



palm springs

INTERNATIONAL AIRPORT

AIRPORT COMMISSION

MARKETING AND BUSINESS DEVELOPMENT COMMITTEE AGENDA

Airport Conference Room, Palm Springs International Airport

3400 E. Tahquitz Canyon Way, Palm Springs, CA 92262

Tuesday, April 2, 2024, at 2:00 P.M.

Submit your public comment to the Marketing and Business Development Committee electronically. Material may be emailed to: Paula.Pak@palmspringsca.gov - Transmittal prior to the start of the meeting is required. Any correspondence received during or after the meeting will be distributed to the Marketing and Business Development Committee and retained for the official record.

1. **CALL TO ORDER**
2. **POSTING OF AGENDA**
3. **ROLL CALL**
4. **ACCEPTANCE OF AGENDA**
5. **PUBLIC COMMENTS:** Limited to three minutes
6. **APPROVAL OF MINUTES:** July 12, 2023
7. **ACTION AND DISCUSSION ITEMS:**
 - 7.A Agua Caliente Activation Space Update
 - 7.B Review of Q3 and Q4 2023 and Q1 2024 Customer Comments
 - 7.C Customer Experience Program Update
 - 7.D Air Service Incentive Discussion and Decision
8. **COMMITTEE MEMBER REPORTS AND REQUESTS**
9. **ADJOURNMENT**

AFFIDAVIT OF POSTING

I, Harry Barrett, Jr., Airport Executive Director, City of Palm Springs, California, hereby certify this agenda was posted on March 28, 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.

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**AIRPORT COMMISSION
MARKETING AND BUSINESS DEVELOPMENT COMMITTEE**

Wednesday, July 12, 2023 – 3:30 P.M.

ACTION SUMMARY MINUTES

1. CALL TO ORDER:

Committee Chairman Burke called the Committee to order at 3:30 p.m.

2. POSTING OF AGENDA: Agenda posted on July 5, 2023.

3. ROLL CALL:

Committee Members Present: Adams, Burke, Hughes, Suero*, and Wiseman.

*Committee Member Suero joined the meeting at 3:32 p.m.

Staff Present:

Harry Barrett, Airport Executive Director

Daniel Meier, Deputy Director of Aviation, Marketing & Air Service

Christina Brown, Airport Executive Administrative Assistant

4. ACCEPTANCE OF AGENDA:

ACTION: Accept the agenda as presented. **Moved by Committee Member Wiseman and seconded by Committee Member Hughes and unanimously approved noting the absence of Committee Member Suero.**

5. PUBLIC COMMENTS: None

6. APPROVAL OF MINUTES:

ACTION: Approve the minutes of the Marketing and Business Development Committee meeting held on February 22, 2023. **Moved by Committee Member Adams, seconded by Committee Member Wiseman and unanimously approved noting the absence of Committee Member Suero.**

7. ACTION AND DISCUSSION ITEMS:

7.A Brand Launch Update

Deputy Director of Aviation, Marketing & Air Service Meier provided a presentation for the Committee. He stated that moving forward the goal for this Committee would be to have at least one presentation at the beginning of the fiscal year to review the plans for the following twelve months and conduct additional meetings throughout the year, as needed.

Mr. Meier said that in regard to the brand launch update, a soft launch of the new website was initiated on July 6, 2023, because many of the features of the website needed time to learn the Airport's information. He said that glitches were experienced, especially with what the system was showing as TSA security checkpoint wait times versus actual wait times.

Mr. Meier reported that all social media was switched over to the new brand and a full announcement was issued and received good coverage by KESQ, The Desert Sun, and other media outlets. He said that the system chatbot (ChatGPT) had been monitored for questions from the public as well as any responses provided to ensure that any incorrect information delivered has been updated, and a media backdrop for press conferences and a new podium appropriately branded was acquired.

Mr. Meiers said that phase one included updating the Airport's online material, advertising and general information regarding construction updates, new routes, and general awareness and that it had all been rolled out by the advertising agency. He said that new lanyards were issued, light blue for the Airport staff and green for the Airport tenants. New uniforms were provided to Airport Navigators who would begin providing passenger assistance in the secure area starting in the Fall and they will be wearing fully branded shirts and jackets with bright yellow lanyards that say, "Voluntary Navigator." Operations and Maintenance staff uniforms were in process, new full color acrylic terminal signage would be going up that week in different areas, new branded rugs had been laid out, and the roadway banners would be replaced. Mr. Meiers said that there were other items that had been planned in three phases over the course of the next six months and that phases two and three would include the branding of the Airport vehicles and more visuals.

Mr. Meier noted that he was currently interviewing candidates for a Marketing position and that he believed that he would have someone on board by August. Committee Member Adams asked if there were plans for the old faded brown southwestern-looking signage on the roadway and whether that signage was a part of the renovation. Mr. Meier stated that the signage would be part of landside project which there was not a timeframe for the project at this time, and he assured the Committee that the signage would match the new branding as much as possible because there are also road signage regulations that must be followed.

Committee Chairman Burke commented that it all looked fantastic and the website functions very well. He acknowledged that Mr. Meier and the Aviatrix Communications

team did a very thorough job, and he asked if any comments were provided by the staff. Mr. Meier stated that the staff were all in support of the new branding and website, and he said that staff had provided their feedback prior to launching the website and after the website was launched, as was the case with the Committee Members.

Mr. Meier indicated that parking updates need to be done manually as there is no technology currently in place to automatically provide updates. He said that the parking vendor, ABM, reports back to Operations every four hours by parking lot section and the Operations team manually updates the system to reflect the status as: full, limited or fully open. Any lot(s) marked limited indicates there are less than 20 spaces available in that section which in turn will assist the customer with deciding whether to look for a space or drive to an alternate lot.

Committee Chairman Burke remarked that it would be interesting to see the stats and perhaps those could be included in the September Airport Commission meeting, and specifically where people are going to on the website. Mr. Meier agreed to provide those stats and information.

