



palm springs  
INTERNATIONAL AIRPORT

## **AIRPORT COMMISSION**

### **MINUTES OF THE REGULAR MEETING OF THE AIRPORT COMMISSION OF THE PALM SPRINGS INTERNATIONAL AIRPORT Wednesday, December 20, 2023 – 5:30 P.M.**

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#### **1. CALL TO ORDER:**

Vice Chairman Corcoran called the Airport Commission Meeting to order at 5:30 P.M. and Commissioner Berriman lead the Pledge of Allegiance. The meeting was held in-person and via videoconference.

#### **2. POSTING OF THE AGENDA:** Posted on December 14, 2023.

#### **3. ROLL CALL:**

##### **Commissioners Present:**

Dave Banks (Palm Springs)	Kathleen Hughes (La Quinta)
Robert Berriman (Indian Wells)	Tracy Martin (Palm Springs)
Todd Burke (Palm Springs)	Tony Michaelis (Cathedral City)
Daniel Caldwell (Palm Springs)	Margaret Park (Riverside County)
Kevin Corcoran (Palm Springs) - Vice Chair	Jan Pye (Desert Hot Springs)
Aftab Dada (Palm Springs) - Chairman	Rick Wise (Indio)
David Feltman (Palm Springs)	Kevin Wiseman (Palm Desert)
J Craig Fong (Palm Springs)	Keith Young (Rancho Mirage)

**Commissioners Absent:** Denise Delgado (Coachella), M. Guillermo Suero (Palm Springs)

##### **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  
Jacob Colella, Airport Maintenance Superintendant  
Ramon Sanchez, Airport Operations Manager  
Jeremy Holm, City Attorney  
Christina Brown, Executive Program Administrator

##### **Others Present:**

Scott White, Visit Greater Palm Springs

Ryan Hayes, Mead & Hunt  
Justin Anderson, Mead & Hunt

**ACCEPTANCE OF THE AGENDA:**

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

**4. PUBLIC COMMENTS:** None

**5. APPROVAL OF THE MINUTES:**

**ACTION:** Approve the minutes of the Airport Commission Meeting of July 19, 2023. **Moved by Commissioner Wise, seconded by Commissioner Park, and unanimously approved with the correction provided by Commissioner Park by the following roll call vote: 14 Yes; 2 Abstain; and noting the absence of Commissioners Delgado and Suero.**

**6. DISCUSSION AND ACTION ITEMS:**

6.A Follow-Up to Strategic Planning Session Update

Airport Administration Manager Carpenter presented the Follow-Up to Strategic Planning Session Update which included information and data regarding airport comparisons. Commissioner Martin asked for the length of the term of the new Airport Use and Lease Agreement (AULA). Vice Chairman Corcoran asked if the strategy to keep the lower fees and costs down was to attract airlines to the Airport. Airport Executive Director Barrett affirmed that the lower the Airport can maintain its fees, the more attractive it is to the airlines.

Ms. Carpenter provided information regarding the Baggage Handling System (BHS) fees. She reported that the Airport projected operational costs to manage the baggage handling systems at almost \$900,000 for fiscal year 2023-2024 with the average fee of \$0.52 per enplaned passenger for signatory airlines and \$0.65 for non-signatory airlines. She clarified that these fees were for any passengers checking-in and getting ready to board a departing airplane. Vice Chairman Corcoran referred to when the new ticketing wing and baggage claim system was installed and that the system didn't work, and he asked if the Airport had to kick back any money to airlines. Ms. Carpenter confirmed that a kick back was not necessary, and she noted that the airlines were not being charged any operational fees at that time.

Ms. Carpenter reviewed the Airport Capital Improvement Projects for fiscal year 2022-2023, and she noted that any projects that were not completed within that fiscal year would roll over to the next fiscal year until the projects were completed and completely closed out. She also reviewed the Airport Capital Improvement Projects for fiscal years

2023-2024 and 2024-2025 which included relative costs and the source of funding allocated to each project.

