. The revised Master Plan Update Recommended Alternative is presented below and described in an addendum chapter in the Master Plan Update:



Source: NTHS Analysis



- Existing Terminal Building
- Potential On-Airport Building Development
- Existing Rental Car Facility
- Potential Rental Car Facility
- Existing Employee Parking
- Potential Employee Parking
- Existing Public Parking
- Potential Commercial Vehicle/Truck Lot
- Potential Roundabout, New Public Parking
- Existing CONI Storage
- Existing Carriway
- Airport Property Line
- Existing View Area

Recommended Alternative
 Figure 8-1
 Palm Springs International Airport
 Master Plan

ENVIRONMENTAL ASSESSMENT AND DETERMINATION:

The proposed Airport Master Plan Update and the associated improvements were deemed a "Project" under the guidelines of the California Environmental Quality Act and the Environmental Initial Study was prepared for the project. The Initial Study was mailed to State and Local Agencies and interested parties for review and comments in March 2014. It was determined in the Initial Study that with the incorporation of the mitigation measures, the proposed project will not result in a significant impact to the environment.

The CEQA Initial Study has been revised to reflect the City Council updated Recommended Alternative. Consistent with the initial determination, it was subsequently determined in the revised Initial Study, that with the incorporation of mitigation measures, the proposed project will not result in a significant impact to the environment. Revisions to mitigation measures were focused on the cultural resources section in response to public and City Council comments resulting in a modification to the Master Plan. Pursuant to Section 15064.5 "*Determining the Significance of Impacts on Historical and Unique Archeological Resources*", the main terminal of the Palm Springs International Airport is a historic resource under CEQA because it is listed in the local register of historic resources. With the revisions in the Recommended Alternative and mitigation measures included in the Initial Study and Mitigated Negative Declaration, the project will not have an adverse impact on the airport and in particular to the main terminal or other historic resources or elements of the airport. The façade of the main terminal was originally identified to be subject to a ticketing wing widening. However, based on direction received from Council, this plan was removed from the program and the façade will not be disrupted in any manner.

Although the Master Plan Update does not change airfield facilities or include projects that enhance the airport's capacity to accommodate aircraft, at the City Council's request, the CEQA study does include an analysis of existing and future noise exposure, known as NEMs (Noise Exposure Maps). The updated noise contours include a detailed analysis of the existing and forecast fleet mix, including military aircraft. The existing and forecast noise contours remain primarily over airport property or compatible land uses (commercial, industrial, etc.). The residential areas that are impacted by the noise contours were part of the Airport's previous noise mitigation (sound insulation) program. Prior to program closeout in 2004, all property owners were offered participation in the program. The NEM was conducted in full accordance with the FAA regulatory methodology.

On Wednesday September 30, 2015, the Airport Commission held a Special Meeting in the Council Chambers and email notices of the meeting were sent out to the ONE-PS neighborhood organization email list on file with the office of Neighborhood Services. Approximately twenty citizens were in attendance at the meeting and the Airport Commission voted unanimously in favor of recommending moving forward with adoption of the program and related CEQA study.

FISCAL IMPACT:

When looking at the identified recommended capital improvements, they can be segregated into two areas of fiscal sourcing. One source is consisting of those elements within the terminal that are eligible for funding by the Federal Aviation Administration, the same source that has funded many other PSP Airport improvements in the past. Because Palm Springs International Airport is part of the National Airport System Plan and a fully certified Airline Airport in good standing, the terminal improvements identified in the Recommended Alternative are within the eligibility parameters of this funding.

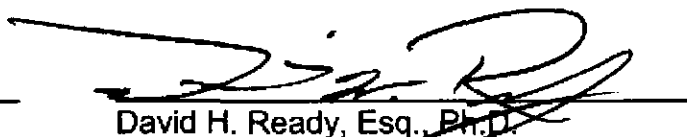
The other landside improvements associated with the car rental facilities are eligible for funding under California's regulated Customer Facility Charge (CFC) program, which the Airport has previously been approved for and collecting. The balance in this fund is over \$10,000,000. Based on this current balance, rate of collections, and forecast of activity, the CFC program will support the future project.

Although subject to final design and bidding requirements, an order of magnitude cost estimate for the next five year Airport Master Plan capital costs are as follows:

- Terminal Ticketing Area \$21-22 million
- Rental Car Expansion/Structure \$24-25 million



Thomas Nolan, A.A.E.
Executive Director, Airport



David H. Ready, Esq., Ph.D.
City Manager

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS ADOPTING A MITIGATED NEGATIVE DECLARATION (MND) AND APPROVING THE MASTER PLAN UPDATE FOR PALM SPRINGS INTERNATIONAL AIRPORT.

WHEREAS, the original Palm Springs International Airport Master Plan was completed and adopted by the City Council in August 1994; and

WHEREAS, the Palm Springs International Airport Commission approved Master Plan update on May 07, 2003; and

WHEREAS, the Planning Commission approved the Master Plan Update as recommended on May 28, 2003; and

WHEREAS, the City Council adopted the 2003 Airport Master Plan update on July 2nd, 2003; and

WHEREAS, the Historic Site Preservation Board voted 5-1 to recommend that Council designate the west façade of the airport as a Class 1 Historic Site on March 10, 2009; and

WHEREAS, the City Council designated the west façade of the Palm Springs International Airport as a class 1 Historic Site on May 13, 2009; and

WHEREAS, the Palm Springs International Airport Commission approved Master Plan Update on Jan 13, 2010; and

WHEREAS, the current Master Plan update was initiated through an FAA grant accepted by City Council, prepared by HNTB Corporation, and authorized in scope by the FAA in 2011; and

WHEREAS, the Airport Commission reviewed Mitigated Negative Declaration and Master Plan on April 16, 2014; and

WHEREAS, the Riverside County Airport Land Use Commission (ALUC) reviewed and found the Airport Master Plan Update consistent with Land Use Compatibility Plan on May 08, 2014; and

WHEREAS, the Historic Board Preservation Site reviewed the proposed Master Plan Update; any plans for changes to the front façade will be presented at a future date on May 13, 2014; and