7.B Customer Experience Review

Mr. Meier reported that Airport Executive Director Barrett had allocated \$250,000 to Marketing for customer experience initiatives to improve the Palm Springs International Airport customer experience and that the City Council had approved the Marketing Communication Specialist position for which he was interviewing candidates and would also be adding two Customer Experience Specialist positions to the Marketing team. He did not have a timeframe for these two additional positions, and he was hopeful that it would be this fiscal year even though the positions were slated for the next fiscal year and that Mr. Barrett had indicated that he may try to expedite this hiring to assist with getting many of the marketing projects off the ground.

Mr. Meier shared some of the technology and mobile applications (app) currently being researched to make the Airport more accessible to many kinds of travelers. The GoodMaps app that provides phone navigation for the visually impaired which gives users an accurate navigation experience down to the meter. The app's reliability allows users to move independently, taking control of their experience which helps the visually impaired navigate through the terminal or any type of structure.

The MagnusCards app that provides Airport navigation for passengers with autism through digital "card decks" that provide step-by-step instructions that take users through the activities associated with air travel such as check-in, security screening and aircraft boarding.

The SkySquad mobile app that provides a service that is similar to a concierge service that provides a celebrity-style greeting for the everyday traveler, and the fee ranges from \$49 to \$99, depending on chosen service. SkySquad offers airport assistance at airports across the U.S. for parents, seniors, and those who need translation assistance. A personal assistant greets the passenger curbside or at the gate and they can help carry bags, assist with the check-in process, and they provide many other concierge-type services.

Mr. Meier said that SkySquad was currently providing service at six airports, including Austin and Cincinnati, and like any other concessionaire, they were asking the Airport for assistance and incentives to get started. He said that they were asking the Airport to invest \$50,000.00 which included \$20,000.00 in set up fees for hiring and uniforms, and another \$25,000.00 to use to give out the first 500 customer assistances for free as part of their marketing. Mr. Meier said that the investment in SkySquad could fall under the new customer experience budget, as it would be a one-time fee and SkySquad would be on their own after that, and staff believes that this would be a good service to add to the Airport, especially with the Airport's demographics.

Mr. Meier said that he was looking into a Dementia Friendly certification for the Airport and that staff would receive training on how to interact with passengers with dementia, and he said that Tulsa Airport was Dementia Friendly certified. Mr. Meier said that he was also looking into the Sunflower Lanyard Program which would allow passengers with hidden disabilities to request a sunflower lanyard to alert Airport staff and tenants that they will may need extra assistance and patience, and therapy dog program to help relieve anxiety for travelers.

Committee Chairman Burke stated that he loved all of the ideas and that anything the Airport can do to demonstrate that the Airport is thinking about its customers' needs and wants. Committee Member Wiseman mentioned that a local charity organization, Guide Dogs of the Desert, may be a good resource for therapy dogs.

Mr. Meier provided an overview of how the Airport was working on making things easier and more fun at the Airport which included the purchase of the Liff Happens online lost and found application for \$485 for the first year and \$849 each year after, and the PSP Stay and Play Pass Program which is a pass that gives non-ticket holders the ability to go post-security to shop, dine, greet friends and relatives as they arrive at the gate, or accompany travelers before their departing flight. The pass will have day and hour limitations, staff was planning to roll the program out in September with a large public relations event associated with the roll out of this new program, and the set-up fee is \$12,000 and there is a \$2,000 monthly fee.

Fly My Airport is a new link on flypsp.com that the Airport will try for five months, and it is a search-to-book tool, powered by KAYAK which is localized information to benefit the participating airport. The software provides data related to user engagement,

search frequency, trending destinations, clicks to providers and purchases, and it also links the data back to advertising channels and the creative team for improved visibility to marketing effectiveness. The cost will be \$10,000 for the trial period.

Mr. Meier said that staff was looking into setting up a Ship It Home kiosk which would allow travelers who inadvertently packed a prohibited item in their carry-on-luggage the option to mail the item home from the self-service kiosk conveniently located near the security checkpoint. He said that staff was also looking into adding TouchTunes to the Airport which is a commercial digital jukebox that allows travelers to control the music at the Airport and that the Airport could block certain music to make the music appropriate for the venue. There would be no cost to provide this service, it would generate some revenue for the Airport, and when music is not being purchased, general background music would be played in the Airport.

7.C Advertising Review

Mr. Meier reported that the Airport's new advertising company Fuse was doing a phenomenal job, and he noted that the Airport gives final approval on all locations and ads. Mr. Meier said that Fuse was working on a three-year naming rights sponsorship contract with a local sponsor for \$1,500,000, \$500,000 per year, and the Airport would receive \$855,000 over the three-year term, or \$285,000 per year. The sponsor would receive naming rights to the RJ Concourse, and they would place their logo on all jet bridges.

Committee Member Adams voiced his concern in regard to the types of companies that could be interested in the naming sponsorship. Mr. Meier said that the Airport retains sole decision-making authority over who can be a sponsor at the Airport. Committee Member Wiseman voiced his support for the sponsorship opportunity. Committee Member Adams said that he believes that an Airport should be a public service primarily and should be a space that is enjoyable and that the passengers should not have to be exposed to advertising everywhere, and he noted that he did understand the ramifications of the income generated through this advertising. Mr. Meier stated that with all the new staffing and budget increases, this revenue would help offset those costs and avoid raising costs to the airlines. The more economical it is for the airlines to operate at the Airport, the more they will grow and offer additional flights year-round.

Committee Member Suero stated that he understood both sides and that if the designs are done tastefully, it will be positive and it will build the community. Committee Member Hughes stated that she agreed that if the sponsor was selected by the Airport, carefully monitored, and could be controlled, that she did not believe that it was a bad idea. Committee Member Adams said he was concerned with setting a precedent and what could come next. The Marketing Committee was in full agreement that the item could move forward to the Airport Commission.

