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**Report to La Quinta City Council
Palm Springs International Airport Commission Meeting
May 21, 2014**

Appointment expiration: My appointment as a Commissioner expires on June 30, 2014, and I would enjoy being re-appointed. It has been an interesting 3 years – seeing our community develop through the perspective of the airport.

Budget:

Budget performance has been excellent, with only minor variances. There was some increase in labor costs, as the earlier furloughs expired, but hundreds of hours of volunteer hours allowed good productivity. Also, the Presidential visits cost us in overtime for staff support and for police and fire support. Revenue exceeded plan due to strong leased parking demand. We have met our goal of \$7 million in unrestricted cash.

Passenger Activity:

May set another record for passenger activity, with 11.8% growth from last year. Management continues to enjoy the growth, while being cautious and focusing on core strengths and restraint.

Car Rental Fees:

The Airport's #1 source of revenue is car rentals. This is not the case with most airports. We have been fortunate in seeing higher percentages of passengers renting vehicles. This is likely due to the valley-wide draw of tourists, requiring the mobility of a car. Last year saw nearly 200,000 car rentals.

Car rental concession contracts expire this year, and are due for renewal/expiration of their 3-year terms. The Staff negotiated terms for the next 3 years, and submitted the new agreements to the Commission for recommendation to the City Council.

In summary, the new agreements include: an adjusted formula netting an additional \$250,000 (minimum) in the 1st year, and further increases in years 2 and 3. We chose to extend the agreement for only 3 years, rather than 5, because PSP is planning to have a significantly larger and improved car rental facility in 3 years. The design for this is now in environmental review.

This is similar to the agreement used by LAX with its car rental agencies.

The Commission voted, unanimously, to recommend approval of the amendments by the Palm Springs City Council.

Perimeter Security:

Recently, in San Jose, CA, a teenager successfully stowed-away in the wheel well of a passenger jet, and survived the flight to Hawaii. Studies of this incursion show that it was successful only due to human inattention. Video cameras recorded the boy's entrance to the field, but the operator didn't detect it. Palm Springs International uses more advanced technologies (one of only 3 or 4 airports in the nation), and is not dependent on the attention of a human.

Old Control Tower:

Asbestos abatement continues in the previous control tower. It was hoped that the enclosure could be salvaged, and donated to the Palm Springs Air Museum, but the structure has proven to be too weak to survive the transport. It will likely collapse as soon as we attempt to lift it. It will be scrapped as removal progresses.

The next meeting is scheduled for May 21, 2014.

Submitted: _____

Robert G. Teal, Commissioner
Palm Springs International Airport
Email: bob@teal.us.com
Phone: 760-899-4171