



AIRPORT COMMISSION SPECIAL MEETING

Agenda Item Executive Summary

Airport Conference Room, Palm Springs International Airport
3400 E. Tahquitz Canyon Way, Palm Springs, CA 92262
Wednesday, July 10, 2024 - 5:30 P.M.

The following agenda items were distributed on the next regular business day after the Airport Commission agenda packet was distributed to the Airport Commission, and at least 24 hours prior to the Airport Commission meeting.

AGENDA ITEM 9.B – Amendment No. 2 to Agreement No. A9391 with Mead & Hunt Inc.

ATTACHMENT: Revised Staff Report with Attachment A



AIRPORT COMMISSION SPECIAL MEETING AGENDA
 Airport Conference Room, Palm Springs International Airport
 3400 E. Tahquitz Canyon Way, Palm Springs, CA 92262
 Wednesday, July 10, 2024 - 5:30 P.M.

To view/listen/participate virtually in the meeting live, please contact Tanya Perez at Tanya.Perez@palmspringsca.gov or the following telephone number (760) 318-3805 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. Registration is not required to attend the meeting in person.

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

TELECONFERENCE LOCATION(S):

Commissioner David Feltman – Palm Springs 176 Bradford Street, #4 Provincetown, MA 02657	Commissioner Bryan Ebensteiner – Palm Springs 20375 Knightsbridge Road Shorewood, MN 55331
Commissioner Tracy Martin – Palm Springs 2771 Ori Ave San Jose, CA 95128	Commissioner Keith Young -City of Rancho Mirage 6 Kai Ala Drive, Unit 2427 Lahaina, HI 96761
Commissioner Ken Hedrick – Palm Springs 2345 Mill Road, #1215 Alexandria, VA 22314	

Each location is accessible to the public, and members of the public may address the Airport Commission from any of the locations listed above. 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 Airport Commission electronically. Material may be emailed to: Tanya.Perez@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 Airport Commission and retained for the official record.

To view Airport Commission meeting videos click on [YouTube](#).

City of Palm Springs:		Riverside County: Margaret Park	City of Cathedral City: Vacant	City of Palm Desert: Kevin Wiseman
Kevn J. Corcoran – Vice Chair	David Feltman			
Dave Banks	J Craig Fong	City of Indian Wells: Robert Berriman	City of Coachella: Denise Delgado	City of Rancho Mirage: Keith Young
Todd Burke	Ken Hedrick			
Daniel Caldwell	Tracy Martin	City of La Quinta: Vacant	City of Desert Hot Springs: Jan Pye	City of Indio: Rick Wise
Bryan Ebensteiner	Samantha McDermott			
Palm Springs City Staff				
Scott C. Stiles		Harry Barrett Jr., A.A.E.		Jeremy Keating
City Manager		Airport Executive Director		Assistant Airport Director

- 1. CALL TO ORDER – PLEDGE OF ALLEGIANCE**
- 2. POSTING OF AGENDA**
- 3. ROLL CALL**
- 4. NOMINATION AND ELECTION OF OFFICERS**
- 5. ACCEPTANCE OF AGENDA**
- 6. PUBLIC COMMENTS:** Limited to three minutes on any subject within the purview of the Commission
- 7. APPROVAL OF MINUTES:** Minutes of the Airport Commission Regular Meeting of February 21, 2024
- 8. INTRODUCTIONS AND PRESENTATIONS:**
 - 8.A** Commissioner Bryan Ebensteiner
 - 8.B** Commissioner Ken Hedrick
 - 8.C** Commissioner Samantha McDermott
 - 8.D** Commissioner Representing Cathedral City
 - 8.E** Commissioner Representing La Quinta
 - 8.F** Executive Administrative Assistant Andrew LeCompte
- 9. DISCUSSION AND ACTION ITEMS:**
 - 9.A** Palm Springs Air Museum Lease Extension
 - 9.B** Amendment No. 2 to Agreement No. A9391 with Mead & Hunt Inc.
 - 9.C** Public Relations & Legislative Plan for Airport Master Plan
 - 9.D** Taxiway Rehabilitation Project
 - 9.E** Outbound Baggage Handling System Update
 - 9.F** Marketing and Air Service Update
 - 9.G** Measure J Update
 - 9.H** Parking Rate Analysis
 - 9.I** Turo Update

- 9.J Financial Summary Update
- 9.K Noise Committee Update.
- 9.L Concessions Update
- 9.M Smoking Ordinance Update
- 9.N Projects and Airport Capital Improvement Program Update

10. EXECUTIVE DIRECTOR REPORT

11. COMMISSIONERS REQUESTS AND REPORTS

12. REPORT OF COUNCIL ACTIONS:

- 12.A Past City Council Actions
- 12.B Future City Council Actions

13. RECEIVE AND FILE

14. COMMITTEES:

- 14.A Future Committee Meetings
- 14.B Committee's Roster

ADJOURNMENT:

The Airport Commission will adjourn to a Regular Meeting on September 18, 2024, at 5:30 P.M.

AFFIDAVIT OF POSTING

I, Harry Barrett, Jr., Airport Executive Director, City of Palm Springs, California, hereby certify this agenda was posted on July 3, 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.



AIRPORT COMMISSION

**MINUTES OF THE REGULAR MEETING OF THE AIRPORT COMMISSION OF
THE PALM SPRINGS INTERNATIONAL AIRPORT**

Wednesday, February 21, 2024 – 5:30 P.M.

1. CALL TO ORDER:

Chairman Dada called the Airport Commission meeting to order at 5:30 P.M. The meeting was held in-person and via videoconference.

Chairman Dada led the Pledge of Allegiance.

2. POSTING OF THE AGENDA: Posted on February 15, 2024.

3. ROLL CALL:

Commissioners Present:

Dave Banks (Palm Springs)*	J Craig Fong (Palm Springs)
Todd Burke (Palm Springs)	Tracy Martin (Palm Springs)
Daniel Caldwell (Palm Springs)	Tony Michaelis (Cathedral City)
Kevin Corcoran (Palm Springs) - Vice Chair	Jan Pye (Desert Hot Springs)
Aftab Dada (Palm Springs) - Chair	Rick Wise (Indio)
Denise Delgado (Coachella) *	Keith Young (Rancho Mirage)
David Feltman (Palm Springs)	

Commissioners Absent: Robert Berriman (Indian Wells), Kathleen Hughes (La Quinta), Margaret Park (Riverside County), M. Guillermo Suero (Palm Springs), and Kevin Wiseman (Palm Desert)

* Dave Banks (Palm Springs) joined the meeting at 5:31 p.m.
Denise Delgado (Coachella) joined the meeting at 5:46 p.m.

Staff Present:

Harry Barrett, Jr., Airport Executive Director
 Jeremy Keating, Assistant Airport Director
 Daniel Meier, Deputy Director of Aviation, Marketing and Air Service
 Victoria Carpenter, Airport Administration Manager
 Jeremy Holm, City Attorney
 Christina Brown, Executive Program Administrator
 Paula Pak, Executive Administrative Assistant

Others Present:

Neil McLean, Gensler
Matt Townsend, Frasca & Associates, LLC
Ken Cushine, Frasca & Associates, LLC

4. ACCEPTANCE OF THE AGENDA:

ACTION: Accept the Agenda as presented. **Moved by Commissioner Dada, seconded by Commissioner Corcoran, and unanimously approved noting the absence of Commissioners Berriman, Delgado, Hughes, Park, Suero, and Wiseman.**

5. PUBLIC COMMENTS:

Brad Anderson expressed concerns regarding increased traffic and its impact on local air quality. He acknowledged the need to strike a balance between providing airport benefits to residents and the impacts of increased pollution, including those caused by other modes of transportation. He requested the Commission address the noise impacts associated with the Airport and that he would submit written comments accordingly.

Executive Program Administrator Brown stated that Stewart Gandolf and John Wilhelmi were present via teleconference, and she informed Mr. Gandolf and Wilhelmi that public comment would be opened for Item 8.J. at the appropriate juncture of the meeting.

Mr. Wilhelmi requested permission to provide public comment on Item 8.J. at this juncture due to a personal conflict later in the evening. The Commission allowed Mr. Wilhelmi to provide comment on Item 8.J. at this juncture. The detail of his comments are referenced under Item 8.J. in this document.

6. APPROVAL OF THE MINUTES:

ACTION: Approve the minutes of the Airport Commission Meeting of October 18, 2023. **Moved by Commissioner Fong, seconded by Vice Chairman Corcoran, and unanimously approved noting the absence of Commissioners Berriman, Delgado, Hughes, Park, Suero, and Wiseman.**

7. INTRODUCTIONS AND PRESENTATIONS:

7.A Executive Administrative Assistant Paula Pak

Chairman Dada introduced the Airport's new Executive Administrative Assistant Paula Pak. Ms. Pak said that she had previously worked as a legal assistant and in hospitality. Airport Executive Director Barrett said that Ms. Pak would be serving as

his assistant, and she would be overseeing the Airport Commission and Committee meetings and matters.

8. DISCUSSION AND ACTION ITEMS:

8.A Budget and Finance Committee Update

Budget and Finance Committee Chairman Martin provided an update from the Budget and Finance Committee. He said that staff had presented several Baggage Handling System options, and the Committee had requested that staff gather and present additional information to provide to the Committee for a formal vote to be made by the Committee. The Committee also received a presentation concerning the Financial Consultant Agreement with Frasca & Associates, LLC, which appears on this agenda, and they approved a recommendation to approve the agreement. He said that there were material changes in both revenues and expenses and that the details would be provided by Airport Administration Manager Carpenter during the presentation of that item.

8.B Financial Consultant Agreement with Frasca & Associates, LLC.

Airport Administration Manager Carpenter reported that the item before the Commission was to review and consider a recommendation to the City Council to approve a contract service agreement with Frasca & Associates, LLC, in the amount of \$3.5 million over a five-year term. Four proposals were received via a request for proposals process. The evaluation team included Airport staff, Finance Department staff, and finance staff from San Diego and Long Beach Airports. The proposals were evaluated and scored based upon publicly noticed criteria, and the team had determined that Frasca & Associates, LLC had the most highly qualified proposal. Matt Townsend and Ken Cushine, representing Frasca & Associates, LLC, were in attendance and Mr. Townsend provided a brief overview of the company.

Mr. Townsend continued by reporting their initial projects with the Airport would consist of continued implementation of the Airline Use and Lease Agreement (AULA), including calculation of mid-year rates and charges based upon mid-year estimates of revenues, expenses, and activity. Over the next 60 days, their projects would include a cash liquidity forecast and working through a planned capital program for the remainder of the fiscal year. Additionally, they would assist with Fiscal Year 2025 budgeted rates and charges calculations, extension of rental car concession agreement, planning for a successor agreement as related to rental car companies, an amendment to the PFC applications, planning and strategy for the new PFC application in support of the terminal expansion projects, and longer-term capital program financial planning including anticipated bond financing. Long term work would include implementation of the Airport's Master Plan expansion projects, developing strategies for revenue bond financings, and negotiating the successor AULA. He expressed their team's excitement in partnering with the Airport.

ACTION: Motion to recommend to the City Council the approval of an agreement with Frasca & Associates, LLC. **Moved by Commissioner Feltman, seconded by Commissioner Burke, and unanimously approved noting the absence of Commissioners Berriman, Hughes, Park, Suero and Wiseman.**

8.C Financial Summary Update

Airport Administration Manager Carpenter reported on her work with Commissioner Martin concerning various modifications to the financial reports, and she thanked him for his support and guidance. Ms. Carpenter noted that a suggestion from Commissioner Martin was to implement a provision of an ongoing update to the Commission concerning the various revenue and expenditures in each fund account, including the respective purpose of each fund. She opened the floor to Commission comments concerning the financial summary update ending January 31, 2024.

8.D Operations, Properties and Facilities Committee Update

Operations, Properties and Facilities Committee Chairman Feltman reported on the recent Committee meeting including the receipt of feedback on items related to the baggage claim area, an update on data on parking facility utilization during the holidays, and his perception was that the Airport staff had handled it well. Vice Chairman Corcoran inquired whether the data provided had answered the Commission's question concerning utilization numbers for the closest parking and the length of the average stay in the parking lots. Airport Administration Manager Carpenter noted that the information would be covered during Item 8.K.

Commissioner Feltman reported on Assistant Airport Director Keating's presentation on the implementation of the improved Wi-Fi capacity, including commencement with the two terminals, feedback concerning inadequate Wi-Fi at the Airport, and the important upgrades that were due to facilitate Wi-Fi availability.

8.E Baggage Claim Expansion Update

Airport Executive Director Barrett reported that the Commission would not be voting on this item during this meeting in light of new information received from the Federal Aviation Administration (FAA), although the initial plan was to have both the Operations, Properties and Facilities and Finance and Budget Committees conduct further review and make a recommendation to the full Commission for consideration. Mr. Barrett said that he would provide additional information after the update presentation.

Neil McLean, representing Gensler, provided an update on the various concepts forwarded for the Baggage Claim Project. A presentation was provided that detailed the need to address congestion at the baggage claim operation due to the baggage claim being undersized, the proposed plan to expand the building pursuant to the

Master Plan, the proposed high-capacity carousel devices and other planned improvements, including increases to the square footage in the respective areas.

Mr. McLean detailed the rendering of the expansion of the existing building, without alteration, to fit with the existing architecture. Alternate A was presented, including the analysis to establish the length necessary to meet projected bag demand, carousel device sizes, removal of the rental car operation from the designated space, and expansion to address congestion. Temporary relocation of the rental car operation outside of the building would be necessary until the contract work is completed. Additionally, a temporary bag claim would be required due to a necessary invasive seismic upgrade to the building structure and detailed illustrations were displayed. Two single occupant restrooms would be available, upgrades to the mechanical system would be completed, and a new mechanical room and bag services offices would be constructed. The cost for Alternative A would be approximately \$41 million, inclusive of the items detailed in the presentation.

Mr. McLean presented Alternate B, which was designed to accommodate all of the current functions currently needed in the space and to meet passenger activity. This would necessitate expanding the building into a larger area, to include two bays on the airside and two bays further into the rental car lot and the four slope plate carousel devices would fit. Additionally, the difference from Alternate A is that the rental car operation would remain in the bag claim hall, and Alternate B would include the structure replacement as described for Alternate A and the temporary bag claim and rental car operation during construction. Mr. McLean said that it is more efficient to place those functions inside one temporary building, rather than trailers or a temporary structure, and the two single occupant restrooms and bag service offices would be included. He said that although the proposal would exceed the 10,000 square foot original plan, it would meet demand needs.

Mr. McLean noted that Alternate C was a much simpler option and that it was conceived prior to the preferred option for the Master Plan, and consideration was given to the minimal amount necessary to add to the building if eventually all functions would be moved to a new facility at the south end. With this option, the two devices would be in a new addition, and they would renovate the remainder of the bag claim hall. Mr. McLean said that this option would not address any replacement of the structural upgrade to the building as in the other alternatives presented, nor any other building upgrade, and the two areas would be knit together for a temporary operation. Mr. McLean reviewed the temporary operation for when the rental car operations are moved outside of the building, which would displace parking spots from the current rental car lot.

Airport Executive Director Barrett reiterated that the original plan was to present the project to the Finance and Budget and Operations, Properties and Facilities Committees to receive feedback and to entertain a vote for a recommendation to the Commission and then to present the project to the full Commission. Shortly after staff had met with the Operations, Properties and Facilities Committee, staff had heard

from the FAA on two points of information. The first was regarding the \$5.7 million ATP grant that the FAA had announced last year in March, which was only valid for a period of one year, not four years, and staff had had an issue with the environmental process delaying the project, as the building is on the National Historical Register, which requires additional scrutiny. As a result, the FAA determined that the \$5.7 million grant had not been used within the allowed timeframe, and the FAA reallocated the grant funds to another airport. Mr. Barrett said that he didn't believe that the reallocation of the grant funds would impact the project, and he said that staff was working through the process with the appropriate agencies.

Airport Executive Director Barrett said that the second point of information was in regard to the timing of the Airport's projects relative to environmental processes and that the FAA had a concern in regard to the Baggage Claim Project currently being in the environmental process and the process impacting subsequent projects such as a potential North Concourse expansion or Consolidated Rental Car Facility (CONRAC).

Mr. Barrett said that staff has been working with their consultants to get additional information and that the FAA would be the determinant factor, noting that if the Airport commences this project, they are committed and may not be able to complete the other projects within five years due to the required environmental review process. He said that staff does not believe that the FAA's initial interpretation is completely accurate and staff was working with the FAA to gain additional information and clarification. Mr. Barrett said that Baggage Claim Project was currently on pause while staff works on figuring out how to proceed.

Commissioner Delgado inquired as to the current length of the environmental process for the project. Mr. Barrett responded it had been about a year. Commissioner Delgado inquired about the length of time that staff had anticipated that the environmental process would take. Mr. Barrett said that staff had anticipated that the environmental process would be finished in six months. Commissioner Delgado inquired about how much longer staff was anticipating for the environmental process to be finished. Mr. Barrett said that the date of completion was unknown. Commissioner Delgado expressed concern regarding the reassignment of the ATP funds, and she inquired as to the length of the original application process. Mr. Barrett responded it took approximately one month to complete the four grant applications and submission, and then a few extra months for the decision.