Mr. Meier presented the advertising recommendations for July through December, and he advised that the planning for January through June of 2024 was still in progress. He said that the Airport's Marketing and Communication Goals included the following six items: 1) Decrease leakage; 2) Increase enplanements; 3) Passenger retention 4) Maintain goodwill in the community; 5) Increase awareness of PSP, its airlines, nonstop destinations, services, and benefits; and 6) Generate awareness of positive changes to come and potential disruptions.

Mr. Meier said that the Airport's target audience for geographic base is the Coachella Valley, geographic growth is the Morongo Basin, Hemet/San Jacinto, The Pass and the Inland Empire East, and demographic is LGBTQ+, residents, snowbirds, seasonal travelers, and international travelers.

Mr. Meier said that the Airport's messaging strategy was to get the word out that the Palm Springs International Airport has many more qualities to offer besides convenience such as non-stop destinations and new service target cities.

8. COMMITTEE MEMBER REPORTS AND REQUESTS:

Committee Member Adams asked about exploring a quiet airport concept, he said that San Francisco Airport had just implemented the concept which basically eliminates many of the unnecessary glaring public announcements, the concept had been established for years, and it is in many airports around the world. He distributed information on the concept to the Committee. Committee Member Adams said that It is more common in small and medium airports and that it makes for a more positive customer experience. Airport Executive Director Barrett stated that this subject came up at a recent conference that he attended, and the concept was something that the Airport staff was in the initial stages of researching.

Committee Member Suero asked if it would be possible for customers to make dining reservations through Resy or Open Table, at the Airport restaurants, which would complement the customer experience. Mr. Meier said he would speak with Paradies to pass on the request.

9. ADJOURNMENT:

The Airport Marketing and Business Development Committee Meeting adjourned at 4:30 p.m.

Paula Pak

Paula Pak
Executive Administrative Assistant

Summary of Customer Feedback for Palm Springs International Airport Q3 and Q4 2023

Many of the airport's customers express positivity, highlighting the airport's ease of navigation, the outdoor atmosphere, quick security checks, and the overall convenience. Negative feedback centers around issues like inadequate food options, cleanliness concerns (especially bird droppings), Wi-Fi problems, employee behavior, and the need for infrastructure improvements.

In total, approximately 60-65% of comments were positive, 25-30% negative, and the rest leaned towards neutral but often hinted at negative aspects.

Analysis:

Positive Feedback:

The positive comments lauded the airport's convenience, ease of navigation, and the open-air ambiance. The outdoor terminals, efficient accessibility, and pet-friendly facilities were highlighted. Some commended the swift security procedures, small size, and quick exit options. Visitors appreciated the friendly staff and the proximity of the airport to their homes. Some comments:

- "Best airport in USA! So easy to travel!"
- "Love the airport...small, convenient, get luggage quick...just so many advantages."
- "The open-air waiting area makes it so nice."

Neutral Feedback:

Neutral comments primarily noted the small size and convenience of the airport, although a few remarked on the limited food options, especially during peak times. Some experienced Wi-Fi issues and mentioned the airport's ongoing renovations affecting the available amenities.

- "Airport is for the public as well, you guys should maintain a restroom clean constantly."
- "Charming little airport, but not too little. Only thing, in my opinion, that could improve is that there are not enough food options..."

Negative Feedback:

Negative feedback focused on various issues, including cleanliness concerns like bird droppings on seats, restroom conditions, and outdated facilities. Several complaints highlighted problems with Wi-Fi services, inefficient staff responses, and issues with voucher redemption. Some travelers also criticized the behavior of specific employees and perceived rudeness during security checks. Some excerpts:

- "The airport is small and seats are dusty. You can even find poop in the restroom sink."
- "TSA agent was a ditz! Female whom checked my purse was snotty, and she threw out my lotion."
- "Security is nice there too, but the security person was a rude douchebag."

Negative Comments:

1. Food and Amenities

- **Quotes:**
 - "There's barely any place to have a drink/bite to eat. It used to be better."
 - "Prepare for no food service at this airport... Seating at the airport is limited."
 - "The restaurant was sold out, and the coffee shop was overwhelmed with crowds."
- **Number of Comments:** Around 10 comments.

2. Cleanliness (Bird Droppings, Restrooms, Overall Condition)

- **Quotes:**
 - "The amount of bird poop on the seats at gates 4/5/6 is unacceptable."
 - "The carpeted walls in the bathrooms are disgusting."
 - "The restrooms are dirty; the fifth time I get here to visit and do business."
- **Number of Comments:** Approximately 15 comments.

3. Wi-Fi Issues

- **Quotes:**
 - "WiFi didn't work the whole time, leaving us unable to check on updated flight changes."
 - "WiFi at the airport has been compromised."
 - "WiFi is unusable; no other airport requires us to go through your bizarre sign-in process."
- **Number of Comments:** Around 8-10 comments.

4. Employee/Tenant Behavior

- **Quotes:**
 - "Security was extremely antiquated, and the security person was a rude douchebag."
 - "The security guard is very rude and keeps repeating 'You are randomly selected.'"
 - "The server at Santa Rosa Kitchen was rude and threatened to get security."
- **Number of Comments:** Approximately 8-10 comments.

5. Infrastructure/Improvement Needs

- **Quotes:**
 - "Security procedures are outdated, and there's no logical explanation."
 - "Please update the bathrooms; the carpeted walls are just disgusting."
 - "It was a very smooth check-in, but all the birds and bird poop on the seats at gate 10."
- **Number of Comments:** Around 12 comments.

6. Parking and Traffic Control

- **Quotes:**
 - "The audacity of our local fellow residents who think they can park not only at the airport entrance but also at the curb!"
 - "The absence of police enforcing the no-stopping rule makes it easy for people to park."
 - "We need more parking; they keep expanding flights, but not parking."
- **Number of Comments:** Approximately 7-8 comments.

