



City of Santa Barbara
Airport Department

Meeting: 12/20/17
Agenda Item No. 7

DATE: December 20, 2018
TO: Airport Commission
FROM: Hazel Johns, Airport Director *HJ*
SUBJECT: Commercial Airline Operating Permits

RECOMMENDATION:

That Airport Commission receive a presentation regarding the negotiated three-year operating permits with Alaska Airlines, American Airlines, and United Airlines. Space rental rates and landing fees for the commercial airlines will continue to be adjusted annually based on Airport Commission approved rates and charges.

DISCUSSION:

Background

The commercial airlines serving Santa Barbara have for many years operated under annual operating permits that were negotiated and executed every year in conjunction with the approval of new rates and charges. The permit establishes rental rates for airline terminal space, landing fees, and boarding bridge fees, and addresses security and operational requirements.

In recognition of the staff time required every year to prepare new operating permits, the airlines and Airport staff agreed that a three-year agreement would be more efficient. In order to negotiate and draft a permit that could remain in place for three years, staff worked with the airlines to carefully consider, and in some cases, update antiquated permit language. This process has concluded and each carrier will execute the agreement.

The carriers will be billed retroactively to July 1 for the FY2018 rates and charges most recently approved on March 15, 2017. The approved airline rates and charges including annual Terminal building space square footage rate of \$104, landing fees of \$3.99 per thousand pounds of gross landed weight, boarding bridge fees of \$46 per turn, a remain overnight fee (RON) of \$46, and an "in to plane" fuel flowage fee for commercial airlines of \$.05 per gallon, are effective July 1, 2017 through June 30, 2018.

Rates and charges will continue to be negotiated annually with the airlines, and will be approved by Airport Commission as an amendment to the rates and charges exhibit of the permit. This approach will streamline the process as only rates and charges would be the subject of negotiation on an annual basis

PREPARED BY: Business Development/Properties