



palm springs

INTERNATIONAL AIRPORT

BUDGET AND FINANCE COMMITTEE MEETING AGENDA
Airport Conference Room, Palm Springs International Airport
3400 E. Tahquitz Canyon Way, Palm Springs, CA 92262
Tuesday, February 20, 2024 - 4:30 P.M.

To view/listen/participate in the meeting live, please contact Paula Pak at Paula.Pak@palmspringsca.gov or the following telephone number (760) 318-3832 to register for the Zoom meeting. There will be an email with Zoom credentials sent after registration is complete, in order to access the meeting and offer public comment.

In addition, the meeting will also be teleconferenced pursuant to Government Code Section 54953 from the following location(s):

TELECONFERENCE LOCATION(S):

Committee Member Keith Young - City of Rancho Mirage
6 Kai Ala Drive
Building 2, Departure Lounge
Lahaina, HI 98761

Committee Member Tony Michaelis - City of Cathedral City
2832 Shadowlawn Ave.
Los Angeles, CA 90039

Any person who wishes to provide public testimony in public comments is requested to file a speaker card before the Public Comments portion of the meeting. You may submit your public comment to the Noise Committee electronically. Material may be emailed to: Paula.Pak@palmspringsca.gov - Transmittal prior to the start of the meeting is required. Any correspondence received during or after the meeting will be distributed to the Noise Committee and retained for the official record.

- 1. CALL TO ORDER**
- 2. POSTING OF AGENDA**
- 3. ROLL CALL**
- 4. ACCEPTANCE OF AGENDA**
- 5. PUBLIC COMMENTS:** Limited to three minutes
- 6. APPROVAL OF MINUTES:** April 5, 2023

7. DISCUSSION AND ACTION ITEMS:

7.A Baggage Claim Expansion Update

7.B Financial Consultant Agreement

7.C Mid-Year Budget Review

8. COMMISSIONERS REPORTS AND REQUESTS

9. ADJOURNMENT

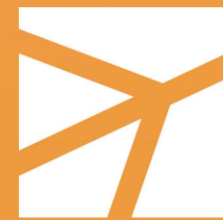
AFFIDAVIT OF POSTING

I, Harry Barrett, Jr., Airport Executive Director, City of Palm Springs, California, hereby certify this agenda was posted on February 15, 2024, in accordance with established policies and procedures.

PUBLIC NOTICES

Pursuant to G.C. Section 54957.5(b)(2) the designated office for inspection of records in connection with the meeting is the Office of the City Clerk, City Hall, 3200 E. Tahquitz Canyon Way. Complete Agenda Packets are available for public inspection at: City Hall Office of the City Clerk. Agenda and staff reports are available on the City's website www.palmspringsca.gov. If you would like additional information on any item appearing on this agenda, please contact the Office of the City Clerk at (760) 323-8204.

It is the intention of the City of Palm Springs to comply with the Americans with Disabilities Act (ADA) in all respects. If, as an attendee or a participant at this meeting, or in meetings on a regular basis, you will need special assistance beyond what is normally provided, the City will attempt to accommodate you in every reasonable manner. Please contact the Department of Aviation, (760) 318-3800, at least 48 hours prior to the meeting to inform us of your particular needs and to determine if accommodation is feasible.



palm springs
INTERNATIONAL AIRPORT

Rough Order Magnitude Cost Review – Finance Committee

PSP Baggage Claim Expansion

AGENDA

PSP Bag Claim Expansion

Rough Order Magnitude Cost Review

01 Project Background

02 Planning Options &
ROM Review

Today:

Review Bag Claim Expansion
planning options and relative costs.



01 PROJECT BACKGROUND

Alleviate congestion between bag claim devices and rental car counters.