7. Smoking Issues

- **Quotes:**
 - "Smoking section lacks proper ventilation; it's an inconvenience for non-smokers."
 - "The smoking area is too close to the entrance; the smoke drifts towards the gates."
 - "Limited designated smoking areas; not enough ventilation, and smoke spreads."
- **Number of Comments:** Around 3-4 comments.

8. Flight Delay and Ground Crew Issues

- **Quotes:**

- "Sat on the plane for an hour waiting for a ground crew to bring stairs."
- "Over an hour waiting for a ground crew after arrival; someone needs to be fired!"
- "Flight delay, and the airport didn't provide updates due to Wi-Fi issues."
- **Number of Comments:** Around 5 comments.

9. Accessibility and Amenities for Families

- **Quotes:**
 - "The nursing room for mothers is completely inadequate and dirty."
 - "Please install bathroom step stools for kids."
 - "The airport lacks facilities to help parents with young children."
- **Number of Comments:** Approximately 4-5 comments.

Positive Comments:

1. Convenience and Efficiency

- **Quotes:**
 - "Best airport in the USA! So easy to travel!"
 - "Easy access and going through security with TSA pre-check."
 - "Great experience! Quick and efficient."
- **Number of Comments:** Approximately 10 comments.

2. Airport Design and Atmosphere

- **Quotes:**
 - "Love the open-air waiting area; the airflow is fantastic."
 - "Charming little airport; the open-air setup makes it so nice."
 - "One of my favorite airports in the world; the outdoor waiting area is amazing."
- **Number of Comments:** Around 8 comments.

3. Staff Friendliness and Assistance

- **Quotes:**
 - "Staff were friendly and helpful; made our trip smoother."
 - "Kevin O'Shaughnessy from WestJet was the kindest and most helpful airport employee I've ever met."
 - "Marshal in traffic control was very helpful."
- **Number of Comments:** Approximately 5 comments.

4. Efficient Travel Experience

- **Quotes:**
 - "Small, convenient, get luggage quick... just so many advantages."
 - "TSA Lines were amazingly quick."
 - "Smooth check-in and trip through security."
- **Number of Comments:** Around 7 comments.

5. Airport's Social Media/Information Services

- **Quotes:**
 - "Whoever is handling social media for Palm Springs International Airport is doing a really great job."
 - "Your message alerting travelers about parking was fantastic."
 - "Always appreciate your posts and tone in them; informative and not spammy."
- **Number of Comments:** Approximately 3 comments.

6. Airport Size and Traffic Management

- **Quotes:**
 - "No crowds or traffic; very touristy type facility."
 - "Boutique-style airport! Neat, clean, and touristy."
 - "Best, easiest airport to get in and out of!"
- **Number of Comments:** Around 5 comments.

7. Parking and Waiting Area

- **Quotes:**
 - "Good-sized cell phone waiting/parking area."
 - "Inexpensive parking within walking distance to the terminal."
 - "Parking was easy to find, no line for TSA screening."
- **Number of Comments:** Approximately 4 comments.

8. Ease of Travel for Locals

- **Quotes:**
 - "Only four minutes away from Palm Springs and 15 from Rancho Mirage!"
 - "Love this airport, especially as a local!"
 - "Great airport for those who live in Palm Springs."
- **Number of Comments:** Around 3 comments.

9. Appreciation for Unique Features

- **Quotes:**

- "Love the real grass, rocks, and trees in the playground area."
- "Beautiful scapes, delicious coffee, and easy as it gets!"
- "Definitely don't need to be here two hours in advance if you have TSA pre."
- **Number of Comments:** Approximately 4 comments.

Flight/Route Requests:

Passengers at PSP have expressed a significant demand for direct flight routes, particularly to destinations like Toronto, Des Moines, Atlanta, Detroit, New York City, Chicago O'Hare, and Los Angeles. Additionally, there's a recurring request to extend existing seasonal routes to year-round service. These requests highlight the travelers' interest in accessing more diverse travel options and the potential for increased connectivity at Palm Springs International Airport.

1. **Toronto:** 5 requests
2. **New York JFK:** 4 requests
3. **Chicago ORD:** 4 requests
4. **Seattle:** 4 requests
5. **Minneapolis:** 4 requests
6. **Dallas DFW:** 3 requests
7. **Denver:** 3 requests
8. **Vancouver:** 3 requests
9. **San Francisco:** 3 requests
10. **Los Angeles:** 3 requests

1. **Toronto Route Request:**

- "We need more direct flights to Toronto as well! Currently only Air Canada, seasonal and charging too much!"

2. **Des Moines, IA (Allegiant) Route Request:**

- "Get Allegiant to fly from Des Moines, IA."

3. **Detroit (Delta) Route Request:**

- "Now if only Delta would put on a PSP/DTW flight, that would be a huge bonus."

4. **New York City (JetBlue) Route Request:**

- "Please get JetBlue to extend their PSP-JFK direct service to all year."

5. **Los Angeles (AA, DL, WN) Route Request:**

- "We need flights from/to LAX on AA, DL, WN."

Summary of Q1 2024 Customer Feedback for Palm Springs International Airport

In the first quarter of 2024, Palm Springs International Airport conducted a detailed analysis of customer feedback from various sources, including social media comments, direct submissions to PSP's official website, and online review platforms like Google and Yelp, to understand passenger experiences and areas for improvement. Spanning from January 1 to March 25, 2024, this analysis sorted comments into categories such as Food and Amenities, Cleanliness, Wi-Fi Issues, and Employee Behavior, among others.

Overall Sentiment – 313 comments

- **Positive Feedback:** 15% (47 comments)
- **Negative Feedback:** 60% (188 comments)
- **Neutral Feedback:** 25% (78 comments)

Positive Feedback: Positive feedback from passengers at Palm Springs International Airport highlights the airport's unique outdoor setting, efficient staff, and clean facilities. Passengers appreciate the relaxed atmosphere, outdoor seating, and helpful staff members who assist with various needs.