Commissioner Delgado acknowledged staff's efforts to keep the \$5.7 million grant and to inform the FAA of the additional environmental process requirements due to the historic nature of the building, she expressed concern regarding the FAA not being more considerate of the situation, and she inquired whether staff confirmed the ability to reapply for the grant funds. Mr. Barrett responded that the FAA suggested the Airport could reapply, the Airport staff reapplied for a grant, and the Airport did not receive funds for this year. He said that staff would reapply for next year's competitive process cycle, which involves applications from airports across the nation.

Commissioner Delgado inquired as to whether the main difference between Alternatives A and B is the additional 9,000 square feet, adding \$5 million to the project. Mr. McLean responded that Alternative B would include 8,400 more square feet than Alternative A, doubling the space. Commissioner Delgado stated that Alternative A would condense all the features and save \$5 million, and to add 9,000 square feet and to keep the rental car facilities in the building, it would add \$5 million under Alternative B. Assistant Airport Director Keating noted that the temporary baggage claim has to be built in either option.

Commissioner Martin questioned if having the baggage claim and the rental car facilities in the same building was the right long-term solution as opposed to putting in the CONRAC, and he said that he believed that the Commission needed more guidance on Alternatives A and B. Mr. Barrett expressed support for Alternative B's opportunity to build and to get as much space as possible, and even though there are plans to build a CONRAC, Alternative B would provide the Airport the space it needs to work with over the long term.

Commissioner Feltman asked if the car rental companies had a preference in regard to keeping the car rental facilities at the baggage claim area or moving the facilities to the CONRAC. Mr. Barrett said that from a customer experience perspective, there is a preference for having service desks in the baggage claim area, and he noted that the car rental companies had not seen the alternatives that were being presented at the meeting.

Commissioner Banks inquired about the length of time that the temporary facilities would need to be utilized. Mr. Barrett responded that it would come down to the planning and phasing of the project, and he estimated that construction could take approximately 18 to 24 months.

Commissioner Burke inquired whether Alternative A or B was more customer-friendly. Mr. McLean responded that Alternative B was slightly more customer friendly because Alternative B has the flexibility to orient the rental car on the left and the bag claim towards the back of the temporary facility. In Alternative A, passengers do have to travel along the front of the building and come back into the building, since bag claim is separated from the rental car operation. Alternative B provides access to necessary space in a timely manner and is more comprehensive in service access.

Commissioner Young inquired whether Alternative B would accommodate the necessary baggage and traffic flow without a structural expansion or would an expansion be required in Passenger Activity Level (PAL) 3 or 4. Mr. McLean said that in regard to PAL 3, there was not a call for an increase in the space itself, and PAL 4 would need quite a bit more space and it would be a part of the larger Master Plan expansion of the concourse.

Commissioner Feltman inquired as to the current total square footage. Mr. McLean responded that the total existing current bag claim area is 20,418 square feet.

Commissioner Feltman inquired about the temporary buildings in Alternative A being about 5,300 square feet, and Mr. McLean stated they were trying to get closer to the 10,000 square feet of space. Commissioner Feltman noted that in consideration of everything needed for the completion of the project, the project could take up to 48-months. He expressed concern about the amount of space needed to ensure a positive customer experience over the potentially 48-month long process, and the potential negative impacts to customers, particularly as related to weather and the impacts on senior citizens. He also inquired about how to facilitate the passage of customers at the temporary baggage claim area to their transportation mode for up to three or four years.

Vice Chairman Corcoran referred to the loss of FAA funds, and he asked if the project would now be part of the long range plan discussions related to Phase 1 of the Master Plan Alternative 1A, and if the Commission would be looking at all three of the projects together. Mr. Barrett responded it would be unlikely as it would take longer to get the environmental clearances and to design the expansion, and he said that there was a critical need now with the Baggage Claim Project. Mr. Barrett said that it would be staff's preference to move forward with expanding the baggage claim and then deal with the remainder of the items at another time. Vice Chairman Corcoran inquired if moving forward on the project could place Phase 1 of the Master Plan on the back burner. Mr. Barrett responded that it could postpone Phase 1 of the Master Plan based on the conversations that staff has had with the FAA, and additional conversations were needed, as staff believes that the FAA may be interpreting the Airports proposed projects a little differently than they are intended to be.

Commissioner Caldwell stated that the Operations, Properties and Facilities Committee had reviewed Alternatives A, B, and C and that the Committee had determined that Alternative B was the better option based on staff's input, with less impact on customers.

M. Barrett stated that the next steps were for staff to meet with the FAA on the following day where staff would be posing their questions and the FAA would need time to provide their responses, which could take a few weeks. He said that staff wanted to keep Mr. McLean on track with the project and that they would provide him with any additional information as it obtained, and staff was hoping to bring the item back for a vote in the near future.

Airport Executive Director Barrett provided detail on the bipartisan infrastructure law, which included two mechanisms for funding, one being the ATP grant that was lost, the other one was an entitlement or allotment over five years. There is already money in place for a large chunk of this project. The only item pending is the environmental clearance.

Commissioner Delgado asked if the understanding was that the Airport was seeking clarification from the FAA to see if the project can be moved forward for an action item with the hope that the FAA is not waiting on the Airport to complete the environmental

process which has an uncertain completion date. Mr. Barrett explained that with the Bipartisan Infrastructure Law there were two mechanisms for funding, one being the ATP grant which had been lost, and the other being an entitlement or allotment over five years, and he said that the Airport has funds in place to fund a significant portion of the project and that staff was waiting on the environmental clearance.

Commissioner Delgado referred to the project being a multi-phase project, and she asked if the Airport doesn't get an ATP grant, how successful would the Airport be in getting to all of the phases of the project. Mr. Barrett responded that expedient progress would be made once the environmental process is completed and the project is designed. He said that it remains to be determined whether the grant application will be successful as compared to those of other airports and the potential impacts of other longer-term planned projects. Commissioner Delgado expressed a preference for Alternative B only as it doubles the space, and long-term planning would be dependent upon the additional \$5 million and whether it can be obtained.

8.F PSP Stay and Play Visitor Program

8.G Marketing Update

Items 8F. and 8.G. were heard concurrently.

Deputy Director of Aviation, Marketing and Air Service Meier provided a combined update report on the PSP Stay and Play Visitor Program and the January 2024 Marketing and Air Service Update. He said that Avelo was extending their service to Sonoma County for the whole summer, which would increase the Airport's nonstop summer destinations to 13. Various corrections were noted for the March through July passenger data.

Mr. Meier announced that the Stay and Play Program had launched on Monday of last week and the program was going well. He noted that various news program had misreported that the Stay and Play passes were being issued during the Airports peak hours of the day, and he said that staff ensures that ticketed passengers always have priority over the Stay and Play pass holders, and the Stay and Play pass holders are not allowed to use the TSA PreCheck line and they cannot bring in any luggage. Mr. Meier noted that in the last 12 months, approximately five airports had added this program to their services.

Commissioner Wise commented on the negative information provided in a recent news program concerning parking. Mr. Meier provided information on the Airport's efforts to reach out to the news program to correct the information that was incorrectly provided. Commissioner Feltman inquired as to the purpose of the program. Mr. Meier stated that the purpose of the program is to allow the community the opportunity to dine, shop, and enjoy a positive experience at the Airport.

8.H Ad Hoc Design Review Committee Update

8.I Concessions Update

Item 8.H. and 8.I were heard concurrently.

Assistant Airport Director Keating reported that updates had been made to the concessions deployment schedule. He said that Nine Cities Craft would be opening in mid-March and several of the retail stores were in the final phases and were expected to be completed by the end of May, and he said that the primary focus was not to close everything at the same time. Construction was heavily underway on various concessions and there were some structural issues at the Agua Caliente Concourse which were not expected and were being addressed.

Ad Hoc Design Review Committee Chairman Corcoran reported that the Ad Hoc Design Review Committee had engaged in a significant discussion concerning passenger impacts as related to long lines and difficulty finding coffee and other items at the Airport and the information was shared with Paradies. He noted that it was understood that it would be a bit of a struggle until Nine Cities Craft opens and that Paradies was making an effort to open up and offer coffee in multiple locations, including the deployment of a mobile coffee cart. Commissioner Burke noted that directional signage would also be deployed to help get customers to the concessions and items they desire.

Ad Hoc Design Review Committee Chairman Corcoran reported that Paradies would be adding additional space to The Pink Door by using the space that had previously been a Starbucks, and Paradies would be providing greater service, greater offerings, and more space in the pre-security area. He said that there was additional discussion about the quality of food offerings planned and the Committee would be reviewing the proposed menus again to ensure that they include healthy offerings.

Commissioner Feltman noted that there was also a discussion about the vending machines. Ad Hoc Design Review Committee Chairman Corcoran said that Paradies had proposed to relocate the four vending machines that are currently located in front of The Pink Door Location across the way and in front of the windows, and the Committee directed staff to relocate the vending machines to a pre-security location that would not be covering any windows.

8.J Car Rental Car Wash Facility Noise

Assistant Airport Director Keating reported on the history of the car rental car wash facility noise issue. He said that the residents of the Sunmor community contacted staff concerning noise emanating from the Enterprise Rent-A-Car (Enterprise) location. Staff met with the residents and personally observed the noise, which appeared to be coming from the car wash blowers. Staff then met with Enterprise

representatives who said that they were willing to be a good community partner and that they would see what they could do to mitigate the noise.

Staff asked the City's Code Enforcement to evaluate the decibels of noise that were coming from the Enterprise car wash facility, and Code Enforcement determined that Enterprise was out of compliance with the City's noise code. As a result of discussions with Enterprise and the Sunmor residents, a sound barrier wall was installed, after which it was determined that Enterprise was in compliance with the City's noise code. The residents notified staff that they were not satisfied with the noise mitigation, and staff is continuing to work on potential solutions, including adding additional sound wall construction and noise testing.

Assistant Airport Director Keating reported that a proposed solution would be to keep the Enterprise blowers on continuously during certain hours, as turning them off and on increase the noise impacts. He said that staff would continue to work with Enterprise and the impacted residents, and it was acknowledged that Enterprise was operating in good faith as related to this issue and the subject blowers were installed for efficiency.

Vice Chairman Corcoran said that he went with staff to listen to the noise from the blowers and that there was a high-pitched noise that happens when the blowers come on, and he said that if the blowers were to run all day, there would only be white noise coming from the blowers. He acknowledged the ongoing impacts on the adjacent neighbors and that all parties were working toward solutions.

Commissioner Burke inquired if Enterprise had reached out to the manufacturer of the blowers to see if any additional mitigation measures could be deployed. Mr. Keating responded that he did not know if Enterprise had spoken to the manufacturer, however, adding dampeners was discussed as a mitigation measure, among other potential solutions.

Commissioner Delgado inquired as to how many homes were being impacted by the noise. Mr. Keating responded that he had originally met with three homeowners and that he was currently in contact with one resident who seemed to be representing the other homeowners. Commissioner Delgado inquired if the other residents were consulted as to their experience with the sound wall. Mr. Keating responded that he did not have the contact information for the other residents, and he reiterated that Enterprise is now in compliance with the City's noise code.

Commissioner Banks inquired whether blowers could present a similar problem at the other car rental car wash facilities. Airport Executive Director Barrett responded the other two car rental companies have blowers in place and that Enterprise's blower had become non-operational pre-pandemic and they didn't want to invest in a new blower because they were under the impression that they would be moving to the CONRAC. Being that the CONRAC is still years away from being built, Enterprise decided to invest new blowers to make their operations efficient.

Mr. Wilhelmi's comments were provided during Item No. 5 and are referenced below.

John Wilhelmi stated he provided comment at last month's Noise Committee meeting concerning the excess noise coming from the Enterprise Rent-a-Car's vehicle washing operations, and he said that he was grateful to see that the Commission had included this issue on the agenda. Mr. Wilhelmi explained that his residence is adjacent to the Airport and he noted that he has not previously had cause to complain concerning any noise or other issue. In September 2023, he reported a new, loud, intermittent whistling noise emanating from the car wash operation, which had been modified, and the noise occurs hundreds of times per day, on weekdays, weekends and holidays, and it can be heard at more than 20 homes in the adjacent Sunmor neighborhood.

Mr. Wilhelmi expressed further concern that the noise is extraordinary for car wash operations and should be prohibited adjacent to a residential neighborhood. He suggested that the Commissioners should visit his residence to evaluate the noise and that he had provided his contact information in his public comment submission. Second, he requested the Commission urge, in the strongest possible terms, some type of immediate follow up action and to allow the community to weigh in on proposals, as well as have independent oversight over the car wash operation. Third, he said that he would be willing to hire an independent noise consultant at his own expense to provide actionable, reasonable, and effective advice, if he knew the advice would be heeded. He appealed to the Commission's independent authority and expressed gratitude for being allowed to speak out of agenda order.

Stuart Gandolf stated that he owns the property two houses down on 2980 East Plaimor Ave, and he has heard the blower noises as well. He said that he would visit the property tomorrow to observe the mitigation measures to determine whether there is improvement in noise reduction. He said that he supported the suggestion for Enterprise to contact the manufacturer, and he noted there were other noise impacts from Enterprise, however, this was the main priority. He said that he would provide further feedback after he visited his property.

Brett Connor lives in the Sunmor neighborhood, he acknowledged he was one of the residents who met with Mr. Keating in September, he said that the noise has continued even with the sound wall, and he is unable to entertain in his own backyard. He stated that there were many residents impacted by the noise and who are concerned about impacts to their home values.

Vice Chairman Corcoran concluded that staff would continue working on this matter and provide updates to the Commission accordingly.

8.K Long-Term Vehicle Parking Data

Airport Administration Manager Carpenter reported that at the last Commission meeting, Vice Chairman Corcoran had inquired about the duration of vehicles that are staying within a five-day period. ABM Parking Management (ABM) was consulted and

the comparison results from calendar year 2022 through calendar year 2023 indicated that 52% of the parking sales were within the one hour or less period. 20% of the parking sales were within the one hour and 20 minutes to a day period, and then two to five days was at 21%. Anything over five days is a smaller percentage, which is within the 1% to 3% range.

Vice Chairman Corcoran inquired about staff conclusion about long-term parking. Ms. Carpenter said that people were not camping out in the parking lots and that the majority of the parking sales were from the hourly to daily parking sales. Vice Chairman Corcoran asked if staff felt that there was a parking issue, and he referenced the complaint that had been made by residents who had had difficulty finding parking spaces during the holidays. Ms. Carpenter responded that staff did not feel that parking was an issue, and she noted that during high demand times, the overflow parking lot is opened, and ABM is there to help with the shuttle. Airport Executive Director Barrett noted that there is the flexibility to address excess capacity needs during the entire year and the ability to increase communication with passengers.

Commissioner Feltman inquired if rate increases would be considered. Mr. Barrett responded that this year's rates and fees analysis has not yet been completed, and there is hesitation to increase the daily rate, as it is a competitive advantage. Commissioner Wise suggested that more people would be willing to park in the overflow parking lot, if it were half price which would open more parking space in the other parking lots. Mr. Barrett said that he agreed with Commissioner Wise and that the matter was being considered in the long-term plan and that it will take several iterations of planning to get there.

8.L Wi-Fi Update

Assistant Airport Director Keating noted that Commissioner Feltman had provided a Wi-Fi update earlier in the meeting and that the project was imminent, with a cabling provider being onboarded within the next two or three weeks, with installation of new controllers and wireless access points shortly thereafter.

8.M Projects and Airport Capital Improvement Program Update

9. EXECUTIVE DIRECTOR REPORT:

Item Nos. 8.M. and 9 were heard concurrently.

Airport Executive Director Barrett reported that the City Manager, Assistant City Manager, and the City Engineer met with Congressman Calvert's office to discuss the loss of the grant funds for the Baggage Claim Project and to also discuss potential avenues for additional funds for various projects around the Airport. Congressman Calvert was very receptive to the situation.

Mr. Barrett noted that he would be providing quarterly updates on the development of the Strategic Business Plan, and he said that staff had met with InterVISTAS who leading the Strategic Business Plan Project and they had were provided the scope of work, which was approved a few days prior. He said that in the coming two months, the Commission should be receiving the first draft to include stakeholder engagement, and staff would be reaching out to individual Commissioners to talk about ideas and strategies. Additionally, he reported on future meetings to engage the community on noise issues related to upcoming development, and provide an educational forum to ensure the community remains informed on the process and how noise and airspace works.

10. COMMISSIONERS REQUESTS AND REPORTS:

Commissioner Martin inquired as to the status of the mid-year financial update. Staff noted it would be placed on the next agenda.

Vice Chairman Corcoran requested an update at the next meeting on the legal status of the outbound baggage handling system matter.