Expand building to meet PAL 2

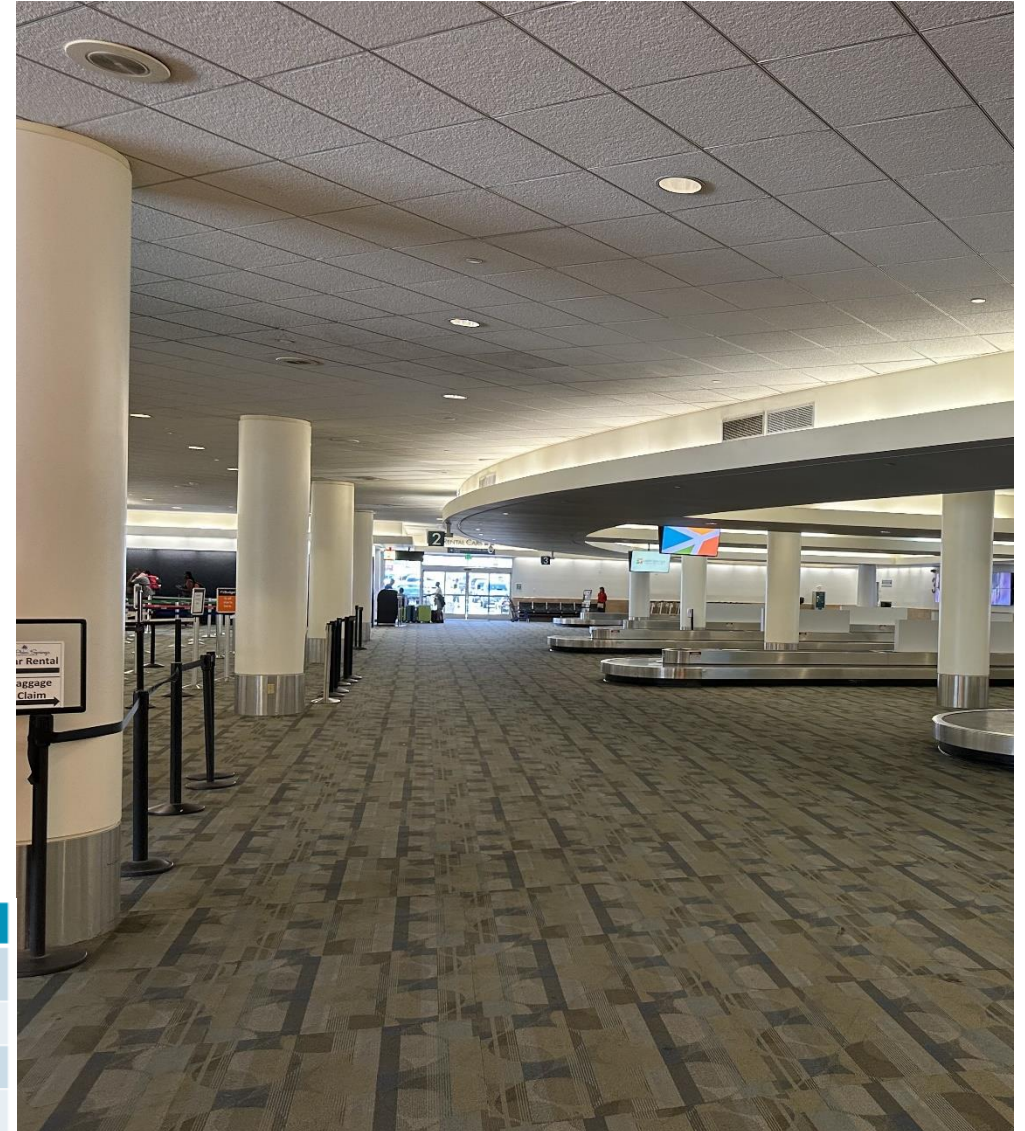
4 sloped plate carousel devices

Add +/- 10,000 SF

1 additional rental car counter position
(25 Today / 26 at PAL 2)

Additional Baggage Service Offices

	Existing	PAL 1	PAL 2	PAL 3	PAL 4
Million Annual Passengers	3.0 MAP	4.0 MAP	4.8 MAP	5.6 MAP	6.5 MAP
# of Gates	18	21-23	22-24	25-28	30-32
Year according to high-growth forecasts		2026-2027	2032-2033	2037-2038	2042-2043
Year according to baseline forecasts		2030-2032	2035-2036	2041-2042	Beyond 20 Yrs.



01 PROJECT BACKGROUND

	Existing	PAL 2	Approximate Need
BSO	784.00	1,000.00	216.00
Bag Claim	14,300.00	24,100.00	9,800.00
Rental Car Customer Service and Offices	5,334.00	9,802.00	4,468.00
	20,418.00	34,902.00	14,484.00

	Existing	2023	PAL 1	PAL 2	PAL 3	PAL 4
Peak 20-Minute # of Arrivals	7	7	9	9	9	10
Peak 20-Minute # of Bags	445	445	595	595	595	687
Total People at Claim	290	290	387	387	387	447
Claim Frontage per Person	435	435	581	581	581	671
# of Carousels	3	3	4	4	4	5
Total Baggage Claim Area	14,300	18,300	24,100	24,100	24,200	30,260