Negative Feedback: Negative feedback predominantly focuses on infrastructure needs, cleanliness issues, and lack of amenities. Passengers express frustration over crowded terminals, long wait times, and inadequate food options. Additionally, complaints about Wi-Fi connectivity, parking issues, and flight delays contribute to the negative sentiment.

Neutral Feedback: Neutral feedback encompasses a range of comments that neither strongly praise nor criticize the airport. These comments often provide suggestions for improvement or express mixed feelings about the overall experience.

Negative Feedback

1. **Cleanliness:** 20% (63 comments)
 - "AND the bathrooms obviously had not been checked in a while, because they were a mess, toilet paper all over the floors in most of the stalls."
 - "Threadbare furniture and dirty seats make the airport feel run-down."
 - "Please hire more janitors as the bathrooms are truly disgusting."

2. **Infrastructure Needs:** 15% (47 comments)
 - "The airport is overcrowded, and the baggage claim process is slow."
 - "There are no power ports in the secondary terminal, making it impossible to charge devices."
 - "The airport is not up to code, and renovations are necessary."

3. **Food/Amenities:** 10% (31 comments)
 - "There are no food options before check-in or TSA, and the terminal feels congested."
 - "The airport lacks essential offerings like white milk for toddlers."
 - "Mostly closed restrooms and shuttered food vendors make the airport experience unpleasant."

4. **Wi-Fi Issues:** 5% (16 comments)
 - "Please upgrade your wifi setup at the airport. The current setup is terrible. Every time I fly in or out it never works nor does cellular service."
 - "The public Wi-Fi requires submitting personal information and has connection issues."
 - "The Wi-Fi setup at the airport is terrible, and cellular service is unreliable."

5. **Employee/Tenant Behavior:** 3% (10 comments)
 - "One staff member was extremely rude during security screening."
 - "The taxi driver overcharged me and hung up when I reported the issue."
 - "The TSA staff do not properly read flight schedules, causing delays and frustration."

6. **Parking/Traffic Control:** 8% (25 comments)
 - "Parking is chaotic, and there is a lack of spaces."
 - "Traffic control personnel are rude and issue citations without warning."
 - "The airport needs to address traffic flow issues and improve parking facilities."

7. **Flight Delays/Ground Crews:** 4% (13 comments)
 - "Flight arrived early but couldn't deplane for over an hour due to ground crew delays."
 - "Luggage fell on the tarmac due to mishandling by ground crew members."
 - "We sat on the tarmac for an hour waiting for a gate to become available."

Positive Feedback

1. **Efficient Operations:**

- "Best airport in the United States! Easy checking in, TSA fast, efficient, seldom have delays."
- "It's small, calm, and relaxed. I love the little play area and all the outdoor seating to enjoy a coffee or a meal."
- "Quick walks between gates. Staff was willing to help when I had trouble with a bag tag kiosk. Baggage claim was easy and renting a car too."

2. **Staff Excellence:**

- "I want to bring your outside drop-off attendant Abraham to your attention and let you know what a great job he is doing for you at the airport driveway drop-off area."
- "A beautiful smile, a wonderful Palm Springs representative. Thanks to Jake, we will always remember you and wish you well in your endeavors."
- "This is a compliment for an American Airlines gate agent named Liliana... She was kind, patient, and so very helpful! She rocks!!!"

3. **Scenic and Unique Setting:**

- "Lovely outdoor airport, quick walks between gates... Overall a great small airport!"
- "A beautiful airport to land on! So far one of the nicest staff I've ever encountered at an airport!"
- "Mostly outdoors, which is so unique, especially considering it is an international airport. Plus they have celebrated the desert vibe."

4. **Convenience and Accessibility:**

- "Lovely outdoor airport, quick walks between gates."
- "Easy to access"
-

5. **Cleanliness and Maintenance:**

- "The washrooms have always been clean."
- "The airport is easy to navigate, but often bathrooms are closed and it's in full remodel mode right now."

6. **Family-Friendly Amenities:**

- "Nice coffee shops and plenty restrooms."
- "The little play area and all the outdoor seating to enjoy a coffee or a meal."

7. **Comfort and Amenities:**

- "Planes park on tarmac and It's a shift walk to the terminal. It's pretty much open air to walk to rideshare, parking, or switching terminals."
- "The baggage claim was easy and renting a car too."

Route Requests

1. East Coast, Hawaii, Mexico, and South America
2. Portland (PDX)
 - Wish for the reinstatement of direct flights from PDX that were stopped in mid-May.
3. Cabo and Cancun
 - Requests for direct flights to Cabo and Cancun.
4. Europe and Asia
 - Need for direct flights to Europe and Asia.
5. Phoenix (PHX) / Sky Harbor
 - A wish to bring back direct flights on Southwest to PHX/Sky Harbor.
6. Detroit (DTW)
 - Request for direct flights to DTW.
7. Sonoma Route
 - Excitement about Avelo extending the Sonoma route through summer. A flight on this route was mentioned as a wonderful trip.
8. Tucson
9. Eureka
10. Nashville
11. Direct UK Flights
12. East Coast Hubs for International Travel
 - A need for more flights to east coast hubs to make international travel easier.
13. Hawaii and Puerto Vallarta (PV)
14. Corpus Christi, Texas
15. Spokane
 - A need for a seasonal non-stop flight to Spokane.
16. Minneapolis (Mpls)
 - Mention of no summer non-stops to Mpls, leading to likely travel via LAX.
17. Avelo YVR Route
 - A request to keep the Avelo YVR route year-round for seasonal escape.
18. Edmonton (YEG)



MARKETING AND BUSINESS DEVELOPMENT COMMITTEE STAFF REPORT

DATE: April 2, 2024

SUBJECT: Approval of the 2024 Palm Springs International Airport Air Service Incentive Program.

FROM: Daniel Meier, Deputy Director of Aviation, Marketing and Air Service

SUMMARY:

This action would recommend to City Council the approval of a new Air Service Incentive Program for the Palm Springs International Airport (Airport).

