



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 18-00210

City Council

6/14/2018

LEGISLATIVE ACTION ITEM

SPONSOR: Ashton J. Hayward, III, Mayor

SUBJECT:

AIRPORT - APPROVAL OF AMENDMENT NO. 1 TO THE SIGNATORY AIRLINE OPERATING AGREEMENT AND TERMINAL BUILDING LEASE WITH UNITED AIRLINES, INC.

RECOMMENDATION:

That City Council authorize the Mayor to execute Amendment No. 1 to the Signatory Airline Operating Agreement and Terminal Building Lease with United Airlines, Inc. Further, that City Council authorize the Mayor to take all necessary actions to execute Amendment No. 1.

HEARING REQUIRED: No Hearing Required

SUMMARY:

United Airlines, Inc. entered into a Signatory Airline Operating Agreement and Terminal Building Lease dated January 22, 2018 which grants the airline certain rights, privileges, and services in connection with their use of the Airport's facilities. United Airlines, Inc. desires to lease additional gate space. Specifically, United desires to lease the passenger hold-room and aircraft parking ramp at Gate 1 to supplement their operation at Gate 3. Amendment No. 1 revises the original agreement in order to add this additional space to the leased premises.

PRIOR ACTION:

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

FUNDING:

Budget: \$2,500,000

Actual: \$2,679,710

FINANCIAL IMPACT:

United Airlines, Inc. pays rental rates identical to the rates charged the other signatory air carriers. Amendment No. 1 will provide an additional \$179,710 in Airline Rental Revenue from United Airlines, Inc.

CITY ATTORNEY REVIEW: Yes

6/1/2018

STAFF CONTACT:

Eric W. Olson, City Administrator

Daniel E. Flynn, Airport Director

ATTACHMENTS:

- 1) Amendment No. 1 to the Airline Operating Agreement and Terminal Building Lease with United Airlines, Inc.

PRESENTATION: No