Commissioner Wiseman asked about the cost of \$1,000,000 per restroom project. Assistant Airport Director Keating explained that the \$1,000,000 cost per restroom was common in airports, and he noted that construction and architectural costs for restroom costs are very expensive, and the Airport has five sets of men and women's restrooms for a total of ten restrooms. He said that in his experience the \$10,000,000 cost for ten restrooms was a solid number, and he noted that some of the restrooms were also being expanded, which was part of the high costs. Commissioner Caldwell inquired about gender neutral restrooms. Airport Executive Director Barrett said that he was beginning to see more airports and commercial buildings moving in the direction of gender-neutral restrooms which can provide more flexibility in terms of how the restrooms are used.

Commissioner Martin noted that Project 13, the Baggage Handling System, was budgeted at \$20 million with funding from a federal grant of \$13,560,000, and he asked who was paying the balance. Ms. Carpenter clarified that the federal grant does require the Airport to pay for 10% share of the project. Mr. Barrett stated that the specific project was being funded by a Transportation Security Administration (TSA) Other Transportation Grant (OTA) grant which was typically unusual with the exception of Federal Aviation Administration (FAA) grants. He noted that TSA was helping with the design and installation of the system itself, and he added that the Airport was working with the FAA on the building and facility expansion because the TSA would not fund that part of the project.

Mr. Barrett reported that once further conversations were held with the FAA, the FAA would help the Airport define what they can and cannot accommodate in terms of funding, and the rest of the project would likely have to be funded through some kind of Passenger Facility Charge (PFC) Bond or some other type of funding method. Commissioner Martin asked for confirmation that the Airport's share would be approximately \$6.5 million for the project. Mr. Barrett confirmed that the Airport's share would be approximately \$6.5 million for the project.

## 6.B Master Plan Update

Ryan Hayes with Mead & Hunt presented the Airport Master Plan Update, and he noted that the Mead & Hunt team had caught an error in their cost estimates. He said that the consolidated rental car facility had been mistakenly included in the cost estimate for Phase 2 when the cost estimate should have been included in Phase 1 of both alternatives and the error had been corrected. Mr. Hayes also noted that there had been some conflicting information in the timelines, and an updated timeline would be provided to the Commission. He referred to the Airport Commission's questions about benchmarking to other airports that have undertaken significant terminal project, and he said that Justin Anderson, Terminal Planner with Mead & Hunt, would be

presenting that information as well answering the questions that were submitted by the Commissioners in writing.

Mr. Hayes reviewed Refined Alternatives 1A and 3. Commissioner Wiseman referred to the National Environmental Policy Act (NEPA) and that the NEPA phases would have to be completed sequentially and that they could not overlap, and he asked if the next steps of the phase would have to be pushed back by a six-month period. Mr. Hayes confirmed that the next steps of the phase would have to be pushed back by a six-month period. Commissioner Wiseman asked if the NEPA and Program Definition were to go over the timeline, would there then be a cumulative delay of one-year delay. Mr. Anderson confirmed that there would be a cumulative delay of one-year, specifically because a good portion of both alternatives would require some FAA funding, and the FAA will not fund the project until NEPA is cleared. He further clarified that there could be some overlap with the Program Definition and Design, and depending on the type of project delivery of the terminal construction, the Design and Construction could also occur simultaneously. Commissioner Wiseman asked if the worst-case scenario would be that the project would start in mid-2030. Mr. Hayes stated that the worst-case scenario could be that the project would begin in eight to ten years, which is dependent on the environmental impact and mitigation plans that would need to be developed.

Mr. Anderson presented information on the Terminal Project Benchmarking. Commissioner Martin stated that there are always examples in construction projects where cost estimates have been drastically underestimated, and construction costs have sometimes been double of what was expected, and he asked where the estimates presented fell in terms of being very conservative or very aggressive. Mr. Anderson said that the estimates were probably between a 40 to 45% in terms of soft costs and contingency and that they were still high level with the cost estimates and conservative with the conceptual master planning phase and that accuracy and contingency would definitely go down as the design proceeds. Mr. Martin asked Mr. Anderson if the Mead & Hunt team felt comfortable with the cost estimates presented thus far or if they would already be looking at overruns relative to this. Mr. Anderson said that the Mead & Hunt team felt comfortable with the cost estimates they had presented. Commissioner Berriman asked where the demolition costs fell in the cost estimates. Mr. Anderson said that the demolition costs were included in demolition of the regional concourse for Alternative 1A and in Phase 2 for Alternative 3.