RECOMMENDATION:

Approve the new 2024 Air Service Incentive Program.

BACKGROUND:

In 2010, the City established an Airline Marketing Program allocating \$1,000,000 in promotional funding to qualifying new air service at the Airport. As a result, from 2010 through 2017, the City had approved agreements with various airlines providing incentives valued at over \$750,000 to reimburse those airlines for marketing programs related to their new air service to the City.

On November 14, 2018, the Airport Commission voted unanimously in favor to recommend to the City Council the approval of replacing the cash reimbursement marketing-based incentive program with a fee-waiver incentive program targeted to specific fees such as landing fees and hold room fees, in an amount not to exceed \$500,000 tied to new air service between the Airport and specific destination cities. On February 6, 2019, the City Council approved the 2019 Air Service Incentive Program ("Program").

On November 17, 2021, the Airport Commission voted unanimously in favor to recommend to the City Council the approval of increasing the fee waiver cap from \$500,000 to \$853,000 to accommodate the influx of applications for new air service and the suspension of the program to allow Airport staff to revise and propose a new Air Service Incentive Program in early 2022. On December 9, 2021, the City Council approved the increase of the fee waiver cap and the suspension of the Program.

On February 16, 2022, the Airport Commission voted unanimously in favor to recommend to the City Council the approval of the 2022 Air Service Incentive Program. On March 24, 2022, the City Council approved the 2022 Air Service Incentive Program.

STAFF ANALYSIS:

In December 2023, the Federal Aviation Administration (FAA) published revised Air Carrier Incentive Program guidelines which allowed the Airport to offer additional types of incentives and for longer periods of time. The current 2022 Program offers fee waivers and seven levels of incentives based on frequency of service, type of service, and seasonality of the service and is based on old FAA guidelines. Airport staff has determined that it would be beneficial for the Airport to replace the 2022 Program to ensure that the Airport has the necessary incentives to attract new air service which is crucial for the Airport to remain competitive with the other local airports. Additionally, the planned construction of a Federal Inspection Station (FIS) will give the Airport the ability to attract air service from international airports without U.S. pre-clearance, and this replacement program incorporates new, enhanced incentives for international service.

The 2024 Program offers six levels of incentives based on the same criteria as the 2022 Program, it increases the incentives for marketing funds for target cities and the conversion of seasonal routes to year-round service, it adds a new option to attract more summer service, and it adds a new option for service to international airports outside of North America. The 2024 Program also includes marketing funds that are earmarked specifically to advertise new air service that meets the incentive criteria, and it offers fee waivers for landing fees, terminal fees, and terminal space rent dependent on the incentive criteria that is met.

The 2024 Program has a tiered and progressive methodology, reserving the best incentives for daily, year-round service to a select list of target cities, it enhances the incentives for airlines that convert seasonal routes to year-round, and it offers new incentives for international service to airports without U.S. pre-clearance, once the FIS is constructed, and it offers incentives to increase summer air service. The 2024 program provides less robust incentives for seasonal service and as existing routes become saturated.

The incentives for this new program are described as follows:



Option 1: Daily Service

	Target Airport (Year-round)	Un-Served Airport (Year-round)	Existing Airport (Year-round)	Un-Served Airport (Seasonal)	Existing Airport (Seasonal)
Marketing	\$75,000	\$50,000	\$15,000	\$25,000	\$10,000
Landing Fee Waivers	100% for 24 months	100% for 24 months	50% for six months or first season	100% for first three seasons	50% for first season
Terminal Waivers	100% for 24 months	100% for 24 months	50% for six months or first season	100% for first three seasons	N/A

Target Airport: Atlanta, Charlotte, Chicago, Detroit, Hawaii, Houston, Minneapolis, New York City, Philadelphia, Spokane, Toronto, Washington, D.C. (DCA,IAD,BWI)

Un-Served Airport: Any airport not on the Target Airport list without existing year-round or seasonal non-stop service from PSP.

Existing Airport: Any airport with existing service of any type from PSP.
Stipulations: Airline must operate one round trip flight two days or more per week for 46 weeks per year to qualify for year-round incentives. Airlines must operate one round trip flight two days or more per week for 20 weeks to qualify for seasonal incentives. Service must be to an airport in the US, Canada, or Mexico. Target and Existing Airport incentives are not valid for airlines with existing service on the route they're applying for. Incentives are not valid for international airports without US Customs Pre-Clearance until PSP opens FIS facility.



Option 2: Seasonal to Year-Round Conversion

	Target Airport	Other Airport
Marketing	\$75,000	\$25,000
Landing Fee Waivers	100% for additional months for two years	100% for additional months for two years
Terminal Waivers	100% for additional months for two years	100% for additional months for two years

Target Airport: Atlanta, Chicago-ORD, Dallas-DAL, Houston-IAH, Minneapolis, Portland-PDX, Toronto-YYZ, New York-JFK.

Other Airport: Any airport not on the Target Airport list without existing year-round or seasonal non-stop service from PSP.

Stipulations: Airline must operate one round trip flight four days or more per week for 46 weeks per year. Service must be to an airport in the US or Canada. Not valid for existing seasonal service on the route airline is applying for. Applicant airline must have existing seasonal service on route applied for. Only previously unserved months will qualify for waiver incentives in years one and two of their operation. Landing Fee and Terminal Waivers are provided for the previously unserved months for year one and two of the additional service.



Option 3: Less-Than-Daily Service

	Target Airport (Year-round)	Target Airport (Seasonal)	Un-Served Airport (Year-round)	Un-Served Airport (Seasonal)	Existing Airport
Marketing	\$75,000	\$50,000	\$50,000	\$25,000	\$15,000
Landing Fee Waivers	100% for 24 months	100% for three seasons	100% for 24 months	100% for first three seasons	50% for six months or first season
Terminal Waivers	100% for 24 months	100% for three seasonal	100% for 24 months	100% for first three seasons	50% for six months or first season

Target Airport: Atlanta, Charlotte, Chicago, Detroit, Hawaii, Houston, Minneapolis, New York City, Philadelphia, Spokane, Toronto, Washington, D.C. (DCA,IAD,BWI)

Un-Served Airport: Any airport not on the Target Airport list without existing year-round or seasonal non-stop service from PSP.