Airport Executive Director Barrett added to the previous update report that a Commissioner had requested that staff revisit the Uber and Lyft signage that is curbside, and he said that City Attorney Jeremy Holm had provided the draft ordinance which would be moving forward.

Commissioner Caldwell requested a brief update on the Measure J funds. Executive Program Administrator Brown noted that the projects that would be funded by Measure J would be presented at the February 29th City Council meeting for approval.

11. REPORT OF CITY COUNCIL ACTIONS:

- 11.A. Past City Council Actions
- 11.B. Future City Council Actions

12. RECEIVE AND FILE:

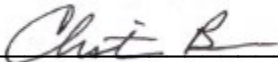
- 12.A Airlines Activity Report January 2024
- 12.B Airline Activity Report Fiscal Year Comparison

13. COMMITTEES:

- 13.A Future Committee Meetings
- 13.B Committees and Airport Master Plan Working Group Rosters

ADJOURNMENT:

The Airport Commission adjourned at 7:22 P.M. to a Regular Meeting on March 20, 2024, at 5:30 P.M.



Christina Brown
Executive Program Administrator



AIRPORT COMMISSION STAFF REPORT

DATE: July 10, 2024

SUBJECT: APPROVAL OF AMENDMENT NO. 9 TO LEASE AGREEMENT NO. A3613
WITH PALM SPRINGS AIR MUSEUM, INC. AT THE PALMS
INTERNATIONAL AIRPORT

FROM: Harry Barrett, Jr., Airport Executive Director

SUMMARY:

This action will approve Amendment No. 9 to the Lease Agreement No. A3613 with Palm Springs Air Museum, Inc. (Air Museum) for a ten-year extension and include a Consumer Price Index (CPI) increase for certain fees at the Palm Springs International Airport (Airport).

RECOMMENDATION:

This action will recommend to City Council the approval of Amendment No. 9 to the Lease Agreement No. A3613 with Palm Springs Air Museum, Inc. (Air Museum) for a ten-year extension and include a Consumer Price Index (CPI) increase for certain fees at the Palm Springs International Airport (Airport).

BACKGROUND:

The Air Museum is a popular attraction serving the entire Coachella Valley tourism industry and has been leasing property at the Palm Springs International Airport since November 1995. The Original Lease has been amended/extended on the following occasions:

- Amendment No. 1 was entered into on December 2, 1998, to include improvements of a rent-free office space for the Civil Air Patrol, a 10% food and beverage gross revenue share, and \$.25 per admission ticket for special events.
- Amendment No. 2 expanded the original footprint of the real property of the original lease to include the available parking for visitors to the museum and to construct an educational facility and hangar.
- On January 1, 2016, the City and the Air Museum entered into Amendment No. 3, which included additional facilities such as a 20,000 square foot hangar, 8,100 square foot hangar restaurant, an aircraft apron tarmac expansion, retention basin, and road access improvements.

- On February 15, 2020, the City and the Air Museum entered into Amendment No. 4 and leased an additional 10,000 square foot hangar on the airport premises to store aircraft through October 31, 2020.
- On November 1, 2020, the City and the Air Museum entered into Amendment No. 5, which extended the term for the 10,000 square foot hangar for an additional six months from November 1, 2020, through April 30, 2021.
- The City and the Air Museum entered into Amendment No. 6 on May 1, 2021, to extend the term of the lease of the 10,000 square foot hangar to October 30, 2021.
- The City and the Air Museum entered into Amendment No. 7 on November 1, 2022, to extend the hangar for an additional six months from November 1, 2021, through April 30, 2022. On April 12, 2022, the City and the Air Museum extend the lease through December 31, 2022, upon mutual agreement.
- On November 9, 2022, the term for the 10,000 square foot hangar was extended by mutual agreement for an additional six months from January 1, 2023 through June 30, 2023.
- On July 24, 2023, the City and the Air Museum entered into Amendment No. 8, which extend the term of the lease of the 10,000 square foot hangar to July 31, 2026.

STAFF ANALYSIS:

The Air Museum facility at the Airport covers approximately sixteen acres on the east side of the airport, adjacent to Gene Autry Trail. This area includes several interconnected aircraft hangars, totaling about 85,000 square feet, which are used to store aircraft and memorabilia accessible to the public.

The current lease with the Air Museum expires on November 29, 2035; however the Air Museum is requesting an additional 10-year extension of its existing lease at the Airport ending on November 29, 2045. The extension is at the request of the Air Museum to support a \$3.5 million expansion and remodel of the museum's front entry area. The project will add approximately 4,000 square feet of new floor space and impact 4,000 square feet of existing space, with no changes to the current curb line. The remodel will include a 200-seat education center, reconfigured admissions and gift areas, and expanded restroom facilities.

Pursuant to Section 3.3 of the Agreement, staff recommends adjusting the monthly admissions fees, facility rental rate and the gross gift sales for gift rate in line with changes in the CPI, subject to certain limitations. The Air Museum has agreed to a CPI adjustment for other fees owed to the City of Palm Springs (City) under the Agreement, including a percentage of gross sales detailed in Section 3.2(a)(i).

Furthermore, staff recommends that the City reserve the right to implement a CPI adjustment of the monthly rental and other fees owed for 2025. These additional adjustments will take effect on the one-year anniversary of the 2024 CPI adjustments outlined in this Amendment. Further CPI adjustments after 2025 will occur every five years.

The Air Museum has not experienced a CPI increase in the past 20 years, making this adjustment necessary to align fees with current economic conditions and support the airport's ongoing needs. The adjusted monthly rent and fees are described as follows:

Year	Per Admission	Gross Sales	Facility Rental
2024	0.30	3.43%	0.30

Additionally, in the past five Fiscal Years the Air Museum has reported the following in Admissions, Gross Sales, and Facility Rental:

Fiscal Years	0.25 Per Admission	3% Gross Sales	0.25 Facility Rental
2022-23	\$22,939	\$17,403	\$8,824
2021-22	\$18,696	\$13,738	\$12,526
2020-21	\$10,938	\$8,694	\$388
2019-20	\$13,908	\$6,741	\$5,769
2018-19	\$19,538	\$8,495	\$10,175
Total	\$86,019	\$55,071	\$37,682

FISCAL IMPACT:

The projected revenues for 2024 and 2025 Airport Lease Amendment will generate Admission Fees for an approximate amount of \$17,204 applied to account 415.38185, Gross Sales for an approximate amount of \$11,015 applied to account 415.38190, and Facility Rental Fees for an approximate amount of \$7,537 applied to account 415.38195, for a total amount of \$35,756



AIRPORT COMMISSION STAFF REPORT

DATE: July 10, 2024

SUBJECT: APPROVAL OF AMENDMENT NO. 2 TO CONTRACT SERVICES AGREEMENT NO. A9391 WITH MEAD & HUNT INC. FOR PROFESSIONAL CONSULTING SERVICES FOR THE PALM SPRINGS INTERNATIONAL AIRPORT COMPREHENSIVE AIRPORT MASTER PLAN

FROM: Harry Barrett, Jr., Airport Executive Director

SUMMARY:

This action will approve Amendment No. 2 to Contract Services Agreement No. A9391 with Mead & Hunt, Inc. (Mead & Hunt) to extend the schedule for professional consulting services for the Palm Springs International Airport (Airport) Comprehensive Airport Master Plan to a completion date of July 30, 2026, for an additional amount of \$376,340 and a total revised contract amount not to exceed \$2,709,476.

RECOMMENDATION:

This action will recommend to City Council the approval of Amendment No. 2 to Contract Services Agreement No. A9391 with Mead & Hunt, Inc, to extend the schedule or professional consulting services for the Palm Springs International Airport Comprehensive Airport Master Plan to a completion date of July 30, 2026, for an additional amount of \$376,340 and not to exceed \$2,709,476

BACKGROUND:

Palm Springs International Airport (Airport) is a commercial service airport consisting of 930 acres serving approximately 3.2 million passengers in 2023. The Airport serves as the major commercial and general aviation air transportation center for Southern California's Coachella Valley.

Two previous Airport Master Plans have been prepared for the Airport with the initial plan completed in 2003 and the most recent update completed in 2015. The Federal Aviation Administration (FAA) recommends that airports update Master Plans every five years to reflect changes in the operating environment at the Airport and within the industry as a whole.

The Coachella Valley region is showing indications of regional change, which have already had an impact on the Airport. Local resorts have observed increasing occupancy and have

indicated considerable growth; the Airport has experienced a corresponding increase along the typical indicators which include annual enplanements, annual operations, employee and public parking and rental car transactions. These changing dynamics are resulting in challenges requiring a comprehensive approach to planning for future airside, terminal and landside development scenarios and operational changes.

On July 28, 2022, City Council approved the Airport Master Plan scope of work and authorized Staff to proceed with the issuance of a Request for Proposal.

On August 15, 2022, the City's Procurement Department, working with the Airport and Information Technology staff, issued a Request for Proposals (RFP) and advertised the RFP in the Desert Sun. Four firms submitted proposals and the proposals were evaluated against the criteria listed in the RFP. The evaluation criteria included experience of the firm, experience of the staff and understanding of the scope of work. After review and analysis by the evaluation committee consisting of staff from the Airport, Engineering, and Community & Economic Development Departments. Mead & Hunt was deemed the highest ranked firm. As cost was not allowed to be evaluated in the initial stage as outlined by FAA regulations, staff negotiated cost with the highest ranked firm to establish a fair reasonable price for the project. The Airport also established a 3rd party independent cost estimate to aid in the negotiation process. The Airport executive staff along with Procurement staff negotiated a fair price for this professional service that was in alignment with the 3rd party independent cost estimate.

On January 18, 2023, the Airport Commission voted in favor to recommend to the City Council the approval of a professional service agreement for the Comprehensive Airport Master Plan to Mead & Hunt.

On January 26, 2023, the City Council approved Contract Services Agreement No. A9391 with Mead & Hunt for a Comprehensive Airport Master Plan to be completed in 30 months for a total amount not to exceed \$2,275,816.

In April 2023, an Airport Master Plan Working Group was created with the following working group members:

- Chairman Aftab Dada, Airport Commission
- Vice Chairman Kevin Corcoran, Airport Commission
- Commissioner Scott Miller, Airport Commission *
- Ken Hedrick, Former Airport Commissioner
- Harry Barrett, Jr., Airport Executive Director
- Jeremy Keating, Assistant Airport Director
- Daniel Meier, Deputy Director of Aviation, Marketing and Air Service
- Victoria Carpenter, Airport Administration Manager
- Lindsey-Paige McCloy, Director of Sustainability
- Larry Klingaman, Director of IT
- Joel Montalvo, City Engineer

* Upon Airport Commissioner Scott Miller's resignation, Airport Commissioner Kevin Wiseman filled the vacancy.

Mead & Hunt and the Airport Master Plan Working Group have held four meetings over the course of 12 months to review materials and discuss the Airport Master Plan recommendations and concepts.

On September 19, 2023, a public open house Airport Master Plan event was held at the Palm Springs Convention Center, to present four terminal concept alternatives to the community and to gather the community's feedback. Approximately 160 members of the community attended the open house event and the feedback received from the community did not indicate a strong preference for any one terminal concept alternative. However, a significant number of public comments expressed appreciation for the alternatives preserving and maintaining the iconic Wexler terminal building.

On January 25, 2024, the City Council approved Airport Master Plan terminal concept 1A with the direction to staff to bring back an alternative site evaluation for the CONRAC, a description of the ground transportation and access to the airport terminal and facilities, and land acquisition recommendations to accommodate the Airport Master Plan facilities, if necessary.

On February 21, 2024, Amendment No. 1 to Contract Services Agreement No. A9391 was approved to revise the scope of services to encompass supplementary analyses and to increase the contract in the amount of \$57,320, for a total amount not to exceed \$2,333,136.

On March 20, 2024, the Airport Commission received a presentation from Mead & Hunt regarding the Airport Master Plan airside and landside conceptual development plan and voted unanimously (12-0) in favor to recommend to the City Council the approval of the Airport Master Plan airside and landside conceptual development plan.

On April 17, 2024, the Airport Commission received a presentation from Mead & Hunt regarding the Airport Master Plan airside and landside conceptual development plan and voted unanimously (13-0) in favor to recommend to the City Council the approval of the onsite CONRAC located east of El Cielo Road and north of East Tahquitz Canyon Way (Site 1).

On April 18, 2024, the Airport staff presented the CONRAC alternatives to the current Airport car rental companies listed below, and the rental car companies were unanimously in favor of the onsite CONRAC located east of El Cielo Road and north of East Tahquitz Canyon Way (Site 1).

- Alamo Rent A Car and National Car Rental
- Avis Budget Car Rental
- Dollar Rent A Car and Thrifty Car Rental
- Enterprise Rent A Car
- Hertz Rental Car

On May 9, 2024, Airport Staff and Mead & Hunt presented the Airport Master Plan airside and landside conceptual development plan to the City Council, and the City Council directed staff to hold additional stakeholder meetings and community outreach meetings, to provide the following information at a future City Council meeting:

- Traffic and public parking impacts.
- Project manager and construction team plan.
- Government affairs plan.
- Public-Private Partnership funding for the CONRAC.
- Analysis of the details and impacts of the CONRAC.
- Analysis of an alternative CONRAC location for the proposed location at the south end of the Airport terminal area adjacent to Kirk Douglas Way.
- Project schedule to detail how each phase of the project fits into the long-term timeline at a future City Council meeting.

On June 4, 2024, a public open house Airport Master Plan event was held at the Palm Springs Convention Center, to present the Airport Master Plan airside and landside conceptual development plan. Approximately 173 members of the community attended the open house, and the public was provided the opportunity to ask questions and to provide their comments in the open forum. While positive feedback and support was received from the community, many of the questions, concerns, and feedback that was received were in regard to sustainability, traffic, parking, public transportation, preserving the Wexler terminal building, the size of the CONRAC, the number of additional gates and flights, and noise.

STAFF ANALYSIS:

Per the City Council's direction, Mead & Hunt, Inc. along with their subcontracted firms Aviatrix Communications, M. Arthur Gensler Jr. & Associates, and Daley Strategies (Mead & Hunt Team) have proposed the following project scope elements be implemented into the Airport Master Plan Project scope of work:

Develop And Analyze On-Site Consolidated Rental Car (CONRAC) Alternatives

This element includes analysis of two additional CONRAC alternatives shown in orange in Figure 1 – CONRAC Site A – North and Figure 2 – CONRAC Site B – South alternatives (**Attachment A**). CONRAC sizing will be based on the previously developed Master Plan program analysis. New analysis will include detailed two-dimensional drawings illustrating ingress/egress to each CONRAC. These drawings will also illustrate CONRAC shuttling operations and routes and potential public shuttling operations and routes. Analysis of the requirements to expand the Airport property boundary to meet public and rental car parking demand will also be conducted.

1. Development and Analysis of South CONRAC to match existing analysis of North CONRAC

The Mead & Hunt Team will evaluate the south location for the CONRAC facility to compare to the existing analysis conducted for the north CONRAC facility. The evaluation will include footprint requirements, height requirements, ingress and egress locations, routing of rental car shuttles/ vehicles and passenger flows from the terminal building to the CONRAC. The Mead & Hunt Team will develop graphical exhibits illustrating the CONRAC layout on each location and prepare a presentation and narrative summarizing the advantages and disadvantages of each location. The deliverables for this task include a summarization of key data and information on the south CONRAC matching work already completed for the north CONRAC.

2. 3D Renderings and Viewshed Renderings

The Mead & Hunt Team will prepare renderings of the south CONRAC, similar to the existing renderings of the north CONRAC.

Five views will be included:

1. Aerial view from the west
2. Aerial from east
3. Aerial from the south
4. Eye level view from Kirk Douglas Way looking east
5. Eye level view from Kirk Douglas Way looking west

This task also includes preparation of two simulated fly-through style animation visualizations, one for the south CONRAC, and one for the north CONRAC. Both would show the relationship between the Airport and the CONRAC. Each animation would be no more than 30 seconds in length. As a same cost alternative, staff has the option to have the Mead & Hunt Team prepare four panoramic 360 views.

Traffic Analysis of CONRAC, Airport Traffic and Agency Coordination

In this task, the Mead & Hunt Team will assess and analyze traffic associated with Figure 1 – CONRAC Site A – North and Figure 2 – CONRAC Site B – South alternatives (**Attachment A**). The goal is a high-level understanding of the potential traffic impact with both alternatives including an assessment of intersections. Data will be collected for up to 10 intersections for the AM and PM peak period on a typical Friday. A traffic model of roadway segments and intersections will be created, and the limits of the model are anticipated to be El Cielo Drive from Aviation Drive to Ramon Road and Ramon Road from El Cielo Road to Gene Autry Trail.

Project level traffic data will be developed for the following:

- Adjust to seasonal summer peak.
- Identify overlapping of Airport and adjacent arterial AM and PM peak hour.
- Future year traffic forecasts based on the design day flight schedule/show up profiles, mode of access and growth in regional background non-airport traffic.