WHEREAS, the Planning Commission of the City of Palm Springs reviewed the Mitigated Negative Declaration and recommended approval of the Master Plan Update to the City Council on May 28, 2014; and

WHEREAS, the City Council reviewed and directed revisions to the Airport Master Plan Update on November 5, 2014; and

WHEREAS, the City Council again reviewed the final revisions to the Airport Master Plan Update prior to the commencement of the final CEQA public hearing on March 4, 2015; and

WHEREAS, the Airport Commission reviewed the Mitigated Negative Declaration and revised Master Plan on September 30, 2015.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PALM SPRINGS DOES HEREBY RESOLVE AS FOLLOWS:

Section 1:

Pursuant to the California Environmental Quality Act (CEQA) Guidelines, the Palm Springs International Airport Master Plan Update has been deemed "a project"; an initial study was prepared, notices of the report were sent to all applicable agencies. A Notice of Intent to Adopt a Mitigated Negative Declaration was filed. The City Council independently reviewed and considered the information contained in the MND prior to its review of this Project and the MND reflect the City Council's independent judgment and analysis. Furthermore, it was determined in the Initial Study that with the incorporation of mitigation measures, the proposed project will not result in a significant impact to the environment. The City Council finds that the Palm Springs International Airport Master Plan Update includes proposed mitigation measures identified in the MND, and such measures will reduce all potentially significant impacts to less than significant. The City Council adopts the Mitigated Negative Declaration as the controlling environmental document for the Palm Springs International Airport Master Plan Update.

Section 2:

The City Council approves and adopts the Palm Springs International Airport Master Plan Update.

ADOPTED THIS 21st DAY OF OCTOBER, 2015.

David H. Ready, City Manager

ATTEST:

James Thompson, City Clerk

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF PALM SPRINGS)

I, JAMES THOMPSON, City Clerk of the City of Palm Springs, hereby certify that Resolution No. _____ is a full, true and correct copy, and was duly adopted at a regular meeting of the City Council of the City of Palm Springs on _____, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

James Thompson, City Clerk
City of Palm Springs, California

Palm Springs International Airport

Master Plan Update & Initial Study/Mitigated Negative Declaration



City of Palm Springs
Airport Commission
September 30th, 2015



PALM SPRINGS INTERNATIONAL AIRPORT
MASTER PLAN UPDATE

Overview

- ✈ The master plan process was conducted in accordance with FAA guidance and subsequently reviewed and approved by FAA. To be forwarded to City Council for review.
- ✈ The Master Plan Update Recommended Alternative has been revised, based on direction from City Council.
- ✈ The updated Recommended Alternative was presented to the Airport Commission and City Council in March 2015.
- ✈ The environmental analysis for the Initial Study/Mitigated Negative Declaration (IS/MND) has been updated to reflect the Recommended Alternative.



Study Chronology

2010	Master Plan Update	Airport Commission recommendation for Environmental Follow-on studies
2011	NEPA and CEQA Initiation	Initial environmental studies (biological resources, historic and cultural resources), Agency Scoping
2012	NEPA/CEQA	Technical analyses; alternatives refinement; coordination with FAA, State Historic Preservation Office, Agua Caliente
2013	NEPA/CEQA	Technical analyses; alternatives refinement; coordination with FAA.
2014	Master Plan Update/NEPA/CEQA	Completion of CEQA Initial Study/Mitigated Negative Declaration; Airport Commission, Planning Commission, Historic Site Preservation Board, City Council
2015	Master Plan Update/NEPA/CEQA	FAA directs completion of CatEx, City and public review; refinement of Recommended Alternative, completion of environmental documents.



Revised Recommended Alternative

Terminal Proposed Improvements

- Expand terminal building by 60' to the north; accommodate rental car counters and USO to allow for baggage claim device expansion.
- Reconfigure interior of ticketing wing; remodel Airline Ticket Office (ATO) space to allow for circulation area expansion.
- Construct a supplemental 5,000+ sq. foot building behind the terminal to accommodate displaced ATO functions.

Landside Proposed Improvements

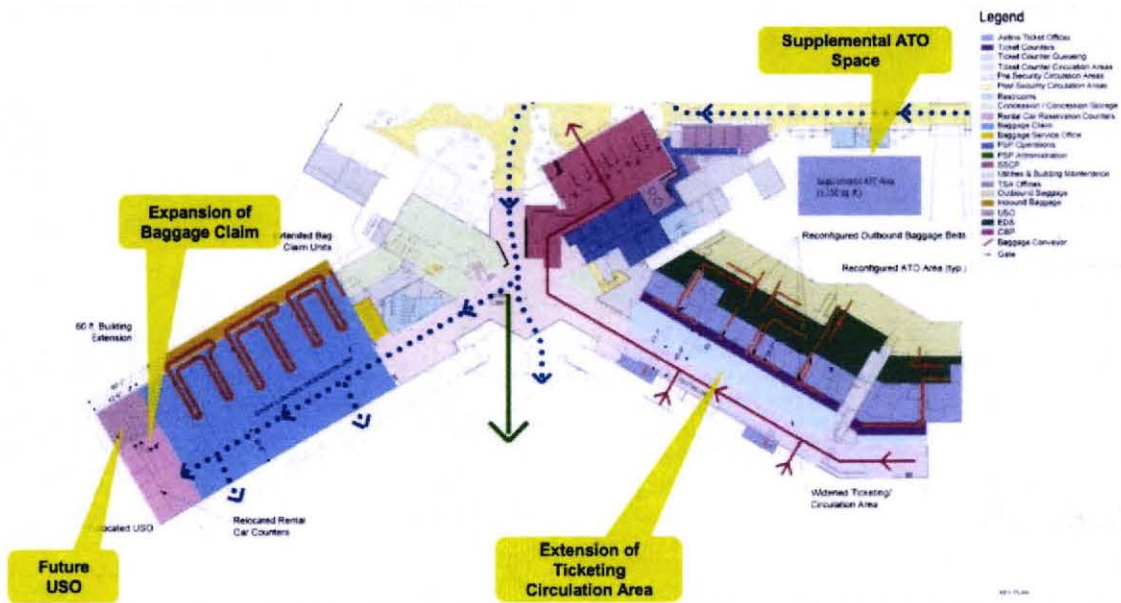
- Reconfigure the existing Ready/Return lot to accommodate a Quick Turn Around (QTA) facility and structured parking and ready/return.
- Maintain existing maintenance facilities.
- Reconfigure and expand parking areas along Kirk Douglas Way.
- Maintain Airport access via Baristo Road.