Existing Airport: Any airport with existing service of any type from PSP.

Stipulations: Airline must operate one round trip flight two days or more per week for 46 weeks per year to qualify for year-round incentives. Airlines must operate one round trip flight two days or more per week for 24 weeks per season to qualify for seasonal incentives. Service must be to an airport in the US, Canada, or Mexico. Target and Existing Airport incentives are not valid for airlines with existing service on the route they're applying for. Incentives are not valid for international airports without US Customs Pre-Clearance until PSP opens FIS facility.



Option 4: Intercontinental Service

	Target Airport (Year-round)	Other Airport (Year-round)	Target Airport (Seasonal)	Other Airport (Seasonal)
Marketing	\$200,000	\$100,000	\$150,000	\$75,000
Landing Fee Waivers	100% for 24 months	100% for 24 months	100% for 3 seasons	100% for 2 seasons
Terminal Waivers	100% for 24 months	100% for 24 months	100% for 3 seasons	100% for 2 seasons

Target Airport: Amsterdam, Bogota, Dublin, Frankfurt, London, Madrid, Munich, Panama City, Paris.

Other Airport: Any airport not located in North America or Central America, not at Target Airport, and without existing service from PSP.

Stipulations: Airline must operate one round trip flight two days or more per week for 46 weeks per year to qualify for year-round incentives. Airlines must operate one round trip flight two days or more per week for 20 weeks per season to qualify for seasonal incentives. Not valid for service to airports located in North America, Gulf of Mexico, or Caribbean. Not valid until PSP opens an FIS facility.



Option 5: Summer Seasonal Service

	Target Airport	Un-Served Airport
Marketing	\$75,000	\$25,000
Landing Fee Waivers	100% for first three summer seasons	100% for first three summer seasons
Terminal Waivers	100% for first three summer seasons	100% for first three summer seasons

Target Airport: Atlanta, Chicago, Detroit, Houston, Minneapolis, New York City, Toronto, Washington, D.C. (DCA,IAD,BWI)
Un-Served Airport: Any airport not on the Target Airport list without existing year-round or seasonal non-stop service from PSP.
Stipulations: Summer season is defined as May 1 to September 30 each year. Airline must operate one round trip flight four days or more per week for from May 1 through September 30 to qualify for incentives. Service must be to an airport in the US, Canada, or Mexico. Incentives are not valid for airlines with existing service on the route they're applying for. Valid only for airlines with no existing service on route(s) applied for. Incentives are not valid for international airports without US Customs Pre-Clearance until PSP opens FIS facility.



Option 6: New Entrant Airlines

	Daily Year-Round	Less-Than-Daily & Seasonal
Marketing	\$50,000	\$25,000
Terminal Waivers (Service to Existing Airport)	100% for 12 months	100% for 12 months
Terminal Waivers (Service to New Airport)	100% for 24 months	100% for 24 months

Daily Year-Round Service: Airline must operate at least one round trip daily flight five days per week for 44 weeks.
Less-Than-Daily & Seasonal: Airline must operate at least one round trip daily flight two days per week for four months.
Stipulations: Only available to airlines that have not served PSP in the past 24 months preceding their service start date. Marketing funds in this option are in addition to marketing funds for specific routes provided in other options in this program. If airline enters PSP with service to an existing market (a market with any type of scheduled service), terminal waivers are offered for no more than 12 months. If airline enters PSP with service to a new airport, terminal waivers are offered for no more than 24 months. If airline enters PSP with service to a mix of existing and new airports, terminal waivers will be pro-rated with existing per-turn rates.

This program also comes with stipulations that include a pro-rated repayment of marketing funds and fee waivers should an airline not complete the terms of the agreement.

Stipulations for the Marketing Funds are as follows:

1. Advertising incentive funds will be available to FAA Part 121 & 380 Signatory and Non-Signatory Airlines with a signed Airport-Airline Use and Lease Agreement.
2. All marketing funds and activities must exclusively promote the routes eligible under the program to/from PSP.
3. All marketing incentives are available from the date of service announcement until six months after service inception. 50% of available funds must be spent by launch date.
4. Incentives may be paid directly to the media outlet or reimbursed to the air carrier, should the carrier want to utilize their existing agency relationships. The Airport will reimburse the Airline for these services, up to the allowable program funds, only if the Airline received prior written approval of the media buy from the Airport and only if the Airline produces a detailed invoice outlining the media purchase, their air dates, and a copy of the ads that ran. All qualified reimbursements must be submitted to the Airport for processing no later than 45 days after the expense is incurred. Any delayed reimbursement request in excess of 45 days is subject to a 10% reduction in reimbursable expenses. The Airport may also place ads on the airline's behalf if desired.
5. The Airport name or logo must be incorporated into all Airport funded media purchases.
6. Marketing activities that may be supported under this agreement include, but are not limited to: print advertising, collateral materials, direct mail and other forms of print marketing; multi-media advertising such as TV, radio, SEM, and interactive (web); and social media/digital advertising such as Facebook, Instagram, X, etc.
7. All eligible funds must be spent in the PSP catchment area as defined by the Airport unless otherwise approved by the Airport.
8. The Airport must approve in advance all advertising and promotional activities associated with the new service for which the air carrier desires to receive the marketing incentive.
9. All advertising and marketing must comply with FAA regulations and guidelines for use of Airport revenue for such purpose.
10. The air carrier and Airport must agree in writing to a marketing strategy for the new service, that includes: the timeline of promotional activities; the medium that will be used, and the budget of the promotion.
11. Should the incentivized service be suspended prior to the expiration of the incentive period, the air carrier shall be responsible for pro-rated reimbursement of all marketing funds spent. The Airport and/or City of Palm Springs, at its sole discretion, may consider waiving repayment of marketing funds if, after operating the incentivized route(s) for a minimum of 4 months, the air carrier can provide documented proof that the incentivized route(s) is/are not viable. The Executive Director of Aviation, their designee, or the City of Palm Springs has the right to amend, temporarily suspend, modify, alter, or cancel this Air Service Incentive Program at any time without notice. Funds budgeted for this program shall be determined annually during the City of Palm Springs annual budget process. Funding levels may vary year to year.