The Mead & Hunt Team will conduct a traffic operations and capacity analysis of study intersections and roadway segments for AM and PM peak hours reporting level of service/delay for the following:

- Existing Conditions
- Future No Build
- Future Build (up to two concepts)

The Mead & Hunt Team will develop recommendations to refine airport landside concepts, including pedestrian flows, external ingress and egress of parking lots/garages/ground transportation center, traffic controls/signal operations, etc. in order to mitigate any identified traffic issues or concerns.

The Mead & Hunt Team will identify intermodal/regional transit enhancements, development of a concept illustration location, footprint size, access for a transit center on or off-airport. The task also includes facilitation of one meeting with regional stakeholders to discuss airport regional transit facility needs and potential airport connection recommendations. Stakeholders could include Riverside County, Sun Line Transit, Amtrak and/or local metropolitan planning organizations (MPOs).

The Mead & Hunt Team will make efforts to identify any needed land acquisitions for future parking facilities (passenger or CONRAC or transit facility) and final parking facility location recommendations and size recommendations.

The Mead & Hunt Team, including partner firm Aviatrix Communications, understands that the City of Palm Springs is committed to engaging Palm Springs and Coachella Valley stakeholders in the planning process. The Mead & Hunt Team will coordinate with Airport staff to manage stakeholder and public outreach, identify media to share the Airport's vision with stakeholders, provide assistance with the staffing of public meetings and producing exhibits, press releases, project microsite, and presentation materials. The following tasks will also include a customized, strategic approach to outreach and education including airport staff/consultant team meetings, two additional Airport Commission meetings and presentations, and one additional City Council meeting and presentation.

Additional Weekly Airport Staff Meetings, Legislative Relations and Communications

Specific critical needs of this project will be identified for related consultant support, and the Mead & Hunt Team anticipates 12 additional weekly meetings with the Airport staff.

Additional legislative relations include:

- Development of a memo assessing the current state of the Airport's external affairs and outlining an outreach strategy with key elected officials and staff at the local, state, and federal levels along with relevant government agencies related to master plan briefings.
- Track, research, and explore federal, state and county funding opportunities.

- Begin to develop and implement a comprehensive legislative plan to support funding requests for the overall Airport Master Plan.

Additional communications include:

- Work collaboratively with Mead & Hunt Team on communications materials, press releases, position letters, presentations, and briefings prior to events in which Airport staff and City Councilmembers participate.
- Provide strategic counsel to Airport staff on media relations, community outreach, and engagement.
- Assist the Airport staff with developing and executing an impactful social media strategy.

Additional Stakeholder Meeting for Airport Tenants and Additional Community Relations Support

An additional stakeholder meeting will be conducted with the Airport tenants, and the Mead & Hunt Team will present the preliminary results of the analysis on CONRAC and traffic/visual impacts. Additional community relations and stakeholder outreach will be conducted, and the Mead & Hunt Team will also provide the following:

- Support the Airport staff on meetings and messaging to discuss the CONRAC analysis, traffic study and overall Airport Master Plan.
- Develop a holistic stakeholder and community relations plan that includes Palm Springs stakeholders as well as communities in the Coachella Valley.
- Organize and execute community events to engage stakeholders and raise awareness of the Airport's ongoing initiatives and goals for the future.

Additional Public Open House Meetings

There are several public-engagement opportunities identified in the original Airport Master Plan schedule. These key milestones include project kickoff, terminal concepts review, airport master plan review, and draft final master plan report, as well as the public meetings required in the CEQA process. In addition to these meetings, Aviatrix Communications will support two meetings regarding the additional analysis included in this amendment scope, primarily related to the consolidated rental car center. One meeting will be held in-person, likely in a large, centralized location such as the Palm Springs Convention Center, and one meeting will be virtual, allowing the public to participate via Zoom. It is anticipated that these meetings will take place in October 2024.

For each meeting and or event, the team will support Airport staff and City outreach staff by coordinating logistics; jointly developing informational materials, presentations, press releases and/or talking points; participating in prep sessions by phone or in-person, providing staffing as appropriate; and summarizing key stakeholder comments, questions, and concerns to help determine next steps.

Project Microsite

To ensure the public has access to accurate, up-to-date project information, the Mead & Hunt Team will develop and maintain the project microsite. This comprehensive website will include project timelines, frequently asked questions, draft chapters, event calendar, and information from public meetings. Aviatrix Communications will develop, host, and maintain the microsite, and specific content for the website will be developed by the Mead & Hunt Team and may include reports, tables, drawings, and other graphics as required. The site will be ADA compliant, accessible on any device or browser, and will utilize Google Translate to make project information available in multiple languages. The public will not be required to register to view and/or download documents. The microsite will also provide an opportunity for the public to submit online comments for consideration by Airport staff and the Mead & Hunt Team. To account for an extended project schedule, Aviatrix Communications is prepared to host and maintain the project microsite for an additional 12 months.

Project Materials

In addition to the digital documents available on the project microsite, the Mead & Hunt Team will develop printed material to hand out during public meetings, inform stakeholders, and to clarify information. Such materials may include but are not limited to presentation display boards, PowerPoint presentations, fact sheets, meeting advertisements, and social media posts.

Documentation

An effective Master Plan places emphasis on developing concise, effective study documentation. Several types of materials will be revised and expanded upon to document the additional planning process. This task includes additions necessary to the Terminal Alternatives, Master Plan Development Program and Financial Implementation chapters. The Mead & Hunt Team will develop graphics, typically in the form of PowerPoint presentations, to convey the project information as necessary for various meetings. It is anticipated that these PowerPoints can be utilized by Airport staff for additional community and stakeholder outreach, as required. The Mead & Hunt Team will also provide narrative additions to the Airport Master Plan chapters.

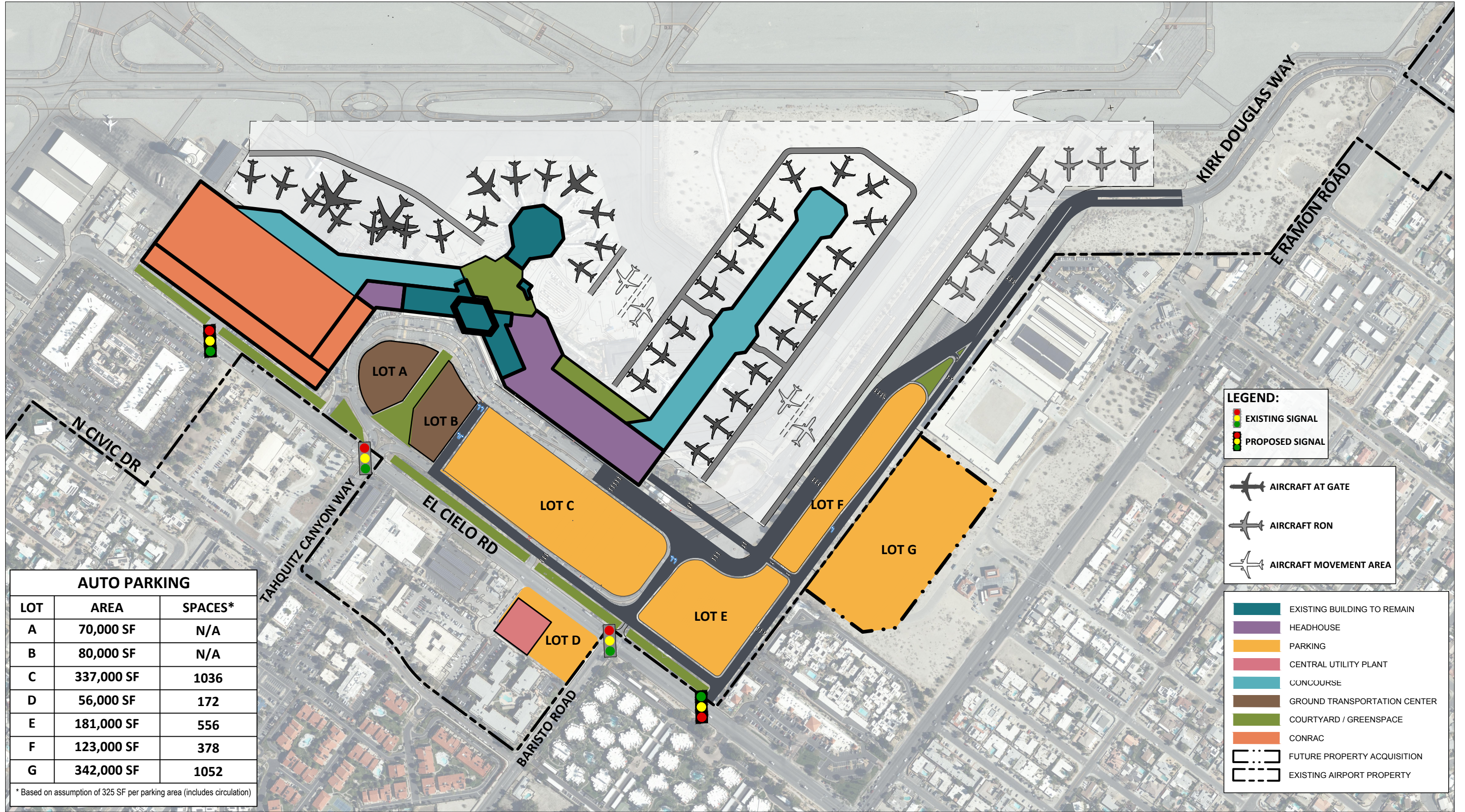
Airport staff is recommending the approval of Amendment No. 2 to Contract Services Agreement No. A9391 with Mead & Hunt, Inc. to extend the schedule for professional consulting services for the Palm Springs International Airport Comprehensive Airport Master Plan to a completion date of July 30, 2026, and for an additional amount of \$376,340 for a total revised contract amount not to exceed \$2,709,476 to ensure the completion of the Airport Master Plan in accordance with the City Council's direction to the Airport staff and Mead & Hunt.

FISCAL IMPACT:

Approval of this action would require the appropriation of \$376,340 from the Airport Capital Project Fund 416 to the account 4167065-80000 in Fiscal Year 2024-25.

Figure 1 - CONRAC SITE A - North

ATTACHMENT A

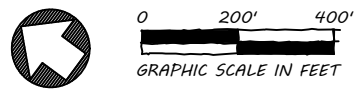


AUTO PARKING		
LOT	AREA	SPACES*
A	70,000 SF	N/A
B	80,000 SF	N/A
C	337,000 SF	1036
D	56,000 SF	172
E	181,000 SF	556
F	123,000 SF	378
G	342,000 SF	1052

* Based on assumption of 325 SF per parking area (includes circulation)

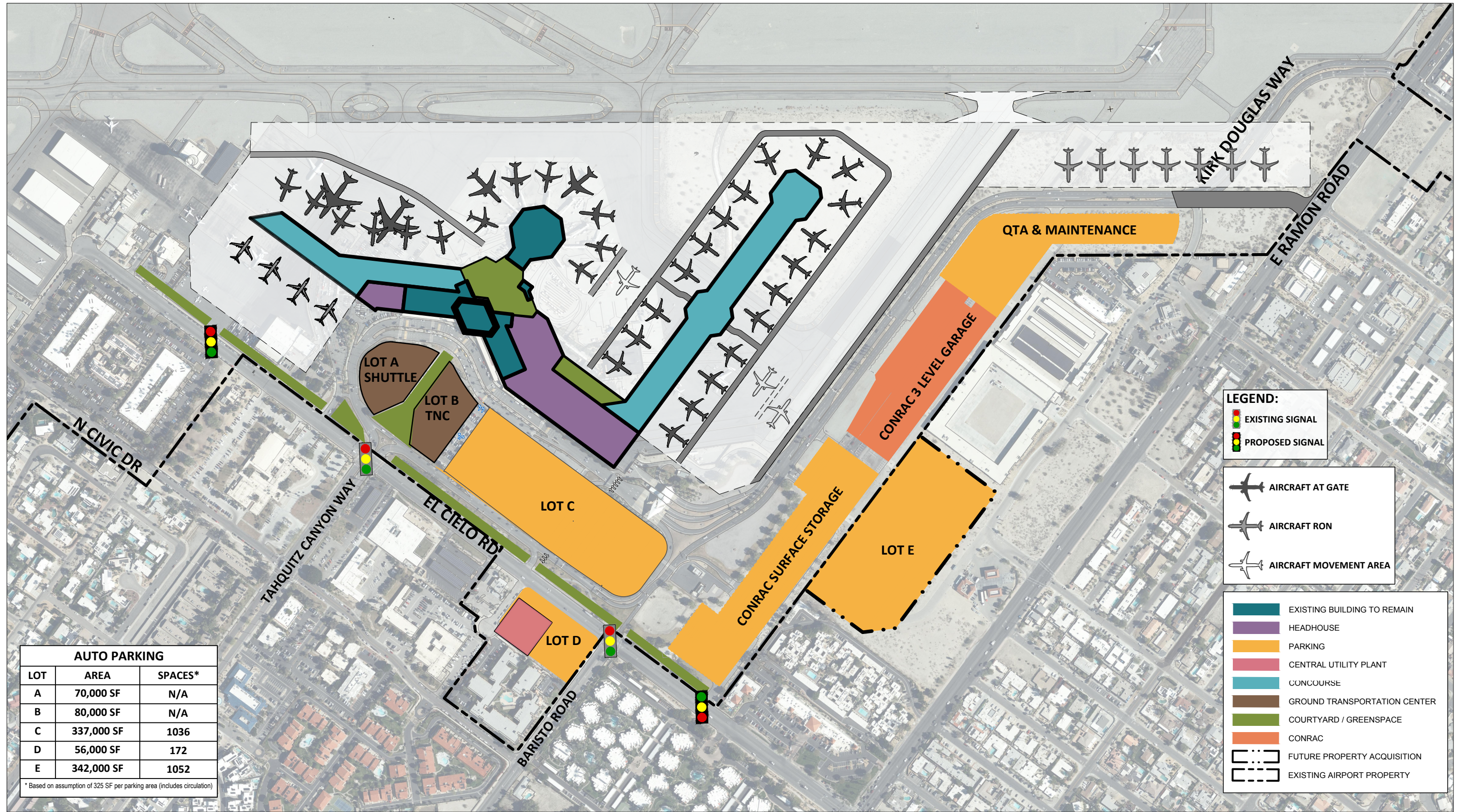
LEGEND:

- EXISTING SIGNAL
- PROPOSED SIGNAL
- AIRCRAFT AT GATE
- AIRCRAFT RUN
- AIRCRAFT MOVEMENT AREA
- EXISTING BUILDING TO REMAIN
- HEADHOUSE
- PARKING
- CENTRAL UTILITY PLANT
- CONCOURSE
- GROUND TRANSPORTATION CENTER
- COURTYARD / GREENSPACE
- CONRAC
- FUTURE PROPERTY ACQUISITION
- EXISTING AIRPORT PROPERTY



Source: Gensler and Mead & Hunt, 2023

Figure 2 - CONRAC SITE B - South

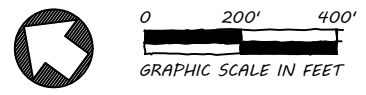


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* Based on assumption of 325 SF per parking area (includes circulation)

LEGEND:

- EXISTING SIGNAL
- PROPOSED SIGNAL
- AIRCRAFT AT GATE
- AIRCRAFT RON
- AIRCRAFT MOVEMENT AREA
- EXISTING BUILDING TO REMAIN
- HEADHOUSE
- PARKING
- CENTRAL UTILITY PLANT
- CONCOURSE
- GROUND TRANSPORTATION CENTER
- COURTYARD / GREENSPACE
- CONRAC
- FUTURE PROPERTY ACQUISITION
- EXISTING AIRPORT PROPERTY