Terminal – Existing (ticketing wing)

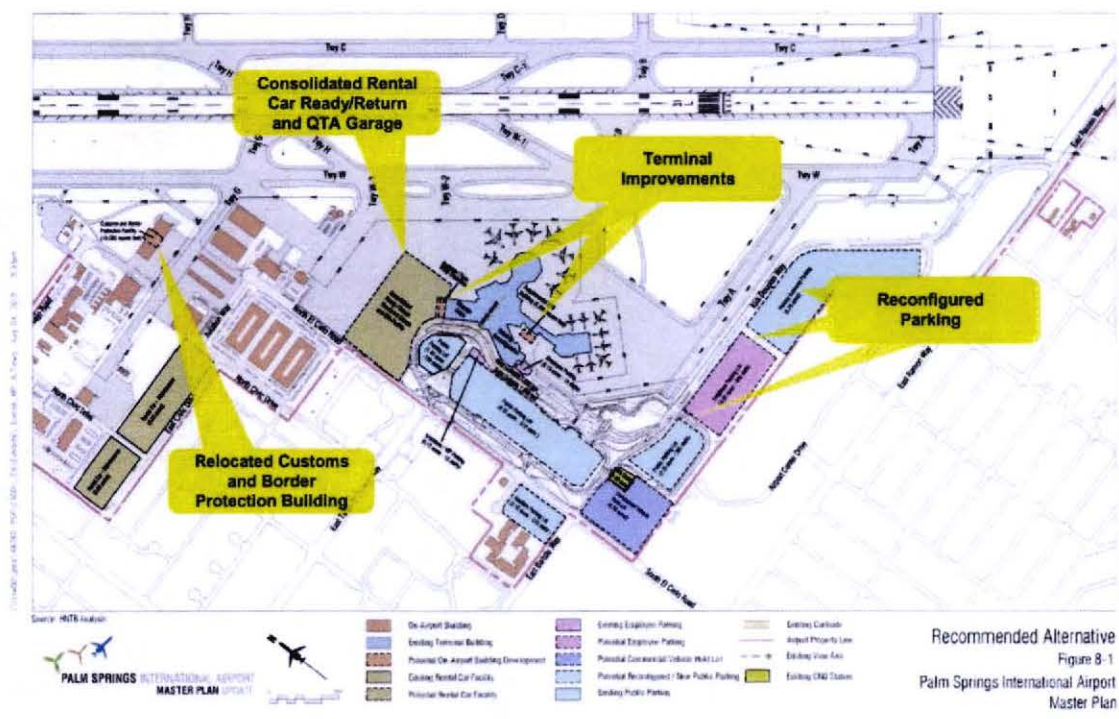


Terminal - Recommended Alternative



Interior Terminal Reconfiguration Alternative
 Figure 3
 Palm Springs International Airport
 Master Plan

Landside - Recommended Alternative



Master Plan Update Summary

- ✈ The Master Plan Update was a technical analysis, completed in accordance with FAA requirements, to identify short and long term needs at PSP.
- ✈ It provides a blueprint based on reasonable forecasts; does not commit PSP to specific projects.
- ✈ The Master Plan Update focuses on Landside and Terminal; PSP airside facilities can accommodate future growth.
- ✈ The Master Plan Update identifies conceptual projects that are subject to further design and review.
- ✈ The Master Plan Update is subject to a CEQA environmental review.



CEQA Initial Study

What is CEQA

- ✈ California Environmental Quality Act is a statute that requires state and local agencies to identify the significant environmental impacts of their actions and to avoid or mitigate those impacts, if feasible.

Why a CEQA analysis is necessary

- ✈ The Master Plan Update and associated projects are deemed a "project" under CEQA guidelines.

Level of CEQA Analysis

- ✈ Preliminary Analysis leading to Mitigated Negative Declaration or EIR.



Environmental Analysis

CEQA Environmental Factors	Potentially Significant Impact	Less than Significant Impact with Mitigation Incorporated	Less than Significant Impact	No Impact
Aesthetics				
Agricultural Resources				
Air Quality				
Biological Resources				
Cultural Resources				
Geology/Soils				
Greenhouse Gas Emissions				
Hazards & Hazardous Materials				
Hydrology/Water Quality				
Land Use/Planning				
Mineral Resources				
Noise				
Population/Housing				
Public Services				
Recreation				
Transportation/Traffic				
Utilities/Service Systems				



Mitigation Measures

Environmental Resource	Measure	Summary
Air Quality	MM AQ-1	Require construction contractors to use low polluting equipment.
	MM AQ-2	Require construction contractors to use low polluting architectural coatings. Use super compliant VOC coatings for all architectural applications.
Biological Resources	MM BIO-1	Pre-construction survey for burrowing owls, per the CDFG Code, the MBTA, and the Coachella Valley Multiple Species Habitat Conservation Plan (CVMSHCP); clear study area outside bird nesting season.
Cultural Resources*	MM CUL-1	Terminal modifications should utilize historically accurate materials and be designed and constructed in a manner that is compatible with and sympathetic to the original design.
	MM CUL-3	Consult a certified archaeologist to determine the appropriate treatment of any previously undocumented archaeological materials or features.
	MM CUL-4	Follow State Health and Safety Code Section 7050.5 regarding the discovery of human remains.
Greenhouse Gases		Consistent with MM AQ-1 and MMAQ-2.
Hydrology and Water Quality	MM HYD-1	Prior to the approval of a grading permit, a hydrology analysis of the project shall be reviewed by the City Engineer for review and approval.
Land Use	MM LU-1	Review and approval of MPU by the Riverside County Airport Land Use Commission for consistency with the Airport Land Use Compatibility Plan.
Noise	MM NOI-1	Follow guidelines regarding construction activities.