01 PROJECT BACKGROUND

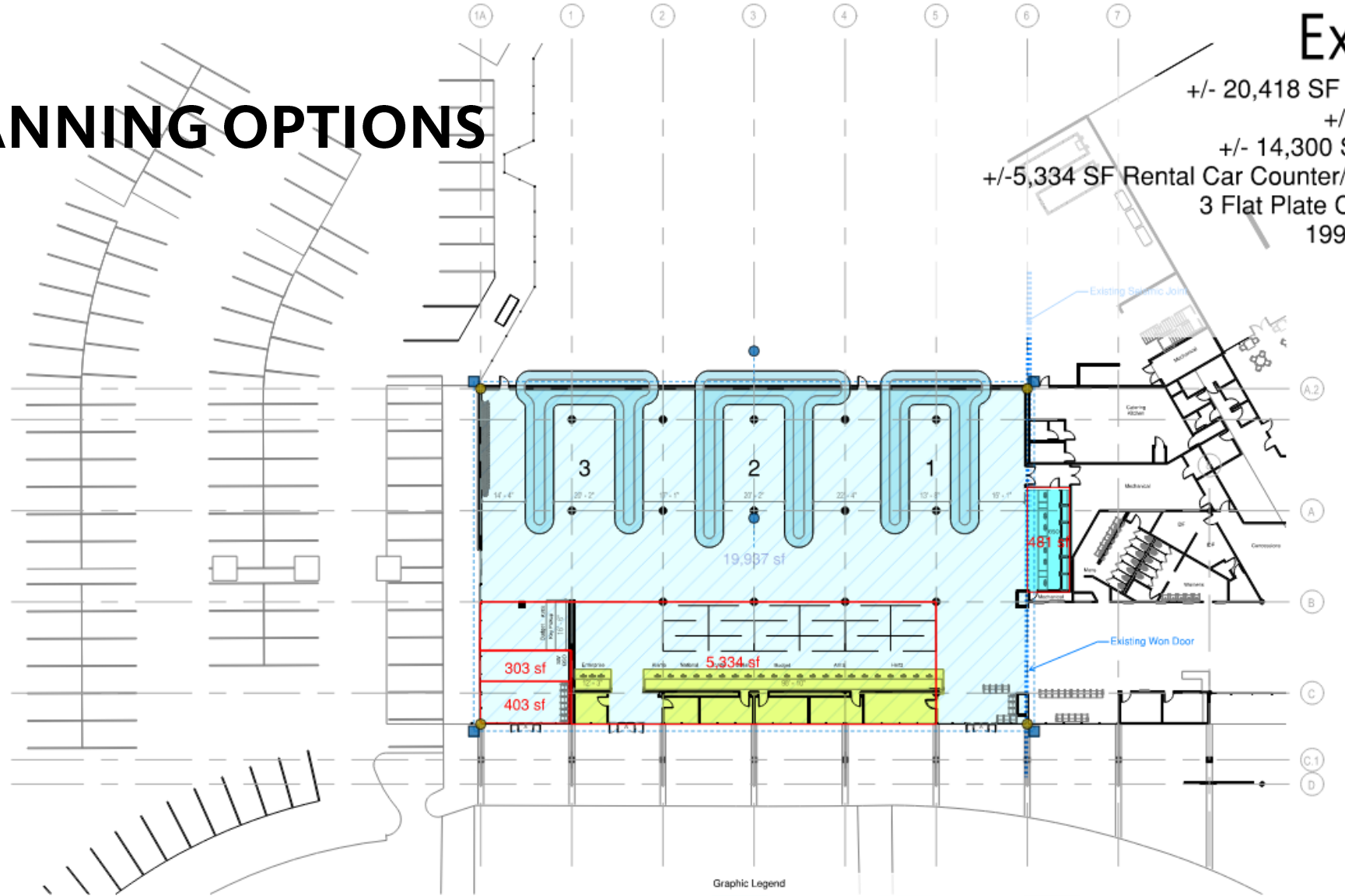
DRAFT RENDERING



02 PLANNING OPTIONS

Existing

+/- 20,418 SF Existing Area
 +/- 784 SF BSO
 +/- 14,300 SF Bag Claim
 +/- 5,334 SF Rental Car Counter/Office/Queue
 3 Flat Plate Claim Devices
 1991 Renovation



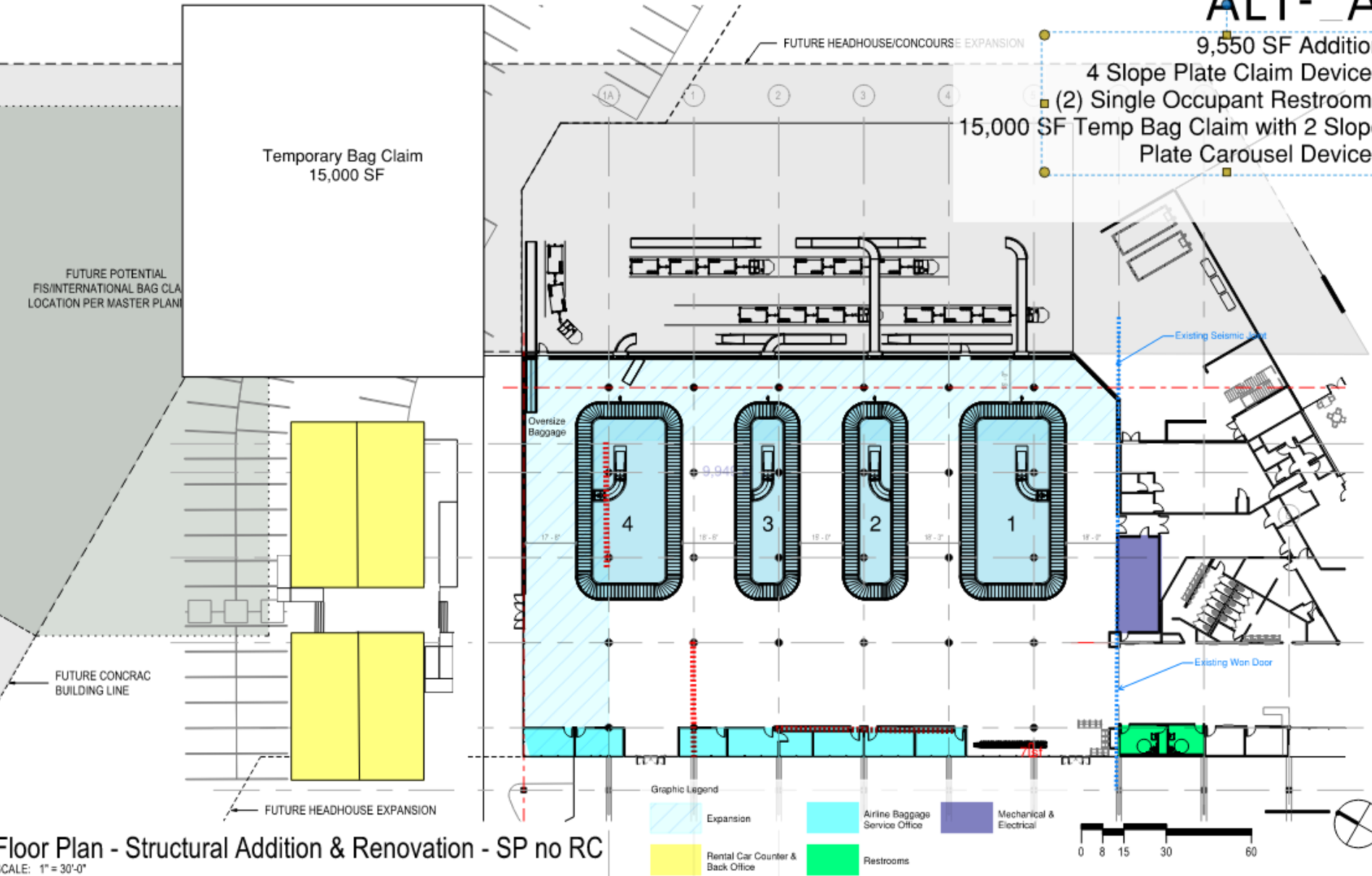
Existing Baggage Claim - FP
 SCALE: 1" = 30'-0"

Graphic Legend

 Expansion	 Airline Baggage Service Office	 Mechanical & Electrical
 Rental Car Counter & Back Office	 Restrooms	

0 8 15 30 60

ALT - A



9,550 SF Addition
4 Slope Plate Claim Devices
(2) Single Occupant Restrooms

Rental Car Counters moved to Temp Trailers

Meets 10,000 SF Categorical Exemption

New MEP/IT/Security Systems and Exterior Enclosure

Temp System with 2 Slope Plate Carousels (reused in final layout)

New Structure

\$41,282,081

Floor Plan - Structural Addition & Renovation - SP no RC
SCALE: 1" = 30'-0"

ALT- B

18,462 SF Addition
4 Slope Plate Claim Devices
(2) Single Occupant Restrooms
15,000 SF Temp Bag Claim with 2 Slope Plate Carousel Devices