Commissioner Feltman questioned the actual number of gates there would be for Alternative 1A. Mr. Anderson said that there would be 25 gates open during Phase 1, 24 gates open in Phase 2, 29 gates open in Phase 3, and 34 gates open in Phase 4. He explained that expansion would have gates for the larger aircraft which would allow for more seat capacity. Commissioner Banks asked if the loss of revenue had been factored into the cost of the project. Mr. Hayes said that while the loss of revenue had not been quantified in the Master Plan process, he did recognize that there would be a loss of revenue and operational challenges which his team and the Airport team had discussed. Mr. Anderson noted that once the concessions and other revenue making

operations were reopened, the lost revenue would be recaptured, and he said that customer experience would be the highest priority. Commissioner Feltman asked if the Airport had funds in place for the project. Mr. Barrett said that the Airport did not have the funds in place for the project and that a financial plan would need to be developed.

Vice Chairman Corcoran asked Mr. Hayes to review the advantages and disadvantages of Alternative 1A and 3. Vice Chairman Corcoran inquire about the possibility of placing one or two levels off the Consolidated Car Rental Facility (CONRAC) below ground. Mr. Hayes said that the Mead & Hunt team had spoken to their rental car subcontractor and their cost estimator, and the consensus was that there would be a 30% cost increase per level to go underground versus above ground.

Commissioner Martin inquired about the reduction of ten gates in Phase 2 – Construction of Alternative 1A. Mr. Barrett confirmed the reduction of gates in Phase 2 - Construction was one of the challenges for Alternative 1A. Commissioner Martin asked how long Phase 2 would be. Mr. Anderson said that Phase 2 would probably be a three-year build, and he noted that the Mead and Hunt team was looking into how they could compensate for the loss of the ten gates and that they had seen other airports get creative with how they made up for the loss of gate capacity by using sprung structures and by adding busing operations for remote parking areas for the aircraft. Commissioner Young asked if it was fair to say that during this phase, there would be a significant percentage of passengers that would have a less satisfying experience then they currently do and that there would be a percentage of passengers that would be having a considerably better experience than other passengers during the three-year build. Mr. Anderson confirmed that there would be different levels of passenger experience during the construction project which is common for all airports that are going through a construction phase of this magnitude.

Commissioner Banks inquired about the shelf life of the Wexler building. Mr. Hayes noted that Mead & Hunt had their mechanical and electrical engineers inspect the Wexler building, and Mr. Anderson said that he couldn't provide an exact number of years for the use of the Wexler building. He said that the summary of the engineer's assessment was that a central utility plant makes the most sense to serve Alternative 1A and to add those efficient types of building systems into the Wexler building and any type of new concourse that comes off of the building which was included in the estimate.

Commissioner Feltman referred to the advantages of Alternative 3, and he said that he wanted to say on the record that he was concerned about there not being any discussions about how the Airport would be including the community in the future use of the Wexler building, and he referred to how long it was taking to renovate the Downtown Palm Springs theater and the substantial increase to the original cost of the renovation. Commissioner Feltman voiced his concern in regard to the challenges that the Airport could run into with a renovation to the Wexler building, and he said that the Airport has a responsibility to the community to understand what the

implications will be for renovating the Wexler building. Commissioner Feltman said that he also wanted to go on the record that he isn't a raging preservationist and that he is committed to not having buildings collapse and fall into disuse or to become dilapidated which commonly happens in this community.