**Note: MM CUL-2 was removed with revisions to the Recommended Alternative.*



Mitigation Measures

- ✦ The Initial Study/Mitigated Negative Declaration (Revision) concluded that the project has limited potential to degrade the quality of the environment.
- ✦ Through implementation of mitigation measures BIO-1, CUL-1, and CUL-3, impacts to biological and cultural resources identified within the project limits will be reduced to below a level of significance.
- ✦ By adhering to City design standards and policies, the project will ensure that the potential to degrade the environment will be minimized.



Environmental Analysis - Noise

- ✈ CEQA study includes an analysis of both aircraft noise and construction noise.
- ✈ Measured using the 65 Community Noise Equivalent Level (CNEL) Noise Exposure Contour.
- ✈ Considers all aircraft activity, including military.
- ✈ Implementation of the projects in the MPU do not increase noise.
- ✈ Resulting noise exposure contours introduce no new incompatible land uses.
- ✈ One mitigation measure associated with construction noise.



Environmental Analysis - Noise

1999*

2015

2020
(Forecast)



111,700 ops*; 1.3 sq mi

56,580 ops;
0.89 sq mi

61,802 ops (forecast);
0.93 sq mi



* 1999 noise contour and operations as forecast by the 1993 study.

 PALM SPRINGS INTERNATIONAL AIRPORT
MASTER PLAN UPDATE

Environmental Analysis - Noise



- ✦ Resulting noise exposure contours introduce no new incompatible land uses.
- ✦ Areas in which the 65 CNEL contour reaches have participated in previous voluntary mitigation programs by the City of Palm Springs.



CEQA IS/MND Status

Public Circulation

- ✈ The Initial Study/Mitigated Negative Declaration was initially submitted to the State clearinghouse; Included a public review period; additional presentations to the HSPB, Planning Commission and City Council.

Revised IS/MND

- ✈ The CEQA Initial Study/Mitigated Negative Declaration has been revised to reflect the updated Recommended Alternative; the revision resulted in a net reduction of potential impacts and is ready for City Council adoption.

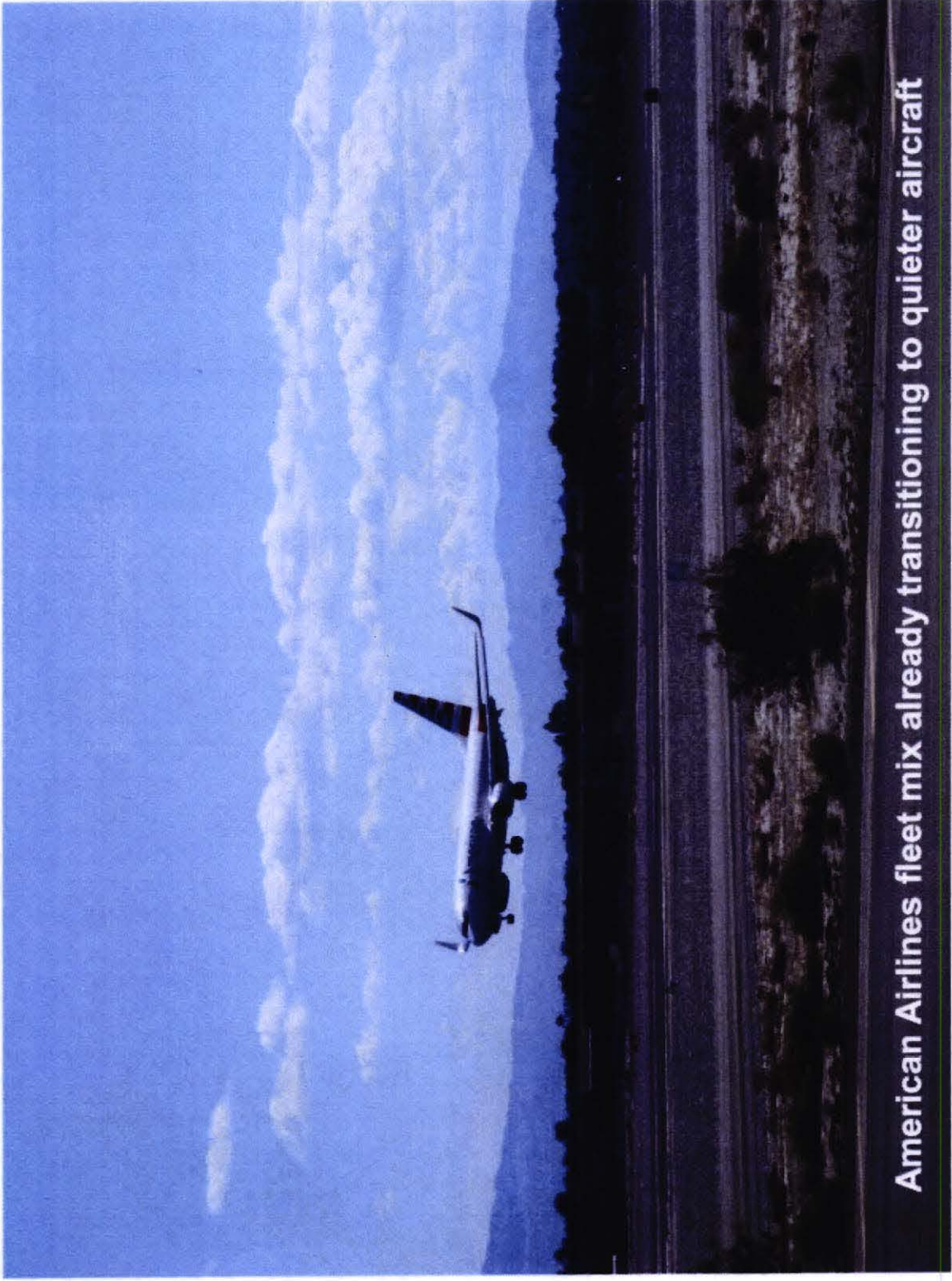


Following City Council Approval:

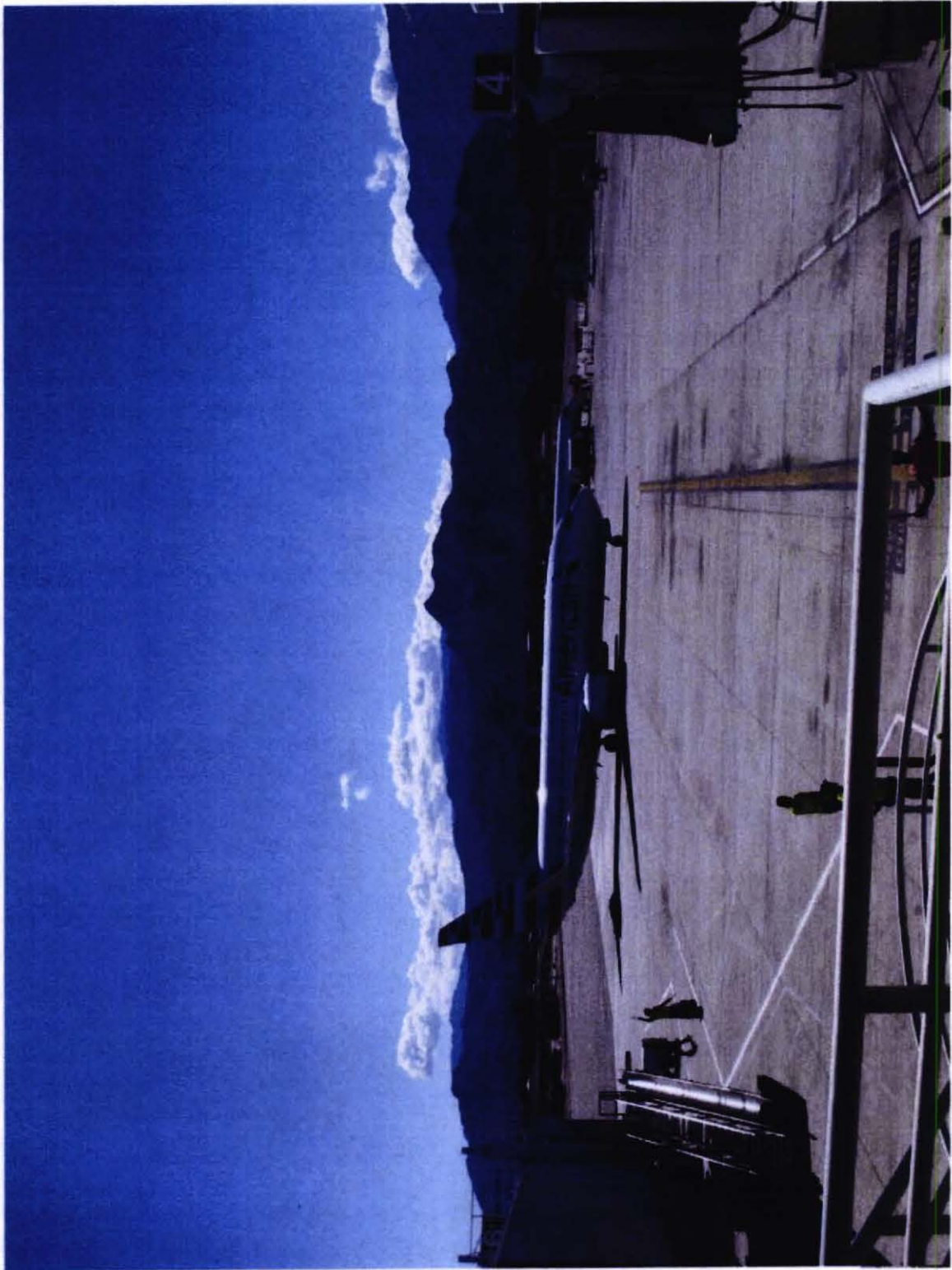
- ★ Begin Advanced Planning/Programming
- ★ Design
- ★ Construction