4 Slope Plate Carousels, BSO & Rental Car Operation

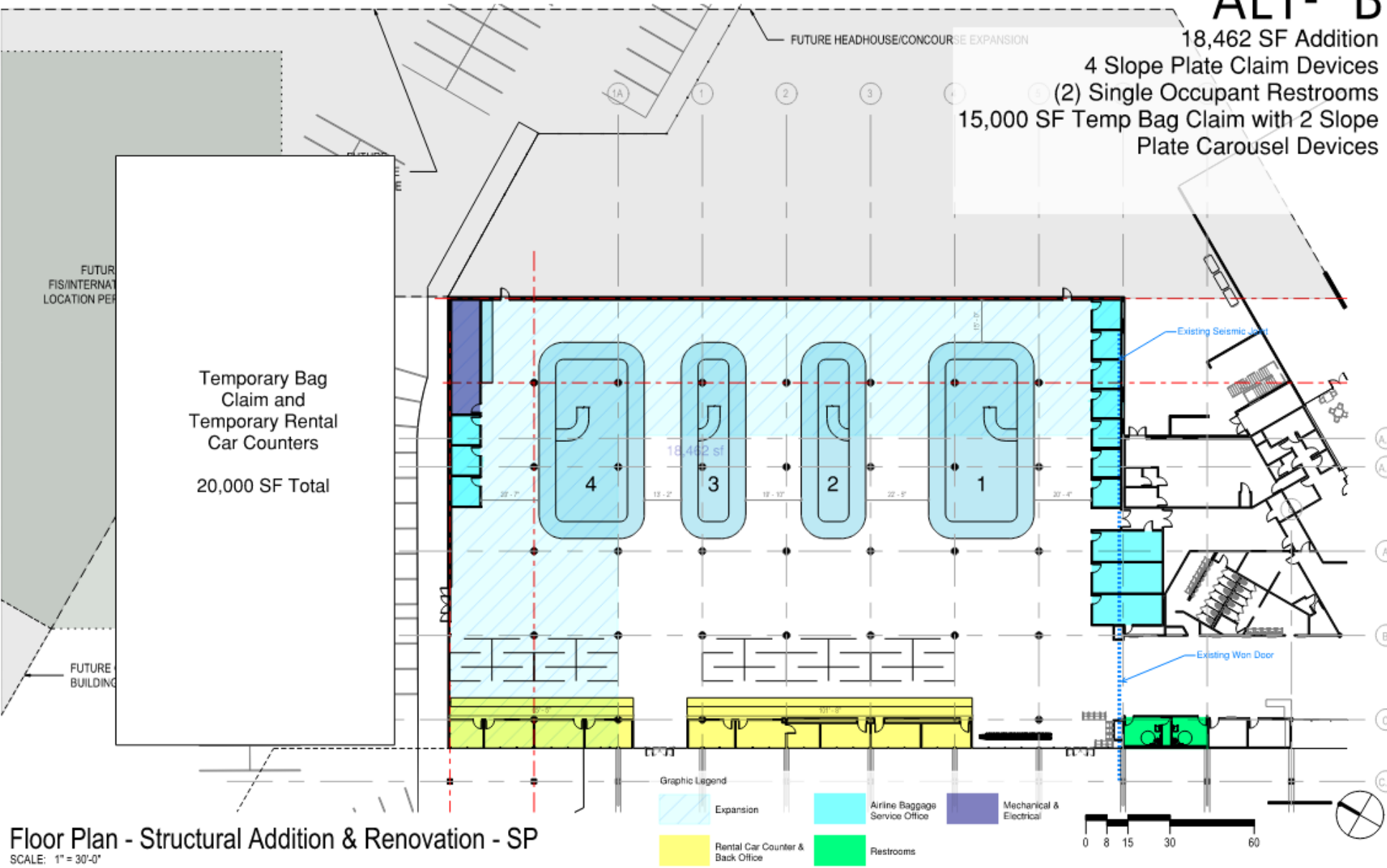
Exceeds 10,000 SF Categorical Exemption

New MEP/IT/Security Systems and Exterior Enclosure

Temp System with 2 Slope Plate Carousels (reused in final layout)

New Structure

\$46,233,875



Temporary Bag Claim and Temporary Rental Car Counters
20,000 SF Total

Floor Plan - Structural Addition & Renovation - SP
SCALE: 1" = 30'-0"

Graphic Legend

 Expansion	 Airline Baggage Service Office	 Mechanical & Electrical
 Rental Car Counter & Back Office	 Restrooms	