Mr. Barrett reviewed the possible operational disruptions for Alternatives 1A and 3, Phases 1 and 2. Scott White, President and CEO of Visit Greater Palm Springs, asked Mr. Barrett if the airlines had been notified of the possible operational disruptions. Mr. Barrett said that staff had recently received the information and that staff had not had the opportunity to share the information with the airlines. Mr. White said that he saw things from the lens of having three customers: the airlines, which are a critical customer; the traveler; and the operational team. He said that it sounded like Alternative 1A would give the Airport the greatest flexibility to make adjustments during the different phasing processes based on the Airport's needs if and if the Airport continues to grow or if it needs to shrink or if the Airport needs to make adjustments based on technology. He stated that he was not coming up with a recommendation as there needs to be more dialogue with the airlines, specifically in regard to the disruptions and the impact it would have on the Airport staff and the travelers and that it should be further vetted out before a decision could be made.

Commissioner Wiseman asked if the hotels and resorts had weighed in with their opinions, and if anyone had spoken to Gary Wexler to discuss the historic nature of Wexler building and to ask him for his opinion on repurposing the original terminal versus expanding and keeping it in use. Mr. Barrett said that early in the process, staff had spoken with Mr. Wexler, and he believed that Mr. Wexler was comfortable with either alternative. Vice Chairman Corcoran said that he was not aware of any formal presentation being provided to PS Resorts, and he noted that Chairman Dada, who represents the Hilton Palm Springs, had informed him that he supported Alternative 1A.

Commissioner Burke said that he was originally in support of Alternative 1A until Mr. Barrett had presented the possible operational disruptions which opened more questions and reinforced that the questions needed to be answered and the airlines also needed to be informed about the operational disruption, and he said that he wouldn't be comfortable with making decision in this meeting. Mr. Barrett explained that the airlines are fairly used to these types of projects occurring in airports and for the most part they understand what impacts could occur during the course of construction, and he said that there are considerable costs for Alternative 3 – Phase 1 which is a real concern for the Mead and Hunt team because if Alternative 3 is selected, the Airport staff would have focus on finding creative ways to raise the funds for the project. Vice Chairman Corcoran noted that in order to keep the timeline, a recommendation would need to be made at this meeting and that any additional feedback from the airlines would be included in the City Council staff report and updates would also be provided to the Airport Master Plan Working Group.

Commissioner Caldwell voiced his concern in regard to the cost of Alternative 3 – Phase 1, and he voiced his support for Alternative 1A. Commissioner Michaelis said that the cost of Alternative 3 was not practical, and he voiced his support for Alternative 1A. Commissioner Wise said that he was in support of Alternative 1A because Phase 1 had a shorter construction period, the cost was lower, and the project could be stopped at Phase 1 if a recession or pandemic were to occur.

Commissioner Young asked if through a Public Private Partnership (PP3) or other funding options, was it reasonable to presume given the current financial climate that if Alternative 3 was chosen, there would be a probable pathway for funding or is funding for Alternative 3 unrealistic. Mr. Hayes said that funding Alternative 3 would be challenging under traditional fundings and without a PP3, and he said that he did believe that a PP3 could be a feasible option for funding. Commissioner Young asked if it would be fair to say that best case scenario for either alternative that the timing was four to seven years with an approximate 18-month differential between the alternatives and that passengers in Alternative 1A would have challenging travel experiences during the construction phase and Alternative 3 would provide a more satisfactory experience which would be at a higher cost and would require additional time. Mr. Hayes said that Commissioner Young's statement was a fair statement.

Commissioner Martin referred to the demand that was driving the Airport growth, and asked where the demand was coming from. Mr. Hayes said that it was a combination of increased capture of the Palm Springs market and increased tourism to the Coachella Valley.

Commissioner Fong noted that he had thought that Alternative 3 was the best option because it would provide a more forward-looking facility, and he asked if he was correct in hearing that the Mead & Hunt team doesn't really know where the growth is coming from other than a future increase in hotels and tourists. Mr. Barrett explained that at the master planning level, the source of the growth is an unknown factor, and he asked Mr. White to weigh in on the subject. Mr. White noted that there are 10,000 new homes that are in the pipeline for the Coachella Valley which would be taken into consideration for the needs of the Airport for long-term growth, he said that in regard to tourism, the Coachella Valley is running an average occupancy of about 62% which could easily increase to approximately 73%. Mr. White said that he believed that Mead & Hunt's projections were sound projections for the long-term future.