Source: Gensler and Mead & Hunt, 2023



Marketing & Air Service Update

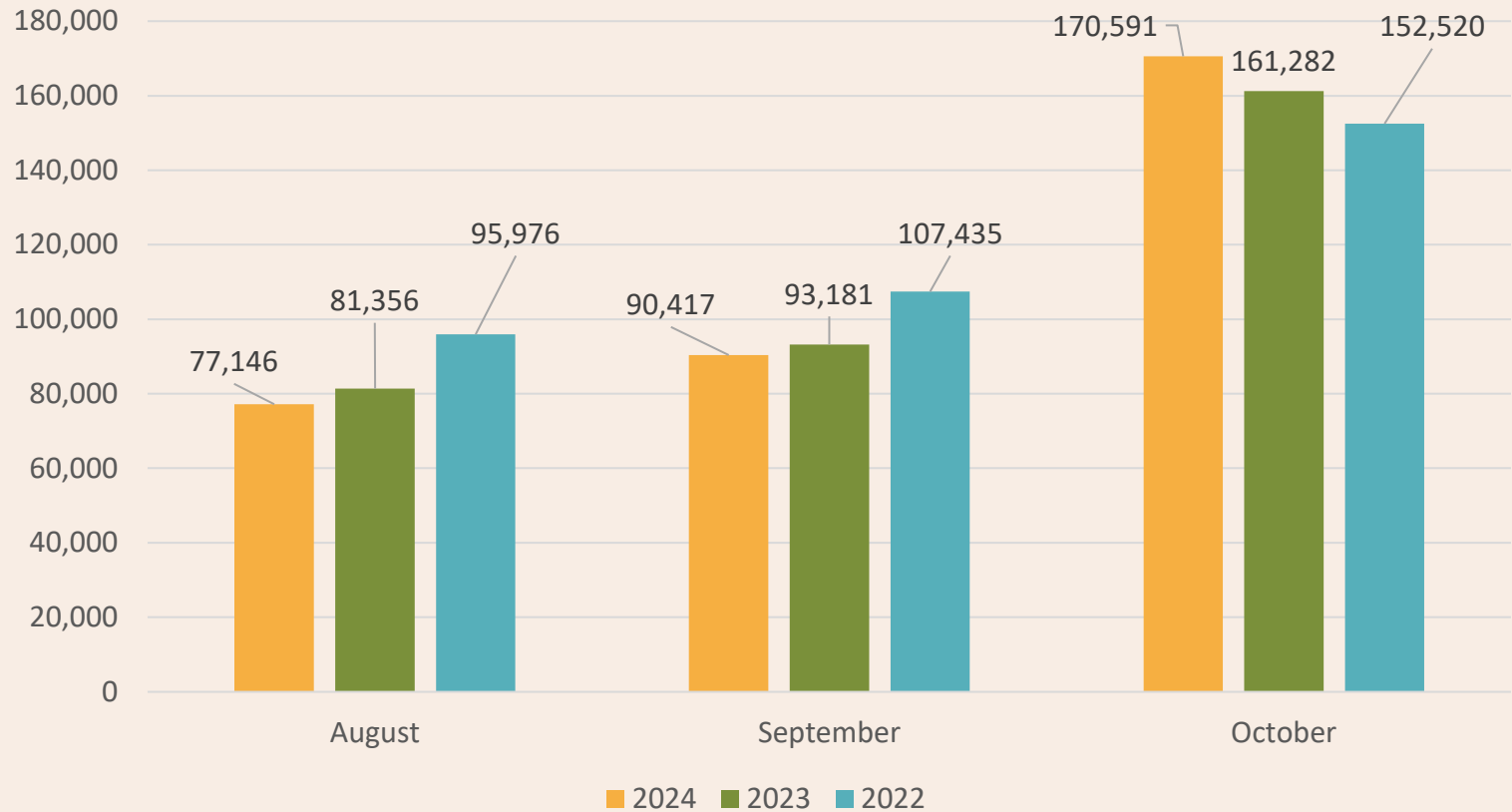
July 2024

Scheduled Departing Seats

Based on 06/12/24 schedule data, subject to change.

Seats vs. 1 Year Ago

Month	% Change
August	- 5.2 %
September	- 3.0 %
October	5.8 %



Bar Graph: Left to right: 2024, 2023, 2022

Air Service & Other Updates

Air Service

- United increasing seasonal Houston service to twice daily on Saturday and Sunday in November and December.
 - Previously one daily. Already twice daily in height of season.

Public Roadway Banners

- RFP issued to replace banner brackets on roadway light poles
 - Many are breaking due to age
- RFP scope includes printing and installation of new banners up to four times per year for the entire roadway system, and up to six times per year in the center median in front of the terminal
 - Call outs to replace damaged banners as needed

Customer Experience Program

- Initial scope development research complete
- Meeting on July 11 to review and determine next steps

Air Service & Other Updates

Newsletter

- Finalizing distribution program
- Planning re-launch this quarter
- Monthly distribution and as needed for announcements

TSA PreCheck Enrollment at PSP

- Services opened on July 2, 2024
- Offers initial enrollments, renewals, and identity verification
- Non appointment necessary
- Applications are processed at the CLEAR Pods in Center Terminal area





FRASCA & ASSOCIATES, LLC

521 MADISON AVENUE, SEVENTH FLOOR
NEW YORK, NY 10022
TEL: 212 355-4050



TO: Victoria A. Carpenter, C.M., Airport Administration Manager
 FROM: Frasca & Associates, LLC
 SUBJECT: **Parking Rate Review**
 DATE: July 3, 2024

Summary

Frasca & Associates, LLC (FRASCA) was retained by the City of Palm Springs (“City”) to review the parking rate structure for Palm Springs International Airport (“PSP” or “the Airport”) in the context of the parking rate structures at peer Southern California airports and Airport financial requirements.

The objectives of this study were to:

- Benchmark PSP’s parking rate structure versus competing airports in Southern California
- Estimate incremental revenues to PSP resulting from a proposed increase in the maximum daily parking rate from \$20 to \$24

The key findings of this study are:

- Parking is a critical revenue source for PSP and the most flexible source for the Airport to use in increasing revenues
- Recent inflationary trends have eroded the financial contribution of PSP’s parking operations
- PSP’s current parking rates are below market relative to peers
- Increasing parking rates to market levels would provide revenues for PSP to fund needed capital improvements

Based on these findings, FRASCA finds that the proposed increase in the maximum daily parking rate from \$20 to \$24 is reasonable. FRASCA estimates the rate increase will result in approximately \$1 million in additional annual revenues that will provide additional funding and reduce the amount of debt needed to be issued to fund the Airport’s capital improvement program.

Parking Is a Critical Revenue Source for PSP

Airport operators have two broad groups of revenue sources—those from airlines (i.e., “airline revenues”) and those from all other sources, collectively referred to in the industry as “nonairline revenues.” Airline revenues generally include landing fees and terminal rentals and use fees, while nonairline revenues include those paid by passengers either directly (e.g., parking) or indirectly (e.g., privilege fees for terminal concessions) as well as those paid by other airport tenants through ground and facility rentals and other charges.

As a condition of receiving federal grants, airport operators are required to use cost-recovery methodologies to set airline rates, fees, and charges—in short, surpluses above financial requirements cannot be generated from airfield and terminal facilities used by airlines and other aeronautical users.

There are no similar federal restrictions, however, regarding rate-making for nonairline facilities. In fact, Federal Aviation Administration policies encourage airport operators to set rates and charges for nonairline facilities using market-based approaches in order to ensure airports are self-sustaining and maximize revenues for reinvestment into airport facilities. Rating analysts and investors also have the expectation (and increasingly so) that airport operators will use commercial approaches for managing nonairline facilities to enhance the airport’s creditworthiness and access to capital. Since nonairline rate-making is driven by commercial principles, they are the key driver of net revenue surpluses for airport operators. These surpluses are required by the FAA to be reinvested into the airport, which means that they directly reduce the amount of debt an airport must issue to fund capital improvements.

Table 1
OPERATING REVENUES
Palm Springs International Airport
For Fiscal Year Ending June 30, 2023
(Dollars in thousands)

Line item	Amount	Share of total
Airline Revenues		
Landing fees	\$5,990	16.0%
Terminal rentals and use fees	3,667	9.8%
Subtotal	\$9,657	25.7%
Nonairline Revenues		
Rental car privilege fees	\$12,748	34.0%
Parking and ground transportation	7,523	20.1%
Terminal concessions	2,012	5.4%
FBO and general aviation	1,848	4.9%
All other	3,726	9.9%
Subtotal	\$27,857	74.3%
Total	\$37,514	100.0%
Note: Numbers may not add to totals shown due to rounding.		

Parking is typically one of the top nonairline revenue sources for airports. As shown in Table 1, preceding, parking (including ground transportation user fees) is PSP’s second largest nonairline revenue source after rental car privilege fees, accounting for 27.0% of nonairline revenues and 20.1% of operating revenues for FY 2023. (Rental car privilege fees are typically the top nonairline revenue source in leisure markets such as PSP.) Moreover, parking is the revenue source most directly within management’s direct control for increasing revenues. While rental car privilege fees are a higher revenue generator than parking, the business terms are largely dictated by the industry standard 10%-of-gross-receipts concession fee and rental car rates, which are out of control of airport management. Similarly, business provisions for terminal concessions are largely dictated by industry-wide business practices, and land and building leases are generally dictated by appraisals. While parking rates are constrained somewhat by competitive

industry forces, airports such as PSP that have very limited off-airport parking competition and have minimal competition from other airports are considered “price-setters.” Revenues from rate increases, therefore, generally flow directly to the airport’s bottom line, generating additional funds for reinvestment into airport facilities.

Recent Inflationary Trends Have Eroded the Financial Performance of PSP’s Parking Operations

The financial performance of airport parking operations is determined by the parking rate structure, passenger volume, passenger composition (e.g., level of business versus leisure traffic), and the level of operating and capital costs. While operating costs in a “steady state” scenario can be assumed to increase with underlying inflation, parking revenues do not without a change in the rate structure. Therefore, without changes in passenger volume or composition, net parking revenues decrease over time on an operating basis.

FRASCA’s assessment of PSP’s parking operations finds that:

- Daily parking rates have not increased since 2018
- On an inflation-adjusted basis through May 2024, parking rates have lost approximately 30% of their value since the last rate increase, i.e., the \$20 daily rate imposed in 2018 is worth approximately \$14 in constant dollars
- Cost inflation, deferred maintenance, and a new parking operator contract have increased PSP’s parking operating expenses
- While major investments in parking facilities have not been recently required, the City expects to incur material costs from investments in parking upgrades and systems modernization such as a new revenue control system, electric vehicle (EV) chargers, and resulted infrastructure

These factors have combined to result in a material deterioration in net revenues from parking operations. This deterioration can only be expected to continue to increase with ongoing inflationary pressures. Other things equal, this erosion can be expected to result in PSP having to issue more debt than otherwise necessary to fund capital improvements. Indeed, the parking rate structure is the only variable within direct management control to improve the financial contribution of parking operations.

PSP’s Current Parking Rates Are Below Market Relative to Peers

Parking rates typically vary by time (with maximum hourly and daily rates), by proximity to terminal (walkable or nonwalkable requiring a shuttle), shuttle bus frequency, and whether the parking spaces are covered or uncovered. Parking rates should also be influenced by the profile of the airport’s passengers, with airports located in more economically affluent areas generally able to charge higher rates than those located in economically depressed areas in which passengers are typically more price-sensitive.

PSP operates 4 public parking lots, all within walking distance of the terminal. A remote lot is used as needed for overflow. There is no off-airport parking competition. PSP has the ability to set parking rates, subject to the approval of the City Council.

FRASCA’s review of parking rates at other Southern California airports found that the Airport has among the lowest parking rates among peer airports. This review is summarized in Table 2 following, which prevents a survey of rates at walkable parking facilities at selected Southern California airports, the

number of spaces provided, and the approximate walking distance in feet from the center of the parking lot to the terminal entrance.

The survey found that:

- Only Santa Barbara (SBA) offers a lot at a rate lower than \$20, but it is located at a farther walking distance than all lots at PSP except Lot D.
- While John Wayne Airport (SNA) charges the same \$20 parking rate as Palm Springs for facilities at a comparable walking distance, the Airport is currently pursuing a rate increase.
- Long Beach Airport's (LGB) most convenient garage has a maximum daily rate of \$25, but has a less convenient walkable garage charged at a \$20 rate. This facility has higher walking distances than every facility at PSP but Lot D.
- Similarly, Ontario International Airport (ONT) has a much less convenient, but still walkable surface lot charging a \$20 rate in addition to the surface lots at more comparable distances to the PSP lots, which charge rates of \$24 and \$30.

When the demographic profile of PSP travelers is considered, the difference is even more stark. PSP has an affluent metro area, with high household incomes. The most widely accepted surrogate measure for passenger composition is average fare, with higher average fares typically indicative of a market with more affluent passengers or one driven by more business traffic. As shown in Table 2 following, average domestic airfares at PSP are among the highest of Southern California airports. While Santa Barbara Airport and Los Angeles International Airport have nominally higher fares, they are only \$4 (1.9%) and \$2 (0.9%) higher than PSP's, respectively. PSP's average fares are 18.3% higher than ONT and 62.6% higher than LGB, the peer airport with the lowest average fare. Also shown in Table 2 are the maximum daily parking rates for each airport expressed as a percentage of the average fare as an indicator of relative affordability.

The data show that, when measured as a percentage of average fare, the maximum daily rates at PSP for walkable parking are at the lowest of benchmark airports. PSP's maximum daily parking rate is only 9.4% of its average fare, lower than only the less convenient long-term lot at SBA. Excluding SBA, the ratio of the maximum daily parking rate for walkable parking at benchmark airports ranges from a minimum of 10.6% at other airports and as high as 30.2% at Hollywood Burbank Airport. These data provide further evidence that PSP is charging below-market parking rates. If PSP set its maximum daily rate at the same ratio to its average fare as BUR for the short-term garage, for example, the rate would be \$64.

Finally, the PSP parking lots are often fully occupied, with the Airport having to open the remote overflow lot to accommodate demand. In CY 2023, for example, at least one of the Airport's four lots was completely occupied on 105 days of the year, or approximately 29% of the days in the year, a clear indication that demand is higher than supply and that parkers who may otherwise be willing to pay more are being driven away. Industry studies indicate that, once frequent travelers are unable to find a parking space more than once, they change their travel mode to the airport out of fear of missing their flights.

Table 2

BENCHMARK MAXIMUM DAILY PARKING RATES AND COMPARISON WITH AVERAGE AIRFARES

Palm Springs International Airport and Selected Southern California Airports

Airport/lot	Maximum daily rate	Number of spaces	Walking distance (feet) (a)	Average one-way airfare (b)	Max daily rate as % of airfare
Palm Springs International Airport					
Lot A	\$20	106	300	\$213	9.4%
Lot B	20	244	400	213	9.4%
Lot C	20	245	800	213	9.4%
Lot D	20	285	1,300	213	9.4%
Los Angeles International Airport					
Terminal garages*	\$60	8,300	300	\$215	27.9%
San Diego International Airport					
Terminal 2 Parking Plaza*	\$38	3,400	600	\$189	20.1%
Hollywood Burbank Airport					
Short-Term Garage*	\$42	430	300	\$139	30.2%
Lot E	28	(c)	600	139	20.1%
Lot F	28	(c)	800	139	20.1%
Lot G	26	(c)	800	139	18.7%
Ontario International Airport					
Lots 2/4 Premium	\$30	699	200	\$187	16.0%
Lots 2/4 General	24	(d)	400	187	12.8%
Lot 3	20	(d)	1,600	187	10.7%
Santa Barbara Airport					
Short-Term Lot	\$27	380	200	\$217	12.4%
Long-Term Lot	18	2,680	900	217	8.3%
Long Beach Airport					
Garage A*	\$25	990	300	\$131	19.1%
Garage B*	20	2,440	900	131	15.3%
John Wayne Airport					
Garage A1	\$20	1,470	600	\$189	10.6%
Garage A2	20	1,590	800	\$189	10.6%
Garage B2	20	1,500	400	189	10.6%
Garage C	20	2,000	500	189	10.6%

Source: Frasca analysis of individual airport websites, Google Maps, and the AXN Airport Fact Book.

- (a) Approximate walking distance from center of lot to terminal entrance.
- (b) U.S. Department of Transportation DB1B database, accessed via Diio Mi, June 15, 2024. Excludes taxes and ancillary charges (e.g., baggage, boarding, and seating fees).
- (c) Spaces by surface lot not available. BUR has approximately 6,600 total spaces, including the short-term garage and a remote, nonwalkable economy lot.
- (d) Spaces by lot not available. ONT has approximately 6,800 total spaces, including two remote, nonwalkable economy lots served by shuttles.

Increasing Parking Rates to Market Levels Would Provide Revenues for PSP to Fund Needed Capital Improvements

Based on the benchmarking results in Table 2, PSP is proposing a 20% increase in the maximum daily parking rate from \$20 to \$24. As with any good or service, one cannot expect a proportionate 20% increase in parking revenues resulting from the rate increase as the price increase will result at least some customers on the margin will decide to “trade off” by consuming a “substitute good” or not choosing not consume altogether. For parking, this means choosing an alternative mode, such as a taxi, Transportation Network Company (e.g., Lyft or Uber), or being dropped off by family or friends. This economic concept is known as “elasticity,” or the ratio of the percent change in quantity demanded to the percent change in price.

In economic theory, elasticity ranges from 0.00 to -1.00 are considered relatively inelastic as the demand does not decrease by as much as an increase in cost (e.g., a 20% increase in price leads to a 10% decrease in demand, or an elasticity of -0.50, meaning that revenues increase 10% following the 20% price increase). This situation implies current prices are below market as more customers than not would be willing to pay more for the same good. An elasticity of exactly -1.00 means that the demand decreases by exactly the same increase in price (e.g., a 20% increase in price leads to a 20% decrease in demand such that total revenues would be unchanged after the price increase). An elasticity of less than -1.00 means that demand decreases by more than the price increase (e.g., a 20% increase in price leads to a 30% decrease in demand such that total revenues would be less following a price increase. Therefore, other things equal, a price increase for a good with an elasticity of less than -1.00 would not be rational as it would not generate additional revenues.