ALT- C

+/-10,347 SF Addition
4 Slope Plate Claim Devices
(2) Single Occupant Restrooms

4 Slope Plate Carousels, & BSO

Rental Car Counters moved to Temp Trailers

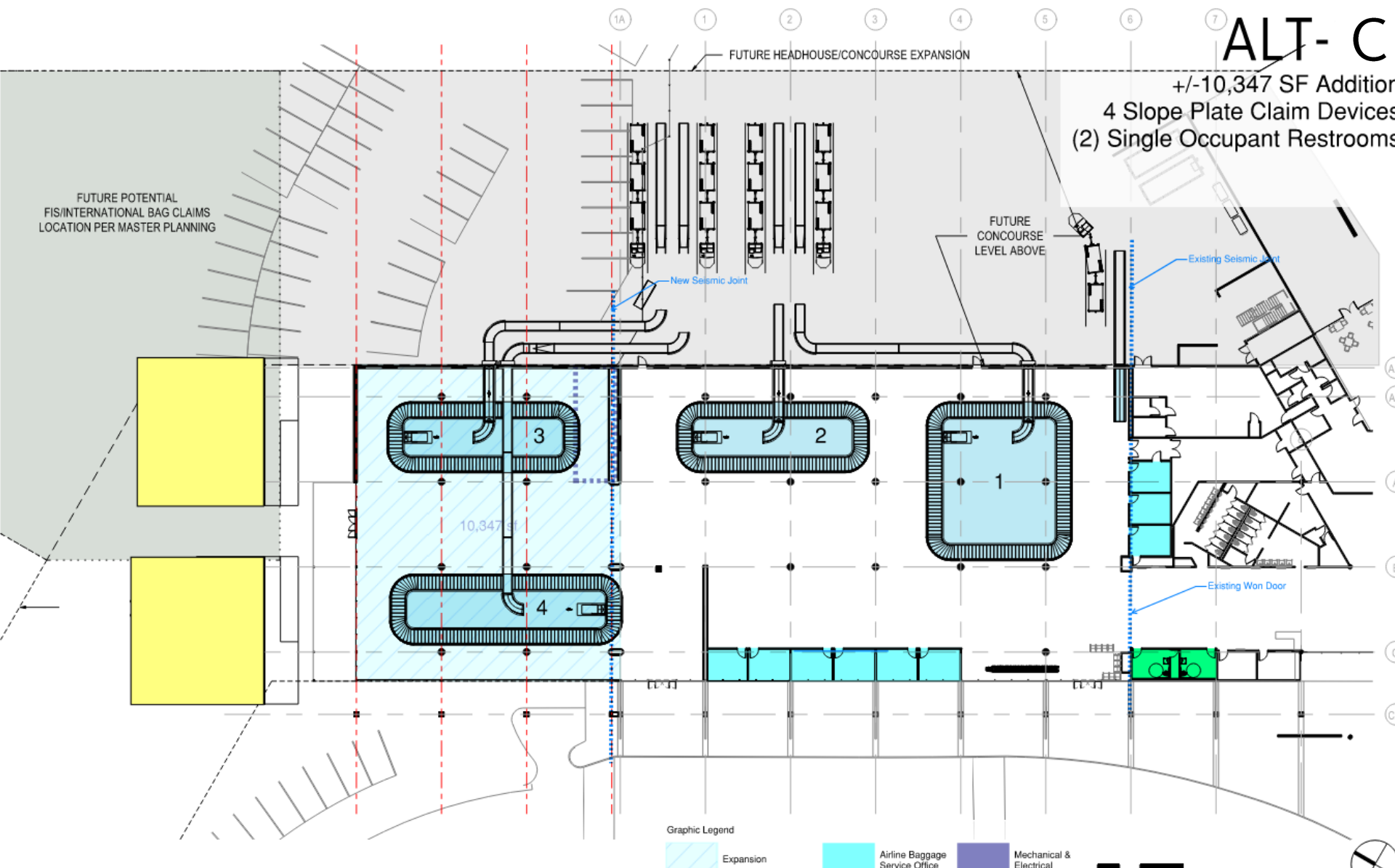
Exceeds 10,000 SF Categorical Exemption

New MEP/IT/Security Systems. Partial new Exterior Enclosure. New Interior.

Temp System not required.

No Structural Upgrades to existing building

\$31,414,353

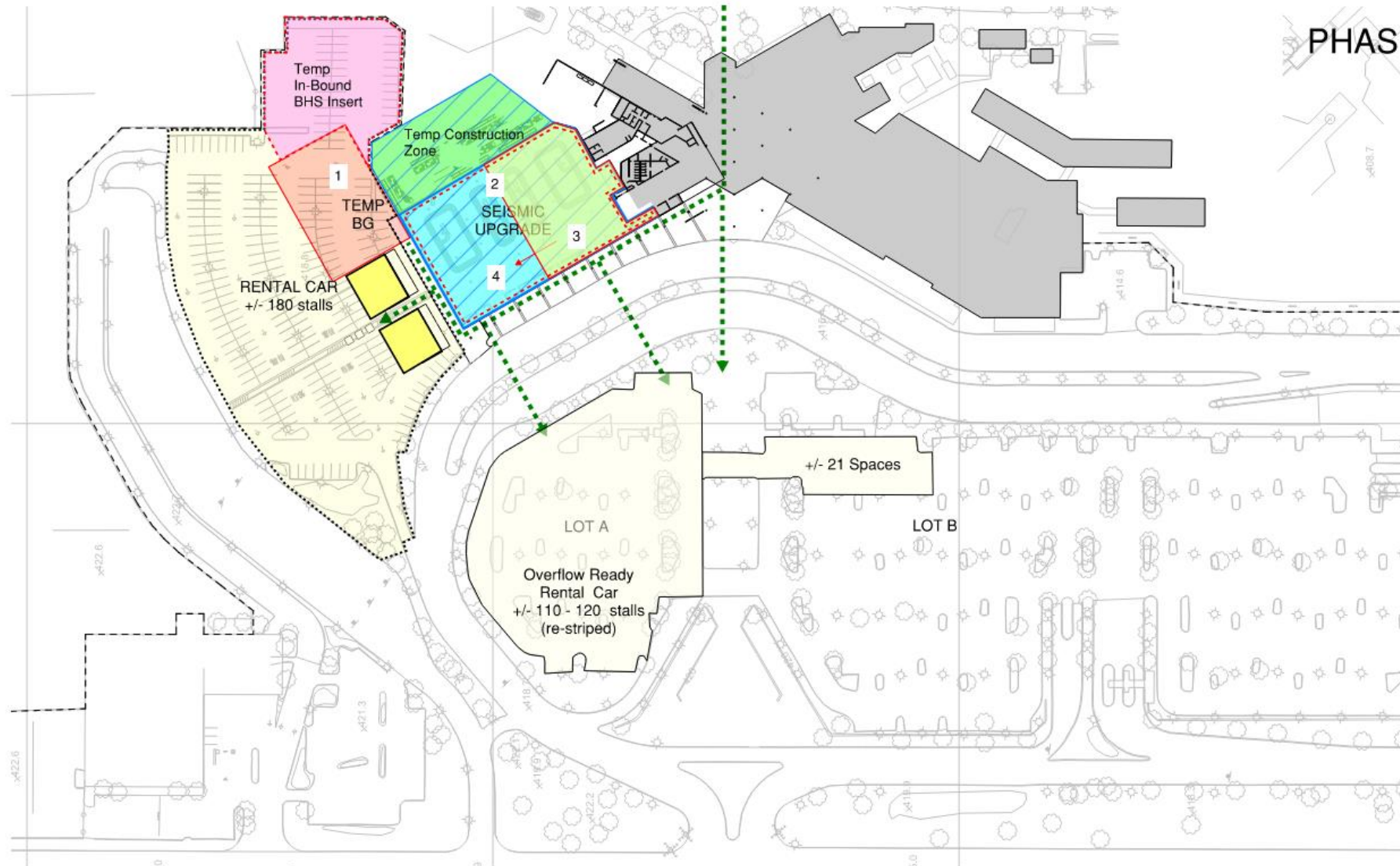


Graphic Legend

 Expansion	 Airline Baggage Service Office	 Mechanical & Electrical
 Rental Car Counter & Back Office	 Restrooms	