Commissioner Banks said that he was in support of Alternative 3 because of the limitations he saw when he toured the Airport, and he said that he believed that it would be difficult to expand the Airport. Commissioner Feltman asked for a review of the timelines for the two alternatives. Mr. Hayes said that for the best-case scenario, it would be three and half years to get to Phase 1 of Alternative 1A which includes the CONRAC, seven new gates, and a Federal Inspection Station (FIS), and six years to get to Phase 1 of Alternative 3 which includes an entirely new head house, the CONRAC, and 20 new gates.

Commissioner Pye said that she had originally been in favor of Alternative 3 and that she had changed her mind after learning that the funding was uncertain for Alternative 3, and she said that she was in support of Alternative 1A.

Vice Chairman Corcoran said that the funding was clearly an issue, and he said that in regard to the operational disruptions, it seemed that there were solutions available to overcome the obstacles for both alternatives. Vice Chairman Corcoran voiced his support for Alternative 1A because it was the most financially feasible option.

The consensus of the Airport Commission was to move forward with recommending Alternative 1A to the City Council.

**ACTION:** To recommend to the City Council the approval of Airport Master Plan Design Alternative 1A. **Moved by Commissioner Burke, seconded by Commissioner Fong, and approved by the following roll call vote: 14 Yes; 2 No; and noting the absence of Commissioners Delgado and Suero.**

Vice Chairman Corcoran inquired about the next steps. Mr. Hayes said that there would be two additional Master Plan Working Group meetings and that the Working Group would be primarily focused on the airfield master planning, some landside developable property, and determining where Signature Flight Support would be relocated to, and the airfield, landside, and terminal recommendations would be packaged into one comprehensive master plan concept which would need to be approved by the City Council before it can be submitted to the FAA for approval. Vice Chairman Corcoran stated that the commitment would be to keep the full Airport Commission aware of what is happening and to see where the City Council lands on this.

#### 6.C Financial Summary Update

Airport Administration Manager Carpenter noted that the Financial Summary Update was provided in the agenda packet, and she said that based on the recommendations that she had received from Commissioner Martin, she had reorganized, regrouped, moved some of the charts to their own pages, and she removed one of the fiscal years. Ms. Carpenter reported that the Airport was in a good financial position, and she stated that regarding the budget, one must keep in mind that the Airport is seasonal and there would be an increase in revenues over the next few months and then taper off in May, and that most of the Airport's expenditures would also happen during that time as the Airport works on operational maintenance needs. Vice Chairman Corcoran thanked Commissioner Martin for volunteering to be the Chairman of the Budget and Finance Committee.

#### 6.D Marketing Update

Deputy Director of Aviation, Marketing and Air Service Meier presented the Marketing and Air Service update for December 2023. Vice Chairman Corcoran inquired about



the departure time for Alaska Airlines new non-stop flight to New York. Mr. Meier said that the departure time was at 2:00 p.m. and it arrives from New York at 12:30 p.m. Mr. Meier reviewed the three-year naming rights partnership with Agua Caliente Casinos for the renaming of the Regional Jet Concourse to Agua Caliente Concourse. Commissioner Caldwell inquired about gaming in the Concourse. Mr. Meier clarified that there wouldn't be any type of gaming in the Concourse.

Commissioner Feltman asked if the Airport used a third-party consultant to negotiate the advertising contract with Fuse. Mr. Meier explained that he had worked with the City's Procurement Department to put out the RFP. Commissioner Feltman asked for benchmark data on contracts for advertising and an analysis from other airports.