In FRASCA’s experience, elasticity ratios for parking depend on the magnitude of the increase and the time since the last increase. Generally, FRASCA assumes an elasticity ratio of -0.25 for a modest increase in walkable parking rates when there has not been a rate change in more than 3 years. This ratio implies that a 20% increase in parking rates will result in a 5% decrease in volume and therefore a 15% increase in parking revenues. FRASCA’s estimate of FY 2024 actual parking revenues based on 10 months of available data is \$6.538 million. Therefore, assuming the increase in the maximum daily parking rate from \$20 to \$24 and the -0.25 elasticity, FRASCA estimates annual parking revenues would increase 15%, or \$0.981 million, to \$7.519 million. These additional revenues would provide funding for needed capital improvements.

* * * * *

Conclusions and Recommendations

In summary, a parking rate increase is justifiable for both cost-based and market-based reasons. From a cost-based perspective, a rate increase is justifiable to preserve the historical level of financial contribution of parking operations to PSP’s net revenues, while from a market-based perspective, a rate increase is justifiable to keep rates in line with peer airports. Consistent with the findings outlined above, FRASCA recommends PSP increases its maximum daily parking rate from \$20 to \$24.

It is worth noting with regard to this recommended rate that:

- As shown in Table 3, following, it would still be lower than the \$20 rate implemented in 2018, as adjusted for inflation. When adjusted for inflation, the \$20 rate in 2018 is equivalent to a \$26 rate today.
- The recommended maximum daily rate would remain at or below that for all benchmark airports except SNA and those for less convenient facilities at LGB, ONT, and SBA.
- When expressed as a percentage of average fare, the maximum daily garage rate would be below that for all benchmark airports except SNA and the least convenient walkable parking facilities at ONT and SBA.

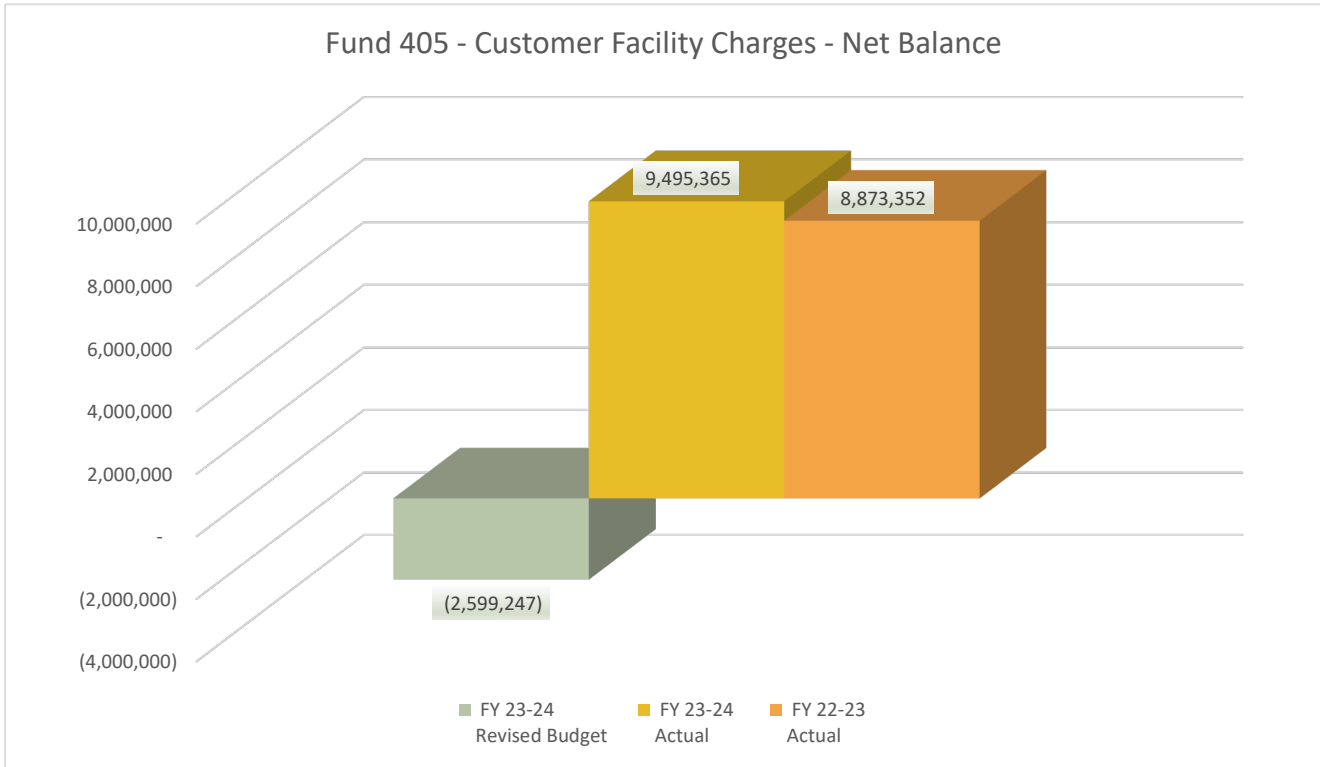
Consistent with PSP’s goals to improve parking’s financial contribution to airport net revenues by adjusting rates to market, FRASCA recommends the adoption of this rate structure. Additionally, FRASCA recommends that PSP evaluate parking financial performance and benchmark parking rates at least every two years, as consistent with industry best practices, to keep rates aligned with the local market.

Table 4
RECOMMENDED PARKING RATE
Palm Springs International Airport

Duration	Current rate	Inflation-adjusted rate	Recommended rate	Percent change
Daily	\$20	\$26	\$24	20.0%
<small>Note: Inflation-adjusted rate calculated using the CPI-U for All Urban Consumers for the Riverside-San Bernardino-Ontario MSA, not seasonally adjusted, as published by the Bureau of Labor Statistics and accessed online, June 15, 2024. Source: Frasca & Associates, LLC, July 3, 2024.</small>				

CITY OF PALM SPRINGS
PALM SPRINGS INTERNATIONAL AIRPORT
 Financial Summary
 Ending June 30, 2024

Fund 405 - Customer Facility Charges	FY 23-24 Revised Budget	FY 23-24 Actual	FY 23-24 % Of Budget	FY 22-23 Actual	FY 22-23 vs FY 23-24 % Change
Operating Revenue	9,181,327	9,495,365	103%	8,873,352	7%
Operating Expenditures	11,780,574	-	0%	-	0%
Surplus / (Deficit)	(2,599,247)	9,495,365	-365%	8,873,352	-7%



Fund 405 is the airports fund for customer facility charges (CFC).

Revenues

CFC revenue is collected by the car rental concessionaires and remitted to the Airport according to state law to support the future consolidated rental car facility project. In March 2022, City Council approved a change in the collection methodology rate from \$10 per transaction to \$9 per day up to five days maximum.

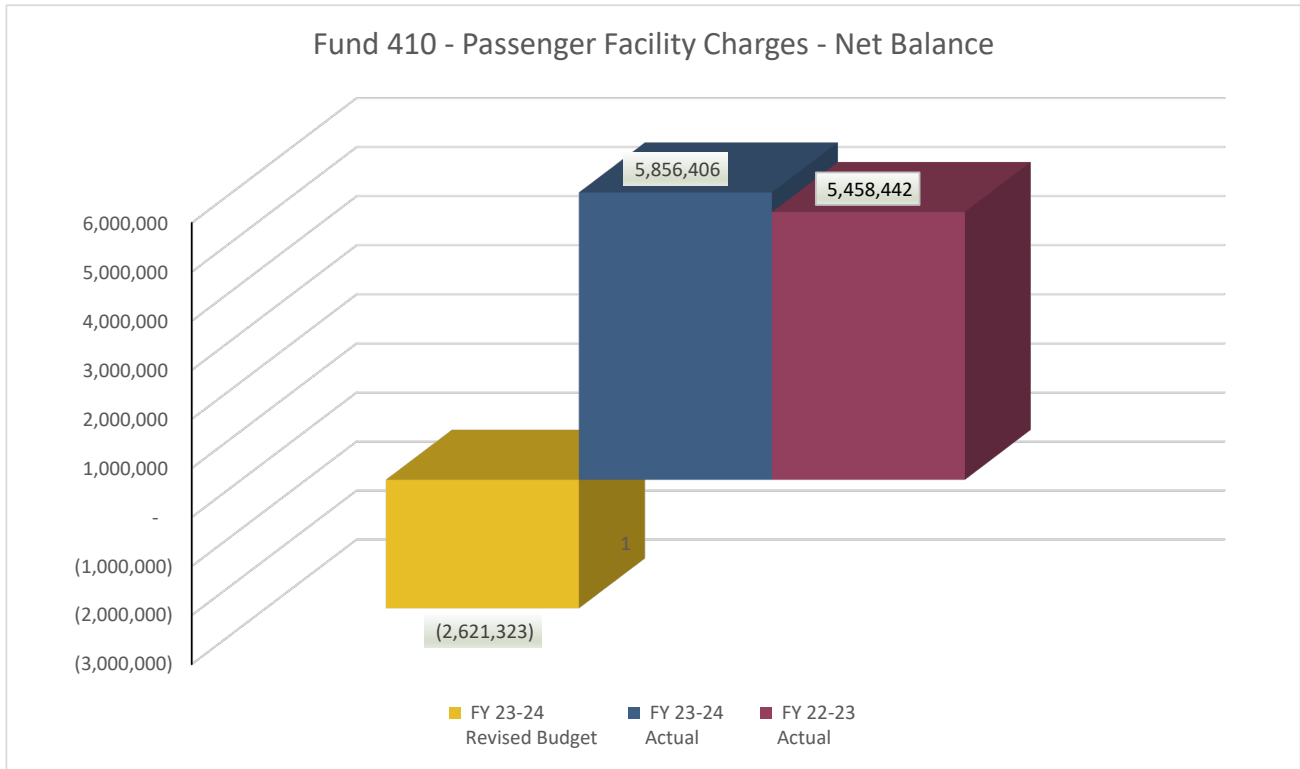
YTD, revenues of \$9.5M represents 103% of the full year budget, reflecting seasonal nature of CFC revenues.

Expenditures

YTD, the airport has not spent any of the Fund 405 budgeted expenditures.

CITY OF PALM SPRINGS
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Fund 410 - Passenger Facility Charges	FY 23-24 Revised Budget	FY 23-24 Actual	FY 23-24 % Of Budget	FY 22-23 Actual	FY 20-23 vs FY 21-24 % Change
Operating Revenue	6,450,776	6,196,697	96%	5,910,577	5%
Operating Expenditures	9,072,099	340,291	4%	452,135	-25%
Surplus / (Deficit)	(2,621,323)	5,856,406	-223%	5,458,442	7%



Fund 410 is the airports fund for passenger facility charges (PFC).

Revenues

The PFC, provides a source of additional capital to improve, expand, and repair the nation’s airport infrastructure. The FAA must approve any facility charges imposed on enplaning passengers. The PFC at PSP is \$4.50 and the maximum PFC charge on any one passenger travel ticket is capped at \$18.00.

YTD, revenues of \$6.2M represents 96% of the full year budget, reflecting seasonal nature of CFC revenues.

Expenditures

On July 18, 2019, the City of Palm Springs issued 2019 Airport Passenger Facility Charge Revenue Bonds for \$22,270,000 to finance a portion of the design, acquisition, and construction of ticketing hall and baggage handling system improvements. Interest is payable semiannually on June 1, and December 1 of each year, commencing December 1, 2019, until maturity or earlier redemption. Fiscal year 2024 principal is \$1,690,000 and interest is \$807,000. Expenses to fund 410 include principal and interest and contractual services to the bond consultant.

YTD expenses of \$340,291 represents the interest payments for the 2019 bond.

CITY OF PALM SPRINGS
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Fund 415 - Airport					
Operations & Maintenance	FY 23-24 Revised Budget	FY 23-24 Actual	FY 23-24 % Of Budget	FY 22-23 Actual	FY 22-23 vs FY 23-24 % Change
Operating Revenue	64,090,869	45,364,251	71%	53,751,639	-16%
Operating Expenditures	51,371,103	30,639,297	60%	23,504,014	30%
Surplus / Deficit	12,719,766	14,724,953	116%	30,247,625	-51%

Fund 415 is the airports operation & maintenance fund which records for all the revenues and expenditures.

Revenues

Airport revenues included operating and non-operating revenues from airlines, fuel fees, terminal rentals, ground rentals, concessions, fines, parking, ground transportation, grant reimbursements, admission fees for the Palm Springs Air Museum and interest income.

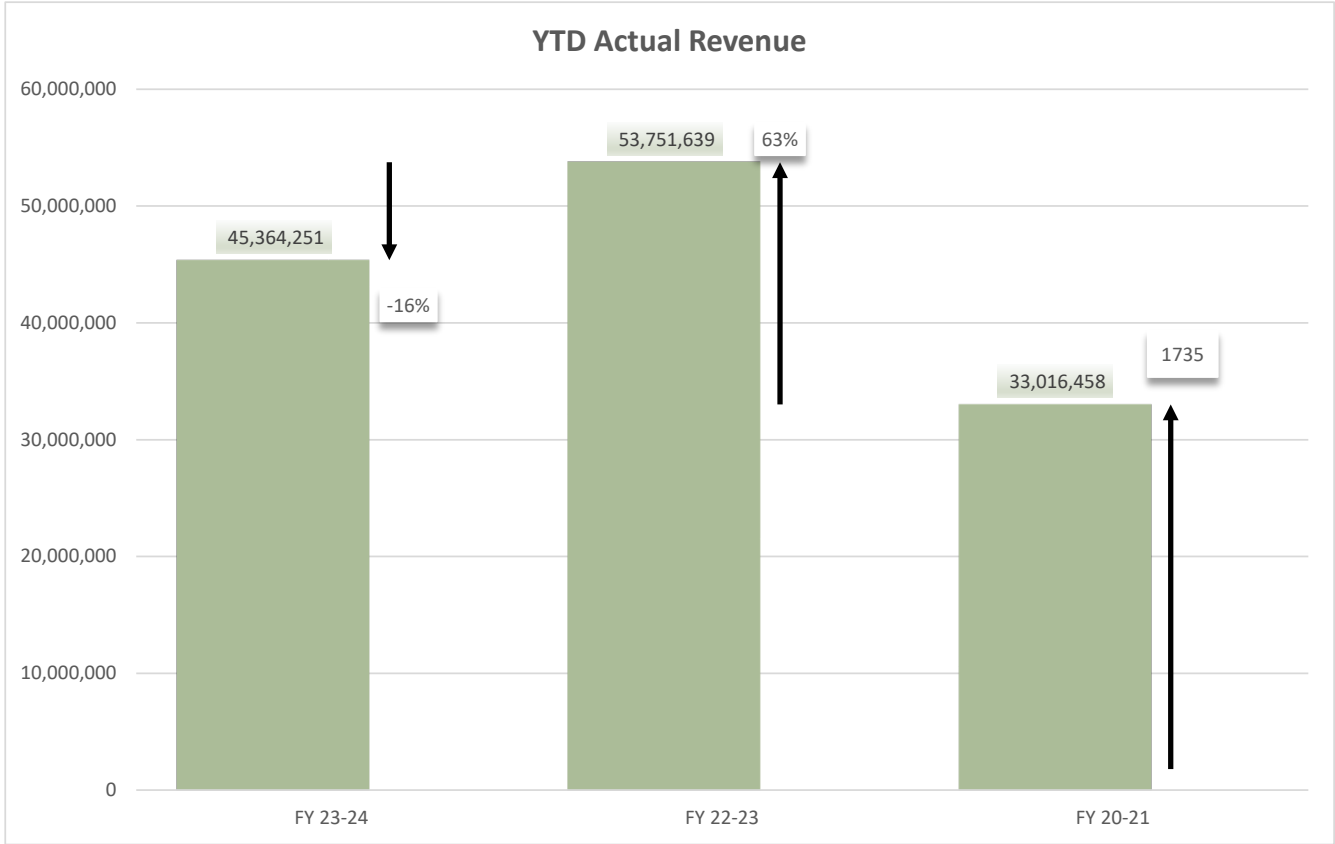
Expenditures

Airport expenditures consist of personnel, contractual services, safety and security (Aircraft Rescue and Fire Fighting (ARFF) and law enforcement), utilities, maintenance, supplies, operating equipment, insurance, employee development, equipment rentals and repairs.