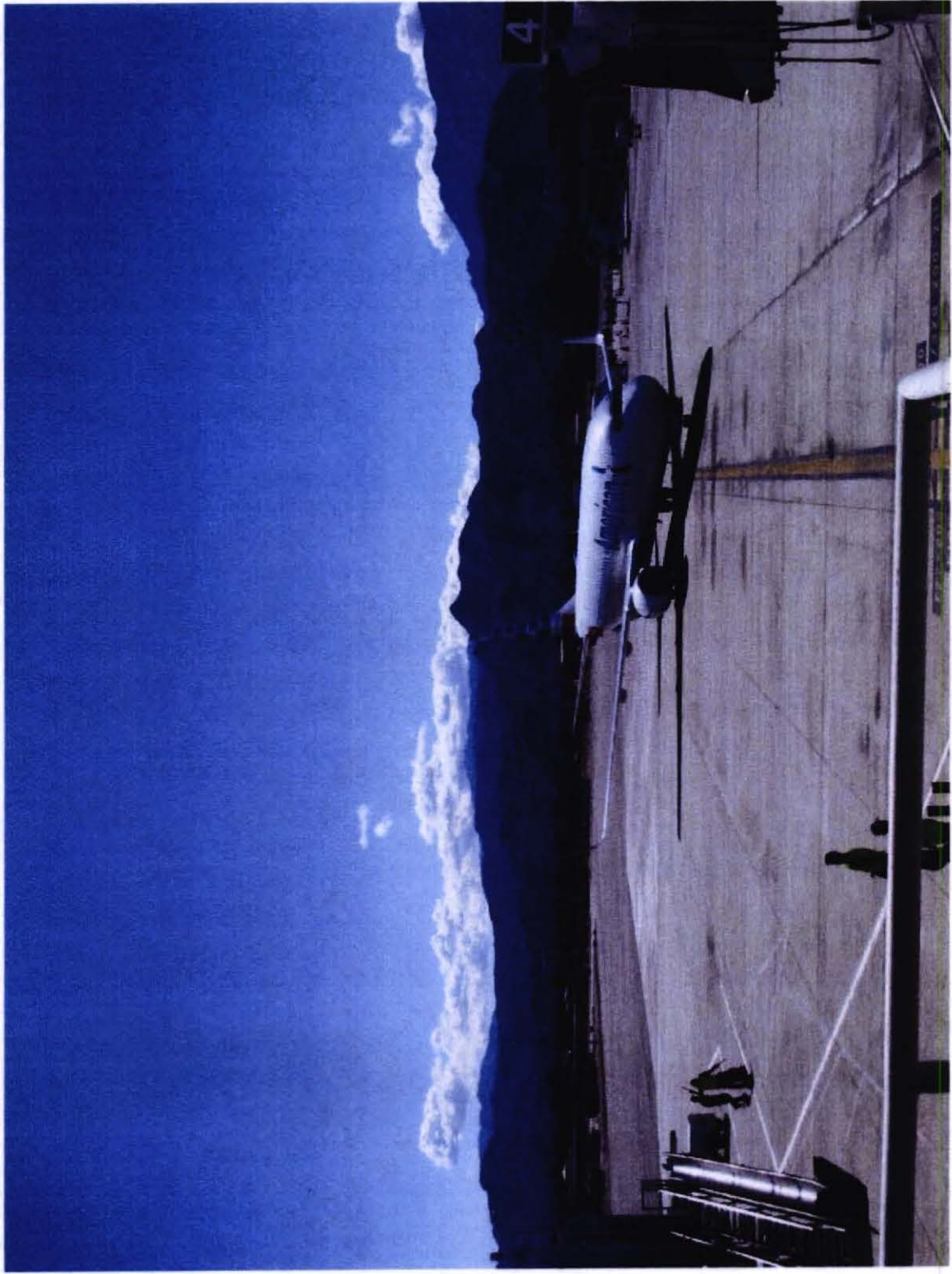


PALM SPRINGS INTERNATIONAL AIRPORT
MASTER PLAN UPDATE



American Airlines fleet mix already transitioning to quieter aircraft







NOTICE OF PUBLIC HEARING
CITY COUNCIL
CITY OF PALM SPRINGS

CASE 5.1319-MPU
THE PALM SPRINGS INTERNATIONAL AIRPORT MASTER PLAN UPDATE
AND ADOPTION OF A MITIGATED NEGATIVE DECLARATION

NOTICE IS HEREBY GIVEN that the City Council of the City of Palm Springs, California, will hold a public hearing at its meeting of October 21, 2015. The City Council meeting begins at 6:00 p.m., in the Council Chamber at City Hall, 3200 East Tahquitz Canyon Way, Palm Springs.

The purpose of this hearing is to consider a request by the City of Palm Springs for the Palm Springs International Airport Master Plan Update that includes enhancement of the airport's ticketing, baggage claim and car rental facilities.

ENVIRONMENTAL DETERMINATION: A Mitigated Negative Declaration (MND), (State Clearinghouse No. 2002071114) has been prepared for this project under the guidelines of the California Environmental Quality Act (CEQA) and will be reviewed by the City Council at the hearing. Members of the public may view this document at the Planning Services Department, City Hall, 3200 East Tahquitz Canyon Way, Palm Springs, and submit written comments at, or prior to, the City Council hearing.

REVIEW OF PROJECT INFORMATION: The staff report and other supporting documents regarding this project are available for public review at City Hall between the hours of 8:00 a.m. and 6:00 p.m., Monday through Thursday. Please contact the Office of the City Clerk at (760) 323-8204 if you would like to schedule an appointment to review these documents.

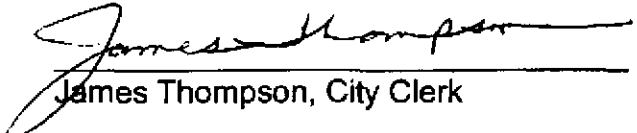
COMMENT ON THIS APPLICATION: Response to this notice may be made verbally at the Public Hearing and/or in writing before the hearing. Written comments may be made to the City Council by letter (for mail or hand delivery) to:

James Thompson, City Clerk
3200 E. Tahquitz Canyon Way
Palm Springs, CA 92262

Any challenge of the proposed project in court may be limited to raising only those issues raised at the public hearing described in this notice, or in written correspondence delivered to the City Clerk at, or prior, to the public hearing. (Government Code Section 65009[b][2]).