Commissioner Wiseman asked staff to make sure that the activation spaces don't encroach upon the walking paths to the seating areas, and to be mindful of the visibility of the gate numbers. Vice Chairman Corcoran asked what the Commission could expect in terms of being informed about different activations and suggestions, and he asked what type of input staff would be expecting from the Commission. Mr. Meier said that he was open to the Commission's ideas and input, and he suggested that the activation space concepts could be reviewed by the Marketing and Business Development Committee. Vice Chairman Corcoran agreed that the review could start there, and he said that the Commission would also need to be included. Commissioner Burke said that he agreed with Vice Chairman Corcoran.

Commissioner Feltman inquired about the timeline. Mr. Meier stated that the ribbon-cutting ceremony would be taking place sometime in the spring of 2024.

#### 6.E Concessions Update

Assistant Airport Director Keating reported that the updated concession projected opening dates schedule was provided in the agenda packet and that not much had changed from the previous schedule in terms of projected dates. Vice Chairman Corcoran asked if the City had been supportive with fast tracking the permits. Mr. Keating said that the Planning Department had been helping as much as they possibly can.

Airport Administration Manager Carpenter reported that Paradies had notified the Airport staff that El Marisol had pulled out of the deal, and Paradies was currently working with two other local brands to see about having one of them come into the Airport. She stated that Paradies was currently in discussions with the two brands, they were progressively working through the design elements and business terms, and they hoped to have something lined up by the first week of January.

Commissioner Burke asked if the Mexican cuisine concept would remain the same. Ms. Carpenter said they would need to keep the Mexican cuisine because of the constraints of the kitchen. Commissioner Burke asked if additional temporary coffee options could be offered in the morning. Vice Chairman Corcoran added that many of

the Commissioners were receiving negative feedback about the long lines for coffee in the morning and the availability of grab and go options. Mr. Keating stated that coffee had been added to Half Moon Empanadas, there was coffee available at the quick serve in Santa Rosa Kitchen, and a coffee cart in front of the Regional Jet Concourse. Vice Chairman Corcoran questioned why the lines were so long. Mr. Keating said that Mr. Meier had added more signage, and he said that staff could do some more outreach to inform the travelers of the additional coffee options. Commissioner Burke reported that in the last six weeks, he had had nine departures out of the Airport at 8:00 a.m., and not one time was the coffee cart in front of the Regional Jet Concourse been open for business. Mr. Keating said that Paradies has been having some challenges with staffing and that the Airport staff was working with Paradies to make sure that Paradies has staff at the coffee cart.

#### 6.F Projects and Airport Capital Improvement Program Update

Airport Executive Director Barrett noted that he would be meeting with the Operations, Properties and Facilities Committee in the new year to provide an update on the FIS study. Commissioner Feltman asked for a Wi-Fi update. Mr. Barrett stated that he had met with the Director of IT, and they were finally able to get a purchase order issued to purchase the equipment which was in the works and a priority. Mr. Keating added that they were expecting to receive the equipment by the end of January.

### 7. **EXECUTIVE DIRECTOR REPORT:**

Airport Executive Director Barrett noted that the Executive Director Report was provided in the agenda packet.

### 8. **COMMISSIONERS REQUESTS AND REPORTS:**

Commissioner Berriman reported that a resident had asked him about the signage at the TNC pickup area that was in regard to the Uber and Lyft drivers not being subject to alcohol and drug testing, and he asked if the signage was still accurate and relevant. Airport Executive Director Barret said that the sign was not accurate or relevant and that staff was working taking an ordinance amendment to the City Council to repeal the signage requirement.

### 9. **REPORT OF CITY COUNCIL ACTIONS:**

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

### 10. **RECEIVE AND FILE:**

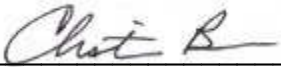
- 10.A Airlines Activity Report November 2024
- 10.B Airline Activity Report Fiscal Year Comparison

**11. COMMITTEES:**

- 11.A Future Committee Meetings
- 11.B Updated Committee Rosters

**ADJOURNMENT:**

The Airport Commission adjourned at 7:58 P.M. to a Regular Meeting on January 17, 2024, at 5:30 P.M.



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Christina Brown  
Executive Program Administrator

APPROVED BY AIRPORT COMMISSION: 5/15/24