CITY OF PALM SPRINGS
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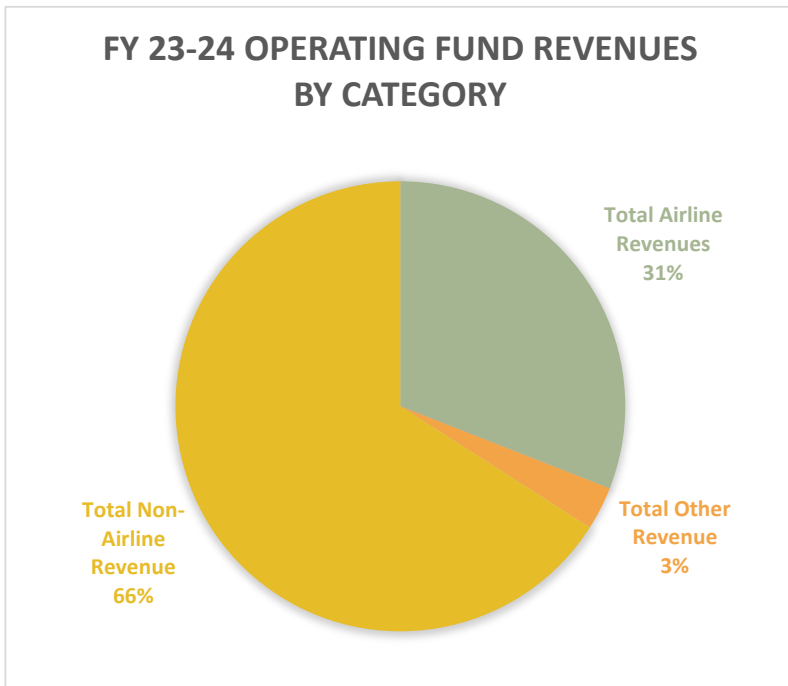
Fund 415 - Airport					
Operations & Maintenance	FY 23-24 Revised Budget	FY 23-24 Actual	FY 23-24 % Of Budget	FY 22-23 Actual	FY 22-23 vs FY 23-24 % Change
Operating Revenue					
Airline Revenue					
Landing Fees	5,910,134	5,620,399	95%	3,570,069	57%
Landing Fee Surcharge	-	(93,778)	0%	2,181,634	-104%
Terminal Airline Space/Joint Use	9,467,216	5,396,901	57%	2,187,385	147%
Gate Per Use Fees	3,470,605	1,673,522	48%	1,410,910	19%
Passenger Loading Bridge Fee	1,255,064	630,613	50%	-	0%
Baggage Handling System Fees	897,000	812,189	91%	(6,904)	-11864%
Total Airline Revenues	21,000,019	14,039,847	67%	9,343,094	50%
Other Revenue					
CARES Act	-	-	0%	5,989,698	-100%
CRRSAA-Airport	4,783,916	1,408,292	29%	-	0%
CRRSAA-Concessions	280,390	-	0%	280,390	-100%
ARPA-Airport	1,481,290	-	0%	9,310,342	-100%
ARPA - Concessions	1,121,560	-	0%	(280,390)	-100%
Total Other Revenue	7,667,156	1,408,292	18%	15,300,040	-91%
Non-Airline Revenue					
General Aviation	406,000	388,937	96%	403,501	-4%
Non-Aeronautical Ground Rental	457,315	639,631	140%	420,511	52%
Aeronautical Ground Rental	1,247,329	1,266,964	102%	1,397,783	-9%
Parking	6,697,064	6,368,986	95%	6,222,599	2%
Airport Use Permits	53,263	110,657	208%	85,164	30%
Non-Airline Terminal Rent Fee	9,998,816	3,277,497	33%	2,507,370	31%
Rental Car - Overflow Parking	371,809	185,438	50%	196,857	-6%
Advertising	315,951	569,217	180%	423,074	35%
On Airport Rental Car	11,944,780	11,374,511	95%	12,169,023	-7%
Commercial Services Fees	1,099,000	1,243,468	113%	1,142,506	9%
Ground Transportation Fees	1,195,000	1,431,102	120%	1,204,033	19%
Customs	336,296	440,184	131%	427,008	3%
All Other Revenue	1,301,070	2,619,521	201%	2,509,075	4%
Total Non-Airline Revenue	35,423,694	29,916,112	84%	29,108,505	3%
Total Operating Revenues	64,090,869	45,364,251	71%	53,751,639	-16%

**CITY OF PALM SPRINGS
PALM SPRINGS INTERNATIONAL AIRPORT
Financial Summary
Ending June 30, 2024**



Note: FY22-23 had \$15.3M in revenues from one-time CARES & ARPA grant funds

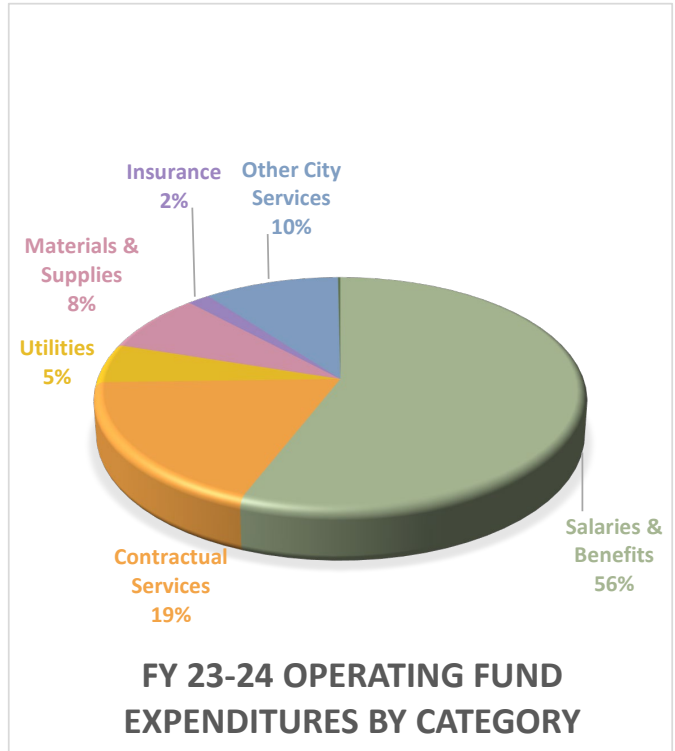
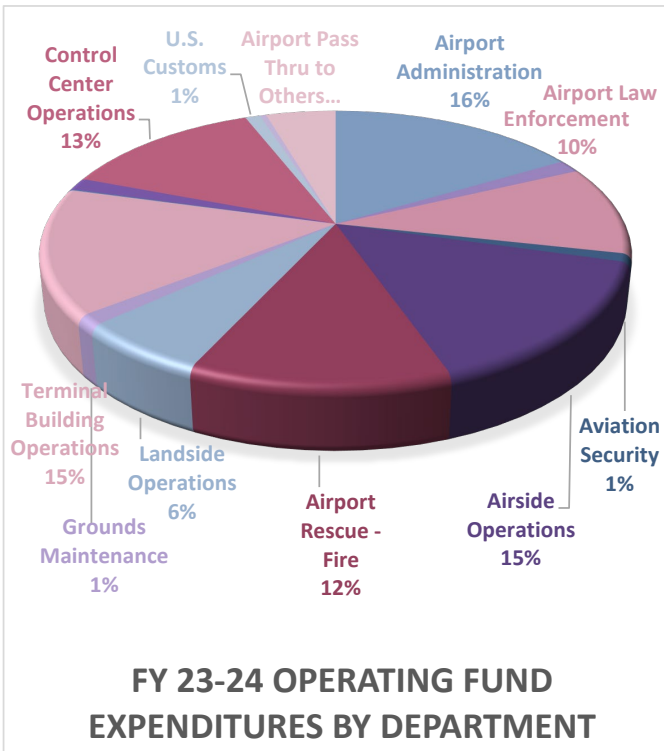
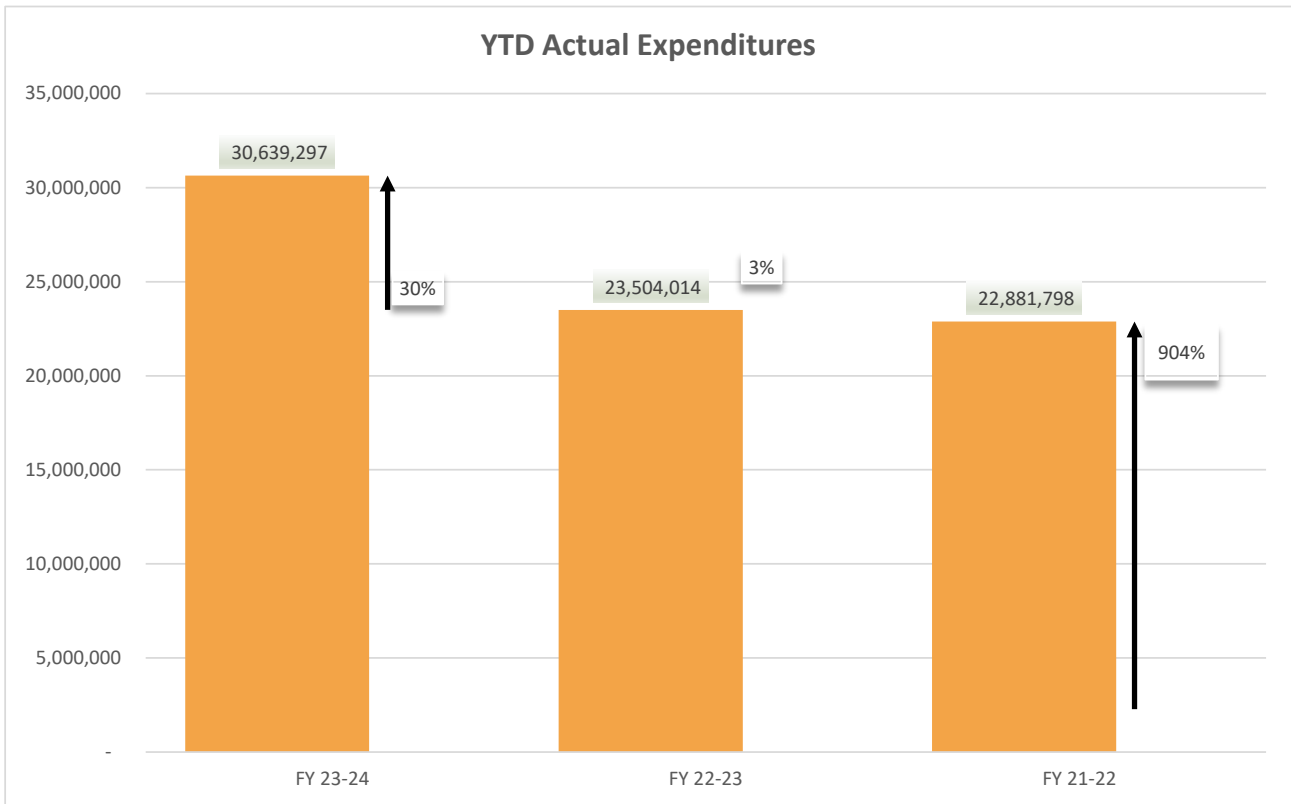
YTD actual revenue is \$8.3M below the prior year because the prior year YTD included: CARES ACT funding of \$6M and ARPA funding of \$9.3M that will not repeat in the current year or future fiscal years. Adjusting for these two items, revenue is up 18% YTD over the prior year.



CITY OF PALM SPRINGS
PALM SPRINGS INTERNATIONAL AIRPORT
Financial Summary
Ending June 30, 2024

Fund 415 - Airport					
Operations & Maintenance	FY 23-24 Budget	FY 23-24 Actual	FY 23-24 % Of Budget	FY 22-23 Actual	FY 22-23 vs FY 23-24 % Change
Operating Expenditures					
Airport Administration	8,155,945	5,036,261	62%	4,577,919	10%
Airport Information Technology	1,026,206	458,771	45%	92,736	
Airport Law Enforcement	3,130,981	3,211,249	103%	2,918,942	10%
Aviation Security	1,936,264	287,423	15%	-	0%
Airside Operations	5,981,668	4,646,163	78%	387,280	1100%
Airport Rescue - Fire	4,828,582	3,770,211	78%	3,333,328	13%
Landside Operations	2,217,250	1,919,989	87%	1,436,783	34%
Grounds Maintenance	691,680	371,644	54%	500,409	-26%
Terminal Building Operations	8,270,483	4,547,282	55%	6,302,485	-28%
Passenger Boarding Bridges	120,000	35,434	30%	18,163	95%
Baggage Handling System	897,000	438,495	49%	344,362	27%
Control Center Operations	4,169,247	4,040,352	97%	3,315,823	22%
U.S. Customs	336,436	298,305	89%	275,785	8%
Planning & Projects	723,776	127,124	18%	-	0%
Airport Pass Thru to Others	1,401,950	1,396,342	100%	-	0%
PERS Cost Recovery	500,000	-	0%	-	0%
Budget Transfer Out	6,983,634	-	0%	-	0%
Total Operating Expenditures	51,371,103	30,585,044	60%	23,504,014	-30%
Surplus / (Deficit)	12,719,766	14,779,206	116%	30,247,625	-51%

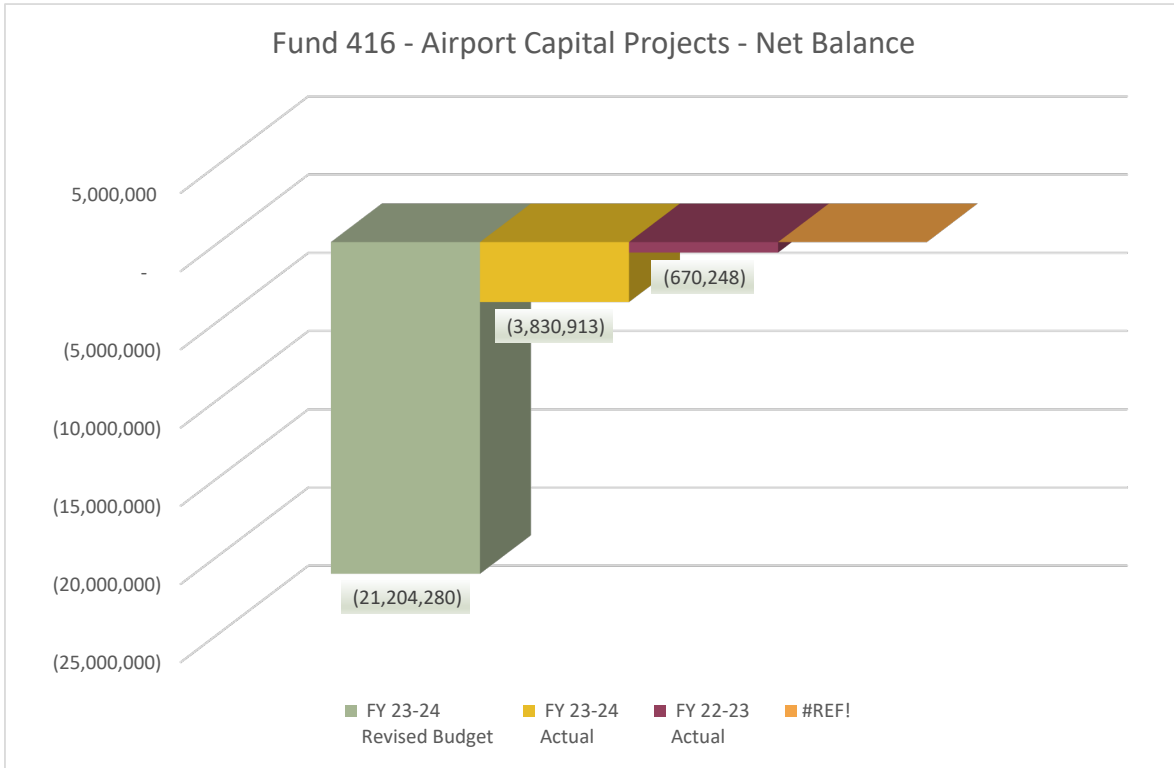
**CITY OF PALM SPRINGS
PALM SPRINGS INTERNATIONAL AIRPORT
Financial Summary
Ending June 30, 2024**



**CITY OF PALM SPRINGS
PALM SPRINGS INTERNATIONAL AIRPORT**

Financial Summary
Ending June 30, 2024

Fund 416 - Airport Capital Projects	FY 23-24 Revised Budget	FY 23-24 Actual	FY 23-24 % Of Budget	FY 22-23 Actual	FY 20-23 vs FY 21-24 % Change
Operating Revenue	69,701,796	1,968,678	3%	3,694,998	-47%
Operating Expenditures	90,906,076	5,799,591	6%	4,365,246	33%
Surplus / (Deficit)	(21,204,280)	(3,830,913)	18%	(670,248)	472%



Fund 416 is the airports capital program

Revenues

Airport Improvement Program (AIP) grants are offered to PSP to provide funding assistance for eligible capital projects that meet the criteria of the federal program. Additional funding is being distributed through AIP grant program by the Bipartisan Infrastructure Law (BIL). These grants have a 9.34% local share and the remaining 90.66% are reimbursed by the FAA. Revenues in excess of the Airport Operations & Maintenance are transferred to fund 416 to cover capital projects.