Stipulations for Incentive Fee Waivers are as follows:

1. Incentive Fee Waivers will be available to FAA Part 121 & 380 Signatory and Non-Signatory airlines with a signed Airport Use and Lease Agreement, a written confirmation of the new service, and an executed Memorandum of Agreement for any incentives provided in this program.
2. The airline will be eligible for incentives from the first day of service for up to 24 months or 3 seasons depending on level of service as outlined in applicable incentive options. At the conclusion of the incentive period, the air carrier will be invoiced, and must pay, the landing fees and terminal rentals according to the Airport's published Schedule of Rates, Fees, and Charges as required by its Airport Use and Lease Agreement for the remainder of the contract term for each route.
3. Terminal Waivers in Options 1-6 include Hold room/Parking and Ticket Counter/Queue per turn fees. Airlines with a Signatory agreement will receive credits based on the signatory per-turn hold room/parking per turn fee for the type of gate used (jet bridge vs. ground board) for the incentivized flights and ticket counter per turn fee.
4. New Entrant Airlines may receive up to 24 months of full Terminal Space Rent waivers of leased space which includes Ticket Counter & Queue, Airline Ticket Office, and Baggage Service Office depending on level of service as outlined in Incentive Option 6. Waivers may be prorated depending routes offered, existing vs. new, and will be based on existing per turn rates in PSP's Airline Use and Lease Agreement.
5. Incentives apply only to new scheduled service that results in an increase in the number of total flights offered at PSP by the air carrier at the time the new service is announced. If an air carrier launches new service, it qualifies for incentives only on the new route, not on the existing service. An airline may not reduce frequency to, or cancel, a market it currently serves from PSP in order to launch service to a new airport.
6. If the air carrier reduces frequency of service below the required number of flight operations outlined in this Program, or ceases service on the incentivized route, prior to providing PSP service for the time period outlined in this program, the air carrier shall forfeit its right to claim any additional incentives for that route offered through this Program starting on the date service is reduced. Reducing frequencies on the route during the incentive period to less than an agreed upon level will reduce the amount of the financial incentive and/or result in a proportionate reimbursement to the Airport for dollars already spent. The airline will also forfeit any future incentives on their route(s) for a period of 24 months if it chooses to fully cease service on the route(s). If the airline exits the PSP market entirely it will forfeit any future incentives for 24 months starting on the first day after the airline ceased operations at PSP.
7. At no time shall the Airport or City of Palm Springs provide a rebate to an airline for participating in this Program.
8. For the purpose of determining eligibility, affiliated airlines, joint venture partners and predecessor and successor airlines in an airline merger or acquisition shall be treated as a single carrier and will not be considered a new entrant to PSP. A regional carrier is eligible for the Program if it markets and sells its service independent of a branded carrier which currently offers service at PSP.
9. If an air carrier receives benefits under the Program and exits a route, or the PSP market, during the incentive period, the air carrier shall repay the Airport/City of Palm Springs the total amount of all incentives previously taken for the qualified route(s). Such repayment shall be the Airport's sole compensation and remedy for the air carrier's reduction, termination, or discontinuance of flights/routes prior to the expiration of the incentive period. The Airport/City of Palm Springs, at its sole discretion, may consider waiving repayment of incentive benefits if, after operating the route(s) for a minimum of 4 months, the air carrier can provide documented proof that the incentivized route(s) is/are not viable.
10. All conditions for receiving incentives will be documented in the Memorandum of Agreement

between the airline and the Airport/City of Palm Springs and are subject to approval by the appropriate City of Palm Springs officials. The Memorandum of Agreement must be signed within 60 days of announcement. Any carrier that fails to comply shall forego all incentives in this program.

11. Once budgeted funds for this Air Service Incentive Program, marketing and waivers, have been expended for the fiscal year the program shall be suspended until additional funds are approved. The Executive Director of Aviation, their designee, or the City of Palm Springs has the right to amend, temporarily suspend, modify, alter, or cancel this Air Service Incentive Program at any time without notice. Funds budgeted for this program shall be determined annually during the City of Palm Springs annual budget process. Funding levels may vary year to year.
12. Daily service must operate at least five days per week, and less-than-daily service must operate at least two days per week. Once an airline announces service on an unserved route it will be considered served and any subsequent announcements by other airlines will fall under other applicable incentive options if any are applicable.

Additional Marketing Support is as follows:

1. The Airport will host a press conference, if requested, issue press releases, and use social channels to announce new route(s).
2. The Airport will work with the airline to select media options for advertising new service if requested.
3. The Airport will work with local organizations, such as chambers of commerce, to publicize new service.
4. The Airport will host an inaugural event for all new routes if requested.
5. The Airport will feature the new route(s) on its website for a period of up to 60 days following the announcement if requested.
6. The Airport will provide free advertising on its in-terminal digital advertising networks for a period of up to 60 days beginning within the first 60 days following the announcement if requested.

Pending approval, the 2024 Program will replace the 2022 Program on July 1, 2024, and the term of the 2024 Program will be July 1, 2024 to June 30, 2027, unless it is extended, suspended, or canceled by the City Council.

FISCAL IMPACT:

Airport Fund 415 will forego the collection of revenue through the incentive fee waivers, and marketing fund will be allocated through this account on an annual basis.