North Building Addition & Interior Renovation - SP
SCALE: 1" = 30'-0"

ALT- A PHASING



ALT-1A Rental Car Site Plan
SCALE: 1" = 100'-0"





Firm Introduction and Work Outlook

Palm Springs International Airport

February 20, 2024

ITEM 7.B



FRASCA & ASSOCIATES, LLC

FRASCA Team Introduction



Project Manager

Matt Townsend, Director, Houston

- Project Manager & Day-to-Day Contact
- Responsible for all services requested by the City
- 19 years of Airport Finance experience

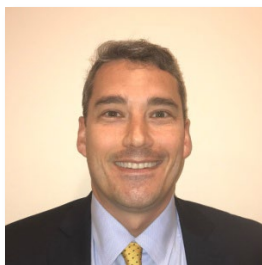
Project Director

Ken Cushine, Principal, NYC

- Responsible for all services requested by the City
- 33 years of Airport Finance experience



Key Staff Members



Tim McNutt, Director, NYC

- Financial advisory and transaction lead
- 21 years of Airport Finance experience

Anderson Bannard, Associate, NYC

- Lead analyst
- 5 years of Airport Finance experience



Subject Matter Experts / Supplemental Staff

Gisela Shanahan, Managing Director, Denver

- Financial strategy and planning
- Public-private partnerships (P3s)
- 17 years of Airport Finance experience

Nora Richardson, Director, Ft. Worth

- PFC and federal funding assistance
- 22 years of Airport Finance experience

Additional Subject-Matter Experts and Analytical Support

- 12 additional staff available to serve as subject matter experts and respond to changing workload demands

FRASCA Firm Introduction

- Strategic Capital Program Financial Planning
- Debt Issuance and Management
- Airline Rates and Charges
- PFC Applications and Strategies
- Other Federal Funding Programs (AIP and BIL)
- Concession and Other Nonairline Agreements
- Rental Car Negotiations and CFC Strategies
- Financial and Management Reporting
- Benchmarking and Best Practices
- Air Traffic Analyses and Forecasting

FRASCA'S Airport Clients



JOHN WAYNE AIRPORT
ORANGE COUNTY



FRASCA Is the Leading Airport Financial Advisor

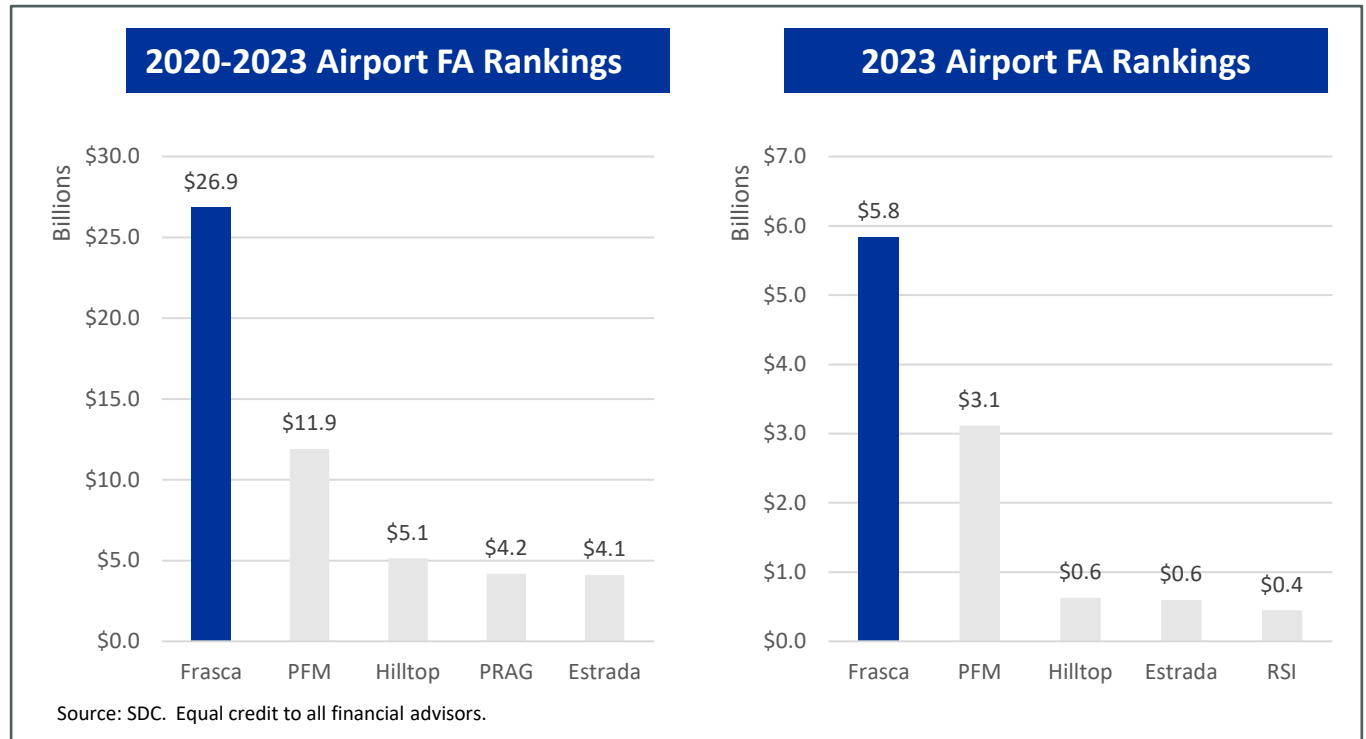
- Certified Municipal Advisor with the MSRB and SEC**
- All PSP Team Members MSRB Series 50 Municipal Advisor Certified
- Financial Metrics and Policies
- Debt Structuring
- Short-Term and Interim Financing Strategies
- Bond Documents
- Rating Agency and Investor Strategies

