



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 18-00008

City Council

2/8/2018

LEGISLATIVE ACTION ITEM

SPONSOR: Ashton J. Hayward, III, Mayor

SUBJECT:

NON-SIGNATORY AIRLINE OPERATING AND TERMINAL BUILDING USE PERMIT

RECOMMENDATION:

That City Council adopt the Airline Operating and Terminal Building Use Permit for non-signatory airlines setting forth the rights, privileges, and obligations for operating at the Pensacola International Airport. Further, that City Council authorize the Mayor to execute the Non-Signatory Airline Operating and Terminal Building Use Permit for all non-signatory airlines and to take all actions necessary relating to the finalization of the agreement.

HEARING REQUIRED: No Hearing Required

SUMMARY:

In 1990, the City of Pensacola approved a Scheduled Airline Operating Permit and a Scheduled Airline Passenger Terminal Building Use Permit for those airlines that wished to operate under a month-to-month arrangement rather than under the longer term signatory agreement. Like the signatory agreement, these permits outlined the rights, privileges, and obligations of the non-signatory airlines with respect to providing service at the Pensacola International Airport. Together with the signatory agreement, the permit has ensured the Airport's ability to cover all of its maintenance and operating costs and its ability to fund a Capital Improvement Account that provides the local matching dollars for Federal and State grants, covering capital projects or purchases. Overall, the airline agreements have allowed the Airport to maintain full financial self-sufficiency with no reliance on the City's General Fund for support.

Given the age of the non-signatory permits, they were reviewed during the recent process to renegotiate the signatory airline agreements. Based on the modifications to the signatory agreement, the non-signatory permits have been revised and combined into a single document. The modified document continues to follow the same industry-standard structure ensuring the Airport's ability to cover its costs. For the ability to operate on a month-to-month basis rather than entering into a longer term commitment, non-signatory airlines will be subject to rates and fees thirty percent (30%) above those charged to the signatory carriers.

Once approved, this agreement will be used for any non-signatory airline. Currently, only Frontier has expressed an interest in being non-signatory.

PRIOR ACTION:

September 27, 1990 - City Council adopted the Scheduled Airline Operating Permit for non-signatory airlines.
May 9, 1991 - City Council approved the Scheduled Airline Passenger Terminal Building Use Permit for non-signatory airlines.

December 18, 2003 - City Council approved a revision to the Scheduled Airline Operating Permit for non-signatory airlines.

November 9, 2017 - City Council adopted the Airline Operating Agreement and Terminal Building Lease for signatory airlines.

FUNDING:

N/A

FINANCIAL IMPACT:

The Permit establishes the rate making methodology for non-signatory airlines at the Pensacola International Airport.

CITY ATTORNEY REVIEW: Yes

12/28/2017

STAFF CONTACT:

Eric W. Olson, City Administrator
Daniel E. Flynn, Airport Director

ATTACHMENTS:

- 1) Non-Signatory Airline Operating and Terminal Building Use Permit

PRESENTATION: No