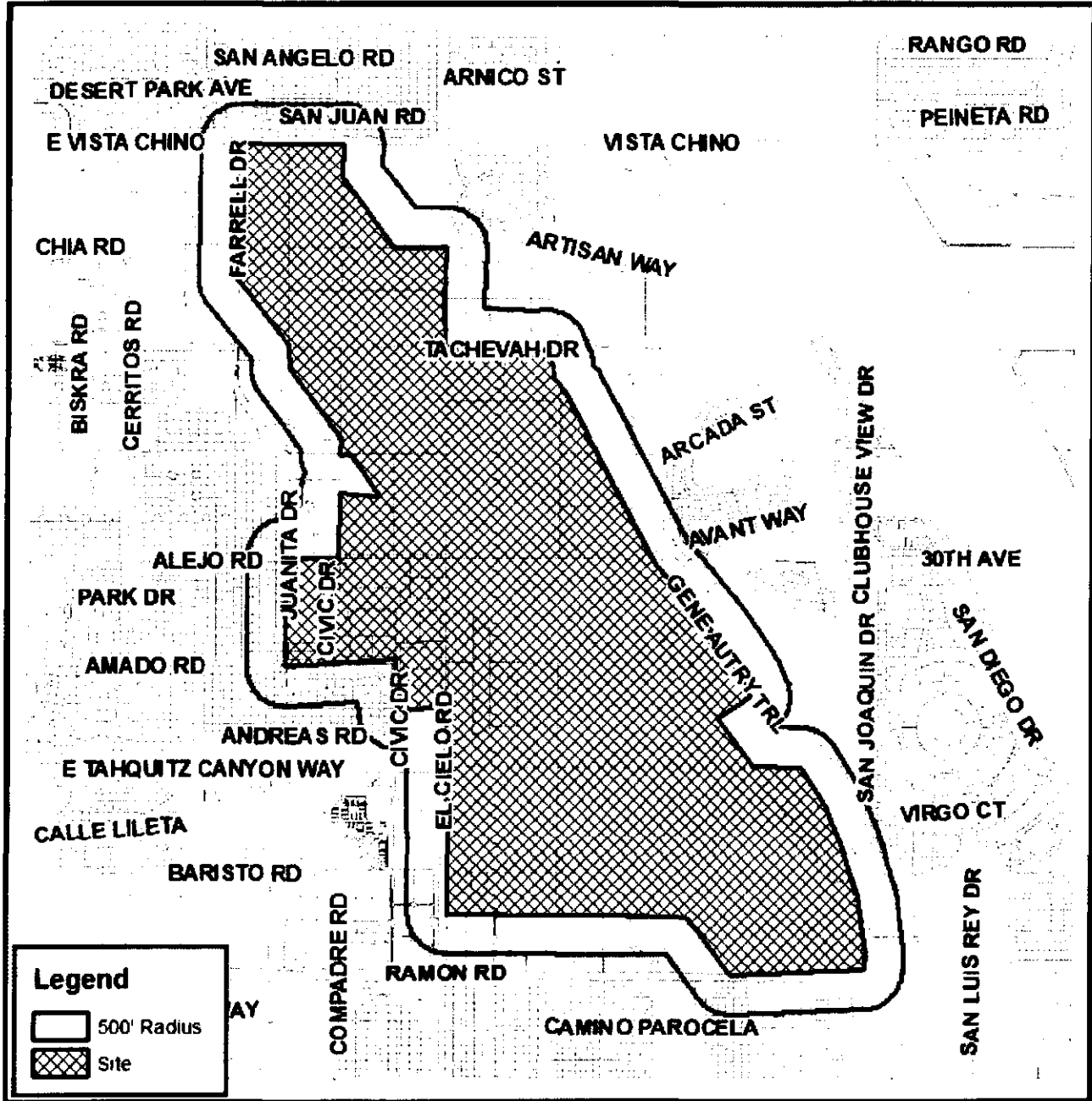
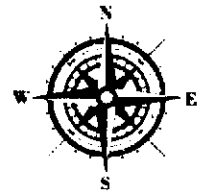
An opportunity will be given at said hearing for all interested persons to be heard. Questions regarding this case may be directed to Edward O. Robertson, Principal Planner, at (760) 323-8245.

Si necesita ayuda con esta carta, porfavor llame a la Ciudad de Palm Springs y puede hablar con Felipe Primera, telefono (760) 323-8253.


James Thompson, City Clerk



Department of Planning Services Vicinity Map



CITY OF PALM SPRINGS

Kathie Hart

From: Joanne Bruggemans
Sent: Wednesday, October 07, 2015 2:51 PM
To: Desert Park Estates; Racquet Club South; Movie Colony East; Sunrise Vista Chino; El Rancho Vista Estates; Sunmor; Demuth Park; Sunrise Park; Gene Autry; Little Beverly Hills
Cc: Flinn Fagg; Edward Robertson; Kathie Hart; Cindy Berardi
Subject: Case 5.1319 MPU - Palm Springs International Airport Master Plan
Attachments: 5.1319 MPU Airport Master Plan 10 21 15.pdf

To All –

Please find the attached Public Hearing Notice of the City Council for October 21, 2015 of the proposed project within a ½ mile of your neighborhood organization.

Thank you,

Joanne

Joanne H Bruggemans
City of Palm Springs
Planning Services Department
3200 E. Tahquitz Canyon Way, Palm Springs, CA 92262
Tel: (760) 323-8245 Fax: (760) 322-8360
Email: joanne.bruggemans@palmspringsca.gov

**CITY OF PALM SPRINGS
PUBLIC NOTIFICATION**



Date: October 7, 2015
Subject: Airport Master Plan Update

AFFIDAVIT OF PUBLICATION

I, Kathie Hart, MMC, Chief Deputy City Clerk, of the City of Palm Springs, California, do hereby certify that a copy of the attached Notice of Public Hearing was published in the Desert Sun on October 10, 2015, 2015.

I declare under penalty of perjury that the foregoing is true and correct.



Kathie Hart, MMC
Chief Deputy City Clerk

AFFIDAVIT OF POSTING

I, Kathie Hart, MMC, Chief Deputy City Clerk, of the City of Palm Springs, California, do hereby certify that a copy of the attached Notice of Public Hearing was posted at City Hall, 3200 E. Tahquitz Canyon Drive, on the exterior legal notice posting board, and in the Office of the City Clerk on October 7, 2015.

I declare under penalty of perjury that the foregoing is true and correct.




Kathie Hart, MMC
Chief Deputy City Clerk

AFFIDAVIT OF MAILING

I, Kathie Hart, MMC, Chief Deputy City Clerk, of the City of Palm Springs, California, do hereby certify that a copy of the attached Notice of Public Hearing was mailed to each and every person on the attached list on October 7, 2015, in a sealed envelope, with postage prepaid, and depositing same in the U.S. Mail at Palm Springs, California.
(608 notices)

I declare under penalty of perjury that the foregoing is true and correct.



Kathie Hart, MMC
Chief Deputy City Clerk

THE PALM SPRINGS INTERNATIONAL AIRPORT

UPDATED MASTER PLAN

IS ON FILE IN THE OFFICE OF THE CITY CLERK

Attachment 2

PSP PFC Application Schedule

May 7, 2017

	2017											
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
PASSENGER FACILITY CHARGE APPLICATION PROCESS												
PROJECT INITIATION AND DRAFT APPLICATION												
Kick-off Meeting; Internal Planning and Coordination												
Prepare Preliminary Attachment B Documentation												
Prepare Draft Airline Consultation Package and Submit to FAA												
Prepare Draft Airline Consultation Package												
City Coordination and Airline Majority-In-Interest Project Feedback												
City Council Authorization to Proceed with PFC Application												
Prepare & Mail Airline Consultation Letter [1] [2]												
Submit Draft Application for FAA Review[3]												
AIRLINE AND PUBLIC CONSULTATIONS												
Prepare for Airline Consultation Meeting												
Conduct Airline Consultation Meeting												
Prepare and Post Public Notice												
Airline and Public Comment Period Ends; Prepare Responses (if applicable) [4]												
FINALIZE AND SUBMIT PFC APPLICATION TO FAA [5]												
FAA 30-DAY INITIAL REVIEW PERIOD ENDS; FAA DETERMINES IF SUBSTANTIALLY COMPLETE [6]												
PROVIDE FAA WITH SUPPLEMENTAL INFORMATION, IF NECESSARY												
FAA FINAL 90-DAY REVIEW PERIOD [7]												
FAA ISSUES FINAL AGENCY DECISION [7]												
AIRLINE NOTIFICATION												

■ Denotes steps in which the timing is not defined by regulations. Timely completion is subject to availability of information.