THE BOND BUYER

SELL SIDE

Financial advisory firm Frasca still flying high after 20 years

By [Chip Barnett](#) April 18, 2017, 12:07 p.m. EDT 7 Min Read



Anticipated Near-Term Work Efforts

- ❑ **FRASCA is ready to support PSP immediately with near-term (next 60 days) tasks**

Task	Description	Expected timing
FY 2024 Midyear Rates and Charges Calculations <i>(Section 6.04 of AULA)</i>	<ul style="list-style-type: none"> Recalculate rates and charges based on midyear estimates of revenues, expenses, and activity to ensure that rents, fees, and charges are not expected to vary by more than 10% from budget If calculations confirm 10% variance, implement adjusted rates after 30-day notice to airlines 	[March 15]
FY 2024 End-of-Year Days Cash on Hand Forecasts <i>(Section 6.07 of AULA)</i>	<ul style="list-style-type: none"> Forecast expected end-of-year days cash on hand under various CIP implementation scenarios incorporating FY 2024 midyear estimates Develop strategy for maximizing PSP liquidity ahead of expected FY 2025 capital and operating requirements 	[April 15]

Anticipated Near-Term Work Efforts *(continued)*

- ❑ **FRASCA is ready to support PSP immediately with near-term (next 60 days) tasks**

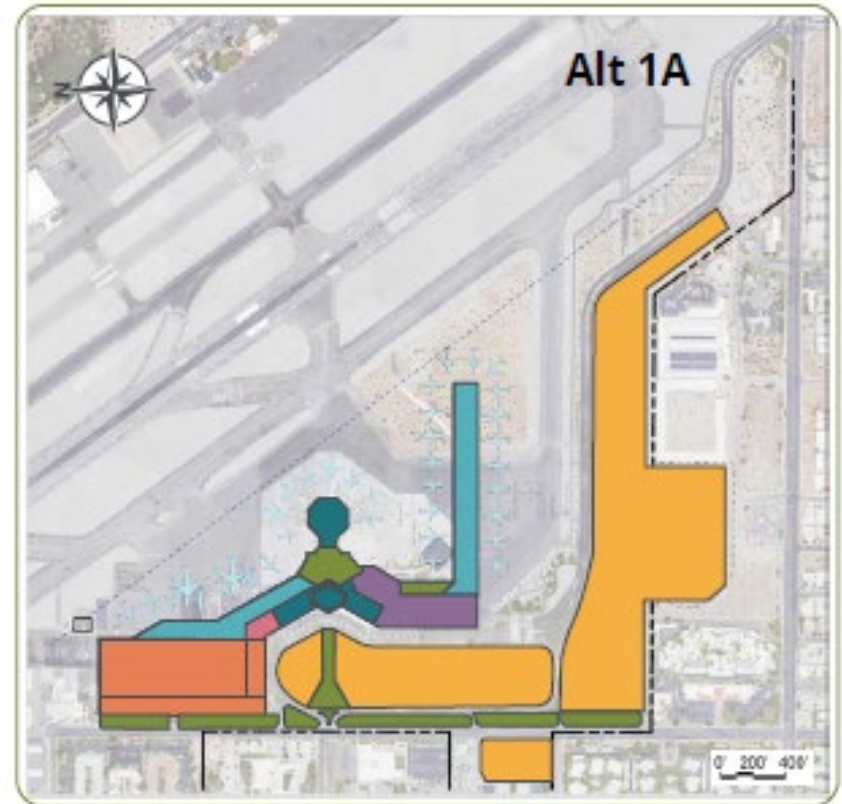
Task	Description	Expected timing
FY 2025 Budgeted Rates and Charges Calculations <i>(Sections 6.03 and 4.03 of AULA)</i>	<ul style="list-style-type: none"> • Prepare aviation activity forecasts based on airline submissions • Support budget preparation and analyses • Calculate FY 2025 rates and charges in conformance with AULA provisions • Prepare required airline notice for capital project review (MII) 	[March-May]
Concession/Lease RFP Support	<ul style="list-style-type: none"> • Assist with 1-year extension of rental car concession agreement and begin planning for successor agreement • Support ATM RFP development and evaluation 	Ongoing
PFC Program Management Support	<ul style="list-style-type: none"> • Assist with amendment of Terminal Expansion Phase I PFC application • Begin planning and strategy for new PFC application 	Ongoing
Master Plan Financial Planning Support	<ul style="list-style-type: none"> • Support Master Plan financial planning strategy 	Ongoing

Anticipated Longer-Term Work Efforts

- ❑ **FY 2025 work is expected to focus on long-term capital planning, continued AULA management, and other business and financial planning**
 - ✓ FY 2024 Rates and Charges Settlement (Section 6.05 of AULA)
 - ✓ Capital Program Financial Planning
 - ✓ Development of financial policies and targets in support of anticipated financings
 - ✓ Pro forma financial projections under various scenarios of CIP projects, funding plans, air traffic activity, and other key variables
 - ✓ Rental Car Concession Negotiations and RFP Support
 - ✓ Other Lease Agreement Support

Anticipated Longer-Term Work Efforts

- ❑ Longer-term work expected to largely center on implementation of Capital Improvement Program
 - ✓ CONRAC
 - ✓ Terminal Expansion
 - ✓ FIS
 - ✓ Revenue Bond Financings
 - ✓ Successor AULA Negotiations
 - ✓ Ongoing general financial and business planning support





THANK YOU!