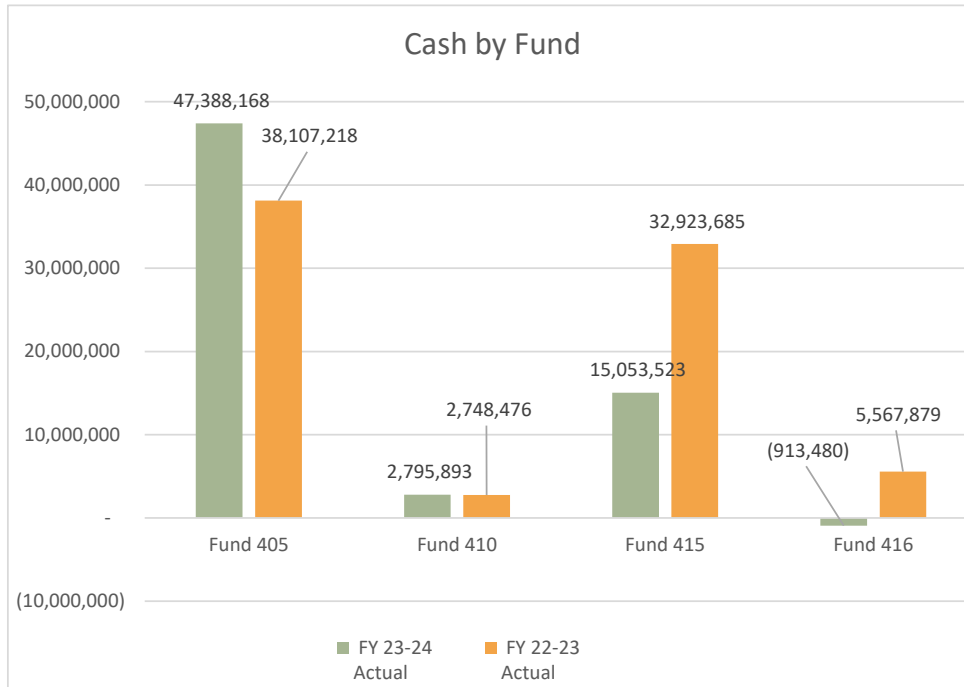
Expenditures

The airports Capital Improvement Program and Capital Outlay projects are shown on a separate sheet. Under the new the AULA, the airlines will be charged amortization for certain capital projects to help recover its portion of funds used for capital assets. A capital expenditure is any single item that costs \$300,000 or more with a useful life in excess of three years, including planning studies, environmental studies, and environmental mitigation measures.

YTD there is a deficit of \$3.8M. At the end of the year, fund 415 will transfer the surplus to the capital account to fund the deficit. We expect revenue to be \$85M below budget due to the push out of associated capital projects. The corresponding expenses for the pushed out projects will also be deferred to future fiscal years.

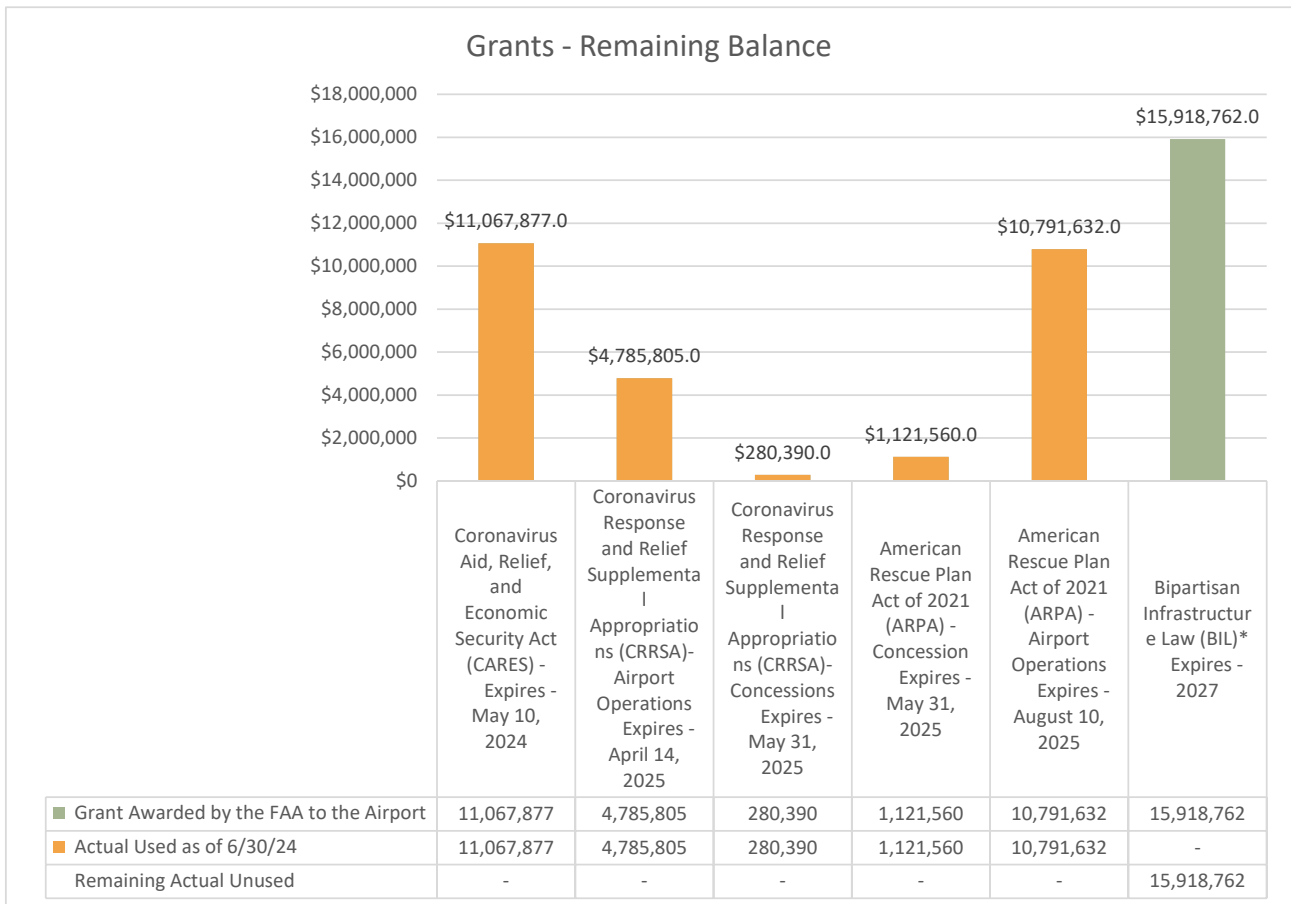
CITY OF PALM SPRINGS
PALM SPRINGS INTERNATIONAL AIRPORT
 Financial Summary
 Ending June 30, 2024

Cash Summary	FY 23-24 Actual	FY 22-23 Actual
Fund 405	47,388,168	38,107,218
Fund 410	2,795,893	2,748,476
Fund 415	15,053,523	32,923,685
Fund 416	(913,480)	5,567,879



CITY OF PALM SPRINGS
PALM SPRINGS INTERNATIONAL AIRPORT
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 Ending June 30, 2024

Grant Type Expiration Date	Grant		
	Awarded by the FAA to the Airport	Actual Used as of 6/30/24	Remaining Actual Unused
Coronavirus Aid, Relief, and Economic Security Act (CARES) - Expires - May 10, 2024	11,067,877	11,067,877	-
Coronavirus Response and Relief Supplemental Appropriations (CRRSA)- Airport Operations Expires - April 14, 2025	4,785,805	4,785,805	-
Coronavirus Response and Relief Supplemental Appropriations (CRRSA)- Concessions Expires - May 31, 2025	280,390	280,390	-
American Rescue Plan Act of 2021 (ARPA) - Concession Expires - May 31, 2025	1,121,560	1,121,560	-
American Rescue Plan Act of 2021 (ARPA) - Airport Operations Expires - August 10, 2025	10,791,632	10,791,632	-
Bipartisan Infrastructure Law (BIL)* Expires - 2027	15,918,762	-	15,918,762
Total Grants	43,966,026	28,047,264	15,918,762



Note: The BIL grant is allocated to the inbound baggage claim project

CITY OF PALM SPRINGS
PALM SPRINGS INTERNATIONAL AIRPORT
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Ending June 30, 2024

NO. OF PROJECTS	PROJECT NAME	BUDGET FY 2021-2022	BUDGET FY 2022-2023	BUDGET FY 2023-2024	BUDGET FY 2024-2025	PRIOR EXPENSES	EXPENSES TO DATE	REMAINING	FUNDING SOURCE
1	AIRCRAFT RESCUE & FIREFIGHTING TRUCK			-	1,500,000	1,127,610	1,127,610	372,390	Airport
2	AIRFIELD 31L/13R REHABILITATION & AIRFIELD CONNECTOR - (DESIGN)	-	-	-	1,500,000	-	-	1,500,000	Airport / ACIP Grant
3	AIRFIELD W & A1 - (CONSTRUCT - PHASE 1)	-	-	-	6,500,000	-	-	6,500,000	Airport / ACIP / BIL-AIG Grant
4	AUTOMATED EXIT LANES	-	-	-	750,000	-	-	750,000	Airport
5	AUTOMATED VEHICLE IDENTIFICATION	300,000	-	-	-	276,384	276,384	23,616	Airport
6	BHS - TERMINAL BUILDING EXPANSION (CONSTRUCT)	-	-	-	25,000,000	-	-	25,000,000	PFC
7	CARPET REPLACEMENT - MAIN TERMINAL LOBBY AND SECURITY CHECK POINT	-	-	400,000	-	-	-	400,000	Airport
8	COMMON USE	225,860	2,777,514	-	-	1,322,121	2,217,443	785,931	Airport
9	CONSOLIDATED RENTAL CAR FACILITY (DESIGN)	-	-	-	2,500,000	-	-	2,500,000	CFC
10	CONVEYANCE REPLACEMENT	-	-	-	4,700,000	-	-	4,700,000	Airport / BIL-ATP Grant
11	ECONOMY LOT (CONSTRUCT) - PHASE 1	-	-	-	3,000,000	-	30,677	2,969,323	Airport
12	ECONOMY LOT (CONSTRUCT) - PHASE 2	-	-	-	3,000,000	-	-	3,000,000	Airport
13	ELECTRIC VEHICLE (EV) CHARGERS	-	-	300,000	-	295,708	295,708	4,292	Airport/ACIP
14	FEDERAL INSPECTION STATION - (DESIGN) & NEW TERMINAL EXPANSION	-	-	-	19,000,000	-	120,878	18,879,122	Airport / BIL - Entitlement Grant
15	GATE STRIPING	-	-	599,900	-	599,900	599,900	-	Airport
16	HOT SPOT STUDY	-	-	181,320	-	53,283	53,283	128,037	Airport/ACIP
17	HVAC INFRASTRUCTURE REPLACEMENT	-	-	-	2,000,000	-	6,209	1,993,791	Airport / BIL-ATP Grant
18	INBOUND BAGGAGE CLAIM	-	-	6,000,000	12,000,000	326,915	505,992	17,494,008	Airport/BIL-ATP Grant
19	LED RIBBON	-	-	-	-	-	(3,000)	3,000	Airport
20	LOT A (CONSTRUCT)	-	-	-	700,000	-	-	700,000	Airport
21	MAIN TERMINAL FAÇADE RESTORATION (DESIGN)	-	-	-	500,000	-	-	500,000	Airport
22	MASTER PLAN	-	-	2,275,816	-	680,937	931,540	1,344,276	Airport/ACIP
23	OUTBOUND BAGGAGE HANDLING SYSTEM	-	-	20,000,000	10,000,000	540,106	646,762	29,353,238	Airport/ACIP/PFC
24	PAINT STRIPING TRUCK	-	-	1,000,000	-	-	-	1,000,000	Airport
25	PARKING REVENUE SYSTEM	-	-	500,000	-	-	-	500,000	Airport
26	PRIOR YEAR PROJECTS	29,205,802	-	-	-	-	-	29,205,802	
27	PROCURE LANDSIDE VEHICLES	-	-	210,000	-	-	67,772	142,228	Airport / VALE/ZEV Grant
28	PROCURE TWO ZERO EMISSIONS BUSES	-	-	-	2,000,000	-	-	2,000,000	Airport / VALE/ZEV Grant
29	PROPERTY ACQUISITION	-	-	8,800,000	-	-	-	8,800,000	CFC
30	PUBLIC PARKING PAVING	-	-	2,400,000	-	1,523	4,604	2,395,396	Airport
31	PUBLIC RESTROOMS	-	-	10,000,000	-	29,028	89,817	9,910,183	Airport/BIL-ATP Grant
32	REMAIN OVER NIGHT (RON) PARKING SPACES	-	-	-	4,000,000	-	-	4,000,000	Airport / ACIP Grant
33	SHADE AREA - PHASE 1	-	-	236,000	-	-	148,209	87,791	Airport / VGPS Grant
34	SOLID SEPARATOR	-	-	100,000	-	-	-	100,000	Airport
35	TAXIWAY REHABILITATION W & A1	-	-	571,158	-	53,394	88,644	482,515	Airport/ACIP
36	TELEHANDLER/FORKLIFT	-	-	150,000	-	-	373,469	(223,469)	Airport
37	VERBIAGE MESSAGE SIGNAGE - DIGITAL	-	-	800,000	-	-	-	800,000	Airport
38	WI-FI CONSULTANT (DESIGN)	-	-	150,000	-	-	-	150,000	Airport
39	WIFI WIRELESS EQUIPMENT	-	-	500,000	-	5,474	405,933	94,067	Airport
40	WILDLIFE HAZARD ASSESSEMENT	-	-	126,924	-	15,044	41,557	85,367	Airport/ACIP
41	Z-SAFETY MANAGEMENT SYSTEMS CONSULTANT	-	-	-	-	-	73,632	-	Airport
	TOTAL	29,731,662	2,777,514	53,724,194	98,650,000	5,306,909	7,711,403	177,301,470	

PSP Concession Projected Opening Dates

ID	Task Name	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter
1	Nine Cities- complete						
2	Hey Joshua- complete	▶	★ 5/3				
3	Las Palmas Oasis- complete	▶	★ 5/3				
4	InMotion		▶	★ 7/19			
5	Cactus to Clouds	▶			★ 8/16		
6	Las Casuelas & Coachella Valley Coffee	▶			★ 8/23		
7	Uptown Essentials	▶			★ 10/10		
8	The Pink Door	▶			★ 10/10		
9	Vino Volo			▶	★ 12/20		
10	Trio			▶	★ 12/26		
11	Coachella Duty Free Cart			▶		★ 2/28	
12	Movie Colony Canteen				▶		★ 3/28

ITEM 12.A - PAST CITY COUNCIL ACTIONS

Airport Commission Meeting of July 10, 2024

City Council Meeting of June 27, 2024:

There were no City Council items related to the Airport.

ITEM 12.B - FUTURE CITY COUNCIL ACTIONS

Airport Commission Meeting of July 10, 2024

July 9, 2024

- Amendment to Car Rental Concessionaire Agreements to adjust certain fixed rent charges and reinstate the Minimum Annual Guarantee (MAG).
- Southern California Edison/Hertz Rental Car Grant Easement.
- Taxiway Rehabilitation Project

July 25, 2024

- ABM Aviation, Inc. - Amendment No. 3 to extend parking management services for one-year.
- Signature Technologies Inc. dba Com-Net Software – Amendment No. 2 to extend Flight Information Display System (FIDS) services for one-year.

ITEM 14.A - FUTURE COMMITTEE MEETINGS

Airport Commission Meeting of July 10, 2024

Date	Time	Committee
July 10, 2024	5:00 pm	Noise Committee
July TBD	TBD	Marketing and Business Development Committee
TBD	TBD	Ad Hoc Design Review Committee
TBD	TBD	Budget and Finance Committee
TBD	TBD	Operations, Properties and Facilities Committee

AIRPORT COMMITTEES FY2023-24

REVISED 1-11-24

REPRESENTING	COMMISSIONERS	Marketing (7 Members)*	Budget (7 Members)*	Operations (7 Members)	Noise (5 Members)	Ad Hoc Design Review (5 Members)*
Indian Wells	BERRIMAN, Robert			Member		
Palm Springs	BURKE, Todd	Chair			Member	Member
Palm Springs	CALDWELL, Daniel	Member		Member		
Palm Springs	CORCORAN, Kevin		Member		Member	Chair
Palm Springs	FELTMAN, David			Chair		Member
Palm Springs	FONG, J Craig	Member			Member	
Palm Springs	MARTIN, Tracy		Chair			
Riverside County	PARK, Margaret			Member		
Desert Hot Springs	PYE, Jan		Member	Member		
Palm Desert	WISEMAN, Kevin	Member		Member	Member	Member
Indio	WISE, Rick	Member	Member			
Rancho Mirage	YOUNG, Keith		Member	Member		

- * Ad Hoc Design Review Committee has one (1) vacancy
- Budget & Finance Committee has two (2) vacancies
- Marketing & Business Development Committee has two (2) vacancies
- Noise Committee has one (1) vacancy

**AIRPORT MASTER PLAN
WORKING GROUP REVISED 1-19-24**

REPRESENTING	COMMISSIONERS
Palm Springs	CORCORAN, Kevin
Palm Springs	DADA, Aftab
Palm Desert	WISEMAN, Kevin
Rancho Mirage	YOUNG, Keith