Notes:

- ⁽¹⁾ Letter must be mailed 30 to 45 days prior to the Airline Consultation Meeting date, as required in the PFC Regulations (14 CFR § 158.23).
- ⁽²⁾ Airline Consultation Letter will incorporate FAA feedback.
- ⁽³⁾ It is assumed FAA will take 30 days to review (i.e. send draft in March; have meeting / conference call in April to discuss FAA's comments).
- ⁽⁴⁾ Airline Comment period and Public Notice Comment period are 30 days, as required in the PFC Regulations (14 CFR § 158.23 and 14 CFR § 158.24).
- ⁽⁵⁾ Follow City Council Process to review and approve filing application.
- ⁽⁶⁾ Initial FAA Review period is defined in the PFC Regulations as 30 days (14 CFR § 158.27). If the FAA provides feedback in less than 30 days, the effective date could be accelerated.
- ⁽⁷⁾ Final FAA Review period is defined in the PFC Regulations as 90 days (14 CFR § 158.27). If the FAA issues FAD in less than 90 days, the effective date will be accelerated.

Source: Ricondo & Associates, Inc., May 2017.
 Prepared by: Ricondo & Associates, Inc., May 2017.

Attachment 3

RESOLUTION NO. 23908

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, ADOPTING A MITIGATED NEGATIVE DECLARATION (MND) AND APPROVING THE MASTER PLAN UPDATE FOR PALM SPRINGS INTERNATIONAL AIRPORT.

WHEREAS, the original Palm Springs International Airport Master Plan was completed and adopted by the City Council in August 1994; and

WHEREAS, the Palm Springs International Airport Commission approved Master Plan update on May 07, 2003; and

WHEREAS, the Planning Commission approved the Master Plan Update as recommended on May 28, 2003; and

WHEREAS, the City Council adopted the 2003 Airport Master Plan update on July 2nd, 2003; and

WHEREAS, the Historic Site Preservation Board voted 5-1 to recommend that Council designate the west façade of the airport as a Class 1 Historic Site on March 10, 2009; and

WHEREAS, the City Council designated the west façade of the Palm Springs International Airport as a class 1 Historic Site on May 13, 2009; and

WHEREAS, the Palm Springs International Airport Commission approved Master Plan Update on Jan 13, 2010; and

WHEREAS, the current Master Plan update was initiated through an FAA grant accepted by City Council, prepared by HNTB Corporation, and authorized in scope by the FAA in 2011; and

WHEREAS, the Airport Commission reviewed Mitigated Negative Declaration and Master Plan on April 16, 2014; and

WHEREAS, the Riverside County Airport Land Use Commission (ALUC) reviewed and found the Airport Master Plan Update consistent with Land Use Compatibility Plan on May 08, 2014; and

WHEREAS, the Historic Board Preservation Site reviewed the proposed Master Plan Update; any plans for changes to the front façade will be presented at a future date on May 13, 2014; and

WHEREAS, the Planning Commission of the City of Palm Springs reviewed the Mitigated Negative Declaration and recommended approval of the Master Plan Update to the City Council on May 28, 2014; and

WHEREAS, the City Council reviewed and directed revisions to the Airport Master Plan Update on November 5, 2014; and

WHEREAS, the City Council again reviewed the final revisions to the Airport Master Plan Update prior to the commencement of the final CEQA public hearing on March 4, 2015; and


WHEREAS, the Airport Commission reviewed the Mitigated Negative Declaration and revised Master Plan on September 30, 2015.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PALM SPRINGS DOES HEREBY RESOLVE AS FOLLOWS:


SECTION 1: Pursuant to the California Environmental Quality Act (CEQA) Guidelines, the Palm Springs International Airport Master Plan Update has been deemed "a project"; an initial study was prepared, notices of the report were sent to all applicable agencies. A Notice of Intent to Adopt a Mitigated Negative Declaration was filed. The City Council independently reviewed and considered the information contained in the MND prior to its review of this Project and the MND reflect the City Council's independent judgment and analysis. Furthermore, it was determined in the Initial Study that with the incorporation of mitigation measures, the proposed project will not result in a significant impact to the environment. The City Council finds that the Palm Springs International Airport Master Plan Update includes proposed mitigation measures identified in the MND, and such measures will reduce all potentially significant impacts to less than significant. The City Council adopts the Mitigated Negative Declaration as the controlling environmental document for the Palm Springs International Airport Master Plan Update.

SECTION 2: The City Council approves and adopts the Palm Springs International Airport Master Plan Update.

ADOPTED THIS 21st DAY OF OCTOBER, 2015.


David H. Ready, City Manager

ATTEST:

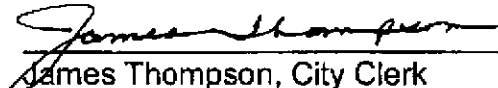

James Thompson, City Clerk

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF PALM SPRINGS)

I, JAMES THOMPSON, City Clerk of the City of Palm Springs, hereby certify that Resolution No. 23908 is a full, true and correct copy, and was duly adopted at a regular meeting of the City Council of the City of Palm Springs on the 21st day of October, 2015, by the following vote:

AYES: Councilmember Foat, Councilmember Hutcheson, Councilmember Mills,
Mayor Pro Tem Lewin, and Mayor Pougnet.
NOES: None.
ABSENT: None.
ABSTAIN: None.



James Thompson, City Clerk
City of Palm Springs, California
11/17/2015