FRASCA & ASSOCIATES, LLC



CITY OF PALM SPRINGS

Department of Aviation

Airport Funds FY2024 Forecast

Period: July 1, 2021 to June 30, 2024

	2024 Q1	2024 Q2	2024 Q3F	2024 Q4F	2024 FORECAST	2024 BUDGET	Achieved %
Total Revenue	\$ 6,216.4	\$ 16,375.9	\$ 27,240.3	\$ 30,028.7	\$ 79,861.3	\$ 149,425.1	53.4%
Licenses & Permits	13.1	85.0	69.5	51.5	219.1	147.0	149.1%
Intergovernmental	-	1,408.3	-	5,064.3	6,472.6	5,064.3	127.8%
Charges for Services	4,851.4	10,093.0	15,643.1	12,170.7	42,758.3	56,001.0	76.4%
Customer Facility Charges	444.0	1,793.3	3,200.0	2,100.0	7,537.3	8,806.3	85.6%
Passenger Charges	450.5	1,666.4	2,000.0	1,300.0	5,416.9	6,425.8	84.3%
Fines & Forfeitures	0.1	0.6	0.5	0.3	1.4	6.0	23.9%
Interest Revenue	454.6	818.0	1,627.4	3,241.2	6,141.3	660.0	930.5%
Miscellaneous	2.7	1.2	3.4	683.9	691.1	69.8	990.9%
Capital Project Grants	-	-	1,093.6	1,618.5	2,712.0	0.0	NA
Capital Proj Federal Grants	-	510.2	1,000.0	1,000.0	2,510.2	56,218.2	4.5%
Airport Grants	-	-	2,602.9	2,798.3	5,401.1	2,602.9	207.5%
Transfers In	-	-	-	-	-	13,424.0	0.0%
Total Expense	\$ 7,256.4	\$ 14,742.0	\$ 15,413.7	\$ 12,611.2	\$ 50,023.3	\$ 168,697.5	29.7%
Administration	1,075.3	1,674.2	1,555.7	1,272.8	5,578.0	8,155.9	68.4%
Airport IT	73.4	120.5	270.4	221.3	685.5	1,026.2	66.8%
Law Enforcement	788.9	950.4	812.7	664.9	3,217.0	3,131.0	102.7%
Aviation Security	26.2	54.2	50.6	41.4	172.3	1,936.3	8.9%
Airside Operations	1,047.0	1,695.1	1,502.4	1,229.2	5,473.7	5,981.7	91.5%
Rescue - Fire	820.0	1,146.6	1,371.1	1,121.8	4,459.6	4,828.6	92.4%
Landside Operations	161.5	599.4	440.7	360.6	1,562.2	2,217.3	70.5%
Grounds Maintenance	79.0	142.4	129.6	106.0	457.0	691.7	66.1%
Terminal Building Ops	994.8	1,083.2	1,372.2	1,122.7	4,573.0	8,270.5	55.3%
Other Expenses	2,190.3	7,276.0	4,067.3	3,327.8	16,861.4	119,034.4	14.2%
Transfers Out	-	-	3,841.0	3,142.6	6,983.6	13,424.0	52.0%
Surplus/(Deficit)	\$ (1,040.0)	\$ 1,633.9	\$ 11,826.6	\$ 17,417.5	\$ 29,838.0	\$ (19,272.4)	

Amounts in thousands



CITY OF PALM SPRINGS

Department of Finance

Airport Quarterly Summary

Period: July 1, 2022 to December 31, 2023

	<u>2024</u> Q1	<u>2024</u> Q2	<u>2024</u> TOTAL YTD	<u>2023</u> TOTAL YTD	<u>2024 vs</u> <u>2023</u>	<u>2024</u> Budget	<u>Achieved</u> %
Total Revenue	\$ 6,216.4	\$ 16,375.9	\$ 22,592.3	\$ 32,745.9	\$ (10,153.7)	\$ 149,425.1	15.1%
Licenses & Permits	13.1	85.0	98.1	86.4	11.8	147.0	66.8%
Intergovernmental	-	1,408.3	1,408.3	5,989.7	(4,581.4)	5,064.3	27.8%
Charges for Services	4,851.4	10,093.0	14,944.4	13,460.1	1,484.3	56,001.0	26.7%
Customer Facility Charges	444.0	1,793.3	2,237.3	2,211.5	25.8	8,806.3	25.4%
Passenger Charges	450.5	1,666.4	2,116.9	2,099.5	17.3	6,425.8	32.9%
Fines & Forfeitures	0.1	0.6	0.6	2.3	(1.7)	6.0	10.8%
Interest Revenue	454.6	818.0	1,272.6	448.4	824.3	660.0	192.8%
Miscellaneous	2.7	1.2	3.8	55.7	(51.8)	69.8	5.5%
Capital Project Grants	-	-	-	-	-	0.0	0.0%
Capital Proj Federal Grants	-	510.2	510.2	-	510.2	56,218.2	0.9%
Airport Grants	-	-	-	6,020.7	(6,020.7)	2,602.9	0.0%
Transfers In	-	-	-	2,371.7	(2,371.7)	13,424.0	0.0%
Total Expense	\$ 7,256.4	\$ 14,742.0	\$ 21,998.4	\$ 18,661.3	\$ 3,337.1	\$ 168,697.5	13.0%
Administration	1,075.3	1,674.2	2,749.5	2,392.1	357.4	8,155.9	33.7%
Airport IT	73.4	120.5	193.8	0.0	193.8	1,026.2	18.9%
Law Enforcement	788.9	950.4	1,739.3	1,707.0	32.4	3,131.0	55.6%
Aviation Security	26.2	54.2	80.3	-	80.3	1,936.3	4.1%
Airside Operations	1,047.0	1,695.1	2,742.1	199.3	2,542.8	5,981.7	45.8%
Rescue - Fire	820.0	1,146.6	1,966.6	2,014.6	(47.9)	4,828.6	40.7%
Landside Operations	161.5	599.4	760.9	766.6	(5.7)	2,217.3	34.3%
Grounds Maintenance	79.0	142.4	221.4	279.2	(57.8)	691.7	32.0%
Terminal Building Ops	994.8	1,083.2	2,078.0	3,331.0	(1,253.0)	8,270.5	25.1%
Other Expenses	2,190.3	7,276.0	9,466.3	5,599.8	3,866.6	119,034.4	8.0%
Transfers Out	-	-	-	2,371.7	(2,371.7)	13,424.0	0.0%
Surplus/(Deficit)	\$ (1,040.0)	\$ 1,633.9	\$ 593.9	\$ 14,084.6		\$ (19,272.4)	

Amounts in thousands