



## **AIRPORT COMMISSION**

### **ACTION SUMMARY MINUTES OF ADJOURNED MEETING**

**WEDNESDAY, JUNE 15, 2016**

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1. **CALL TO ORDER:** Chairman Elsner called the Airport Commission Meeting to order at 08:00 A.M.

2. **POSTING OF THE AGENDA:** Posted on June 09, 2016.

3. **ROLL CALL:**

**Commissioners Present:** Berriman, Bushore, Call, Fabricant, Freymuth, Garcia, Haag, Hampton, Hoehn (Vice Chairman), Horner, Jones, King, Parks, Suero, Wachs.

**Commissioners Absent:** Riesen, Stelk, Teal.

**Staff Present:** Airport Executive Director Nolan, Assistant Airport Director Aguirre, Director of Finance and Treasury Kiehl, Deputy Director of Aviation - Operations and Maintenance Bowser, Airport Administration Manager Jucht, Airport Operations Manager Graff, Executive Administrative Assistant Seery.

4. **ACCEPTANCE OF THE AGENDA:** Accept the Agenda as presented. **Moved and seconded, and unanimously carried noting the absence of Commissioners Riesen, Stelk, Teal.**

5. **PUBLIC COMMENTS:**

Mr. Bill Meyers, partner and driver of Yellow Cab, urged the airport not to allow Uber X to operate at Palm Springs Airport citing that Uber doesn't conduct thorough background checks, random drug testing, and doesn't have proper insurance coverage.

Ms. Lauren Skiver, CEO and General Manager for the Sunline Transit Agency and overseer of Sunline's regulatory administration, commented that Sunline enjoys a collaborative and effective relationship with Mr. Nolan and team, how the airport is supportive of innovative approaches to ensure taxi operations are vital and viable to the Valley tourism. How safety and security are of utmost importance to all leaders in the Valley, and how TNCs operate on an unfair playing field. Ms. Skiver expressed her wish that TNCs be forbidden from operating like taxis from the same location. That putting these two entities together could create safety and security issues. She explained how some cities are segregating TNCs to specific areas in to

ensure taxis maintain their advantage. She urged the Commission to consider the advantages the TNCs already operate under and asked that taxis operators and franchise owners be given the best opportunity to continue their business in the Valley.

Commissioner King asked if this was the position of the Sunline Board?

Ms. Skiver replied that the Sunline Board does not have an opposite or negative position against TNCs, that they're a free enterprise and allowed to operate as any other business but that the Board has merely taken position with the regulations and safety attributes that taxis must live under.

Ms. Joy Southerland, driver for American Cab, spoke in opposition to Uber X citing the lack of fingerprinting and background checks. She explained how Uber drivers already swarm the area on week-ends, profiting on this community. She added that the airport would need additional staff just to regulate them. She expressed strong safety concerns for customers and employees alike with potential lawsuits for the airport, and expressed concern that customers would have an uninviting first impression.

Mr. Jay D'Angelo, General Manager for American Cab and retired Police Officer, spoke against TNCs, asking for background checks to ensure customer safety and avoid what he called "stranger danger." He explained how drivers under the influence of illicit drugs are unsafe drivers and how some have assaulted passengers. He spoke strongly in favor of random drug tests.

Mr. Bill Davis, driver for American Cab for 35 years stated that Palm Springs International airport has 99.9% of all ground transportation available on demand at its front door, and how TNCs would not provide anything extra. He spoke against the notion that TNCs are cheaper because they have price surges. He called for live background checks and urged the airport to conduct them to fulfill the airport's duty to a high standard of care.

Mr. Ross Seidner, driver for Yellow Cab of the Desert with 30 years of residence spoke against Uber X's presence at the airport citing that their drivers, strangers to the Valley are unable to inform passengers about places and attractions as taxi drivers do, and are not contributing to the Valley's economy. He explained how Uber is a big unknown and how there would be more problems logistically with Uber X being part of airport. He asked the Commission to consider the livelihood of cab drivers and the care they give to passengers.

Mr. Duncan McLeod, driver for Desert City Cab, explained how a call for free enterprise was made 12 years ago and more taxi cabs were allowed and how it didn't work out so well. He cited how the Valley's seasonality problem already results in a struggle to provide service at a decent price during the slower summer months. How with Uber present, there would be fewer taxis and it would be open

season on the customers. He added that TNCs have no contract with the City and would not be controlled as taxicabs are if they break rules and he urged the Commission not to allow Uber at the airport.

Mr. Dennis Ferguson, Palm Springs resident of 14 years and Uber driver for the last 2 ½ years, commented that it is unfair to taxi drivers who had to obtain a TCP license (Transportation Charter Permit issued by the Public Utilities Commission). He expressed concerns over the congestion that would result at the airport and how Uber drivers are not familiar with congestion, are not expert drivers, and are parking anywhere. How 800 cars came from all over California for Coachella Fest, and how, as a local driver he felt jilted. He urged the Commission, if Uber X is accepted, to try first an operation on a small scale and shuttle passengers at Uber's cost to a dedicated lot to avoid a congestion nightmare.

Mr. Jose Rocas, driver for Desert City Cab, reminded all that not too long ago the airport had this issue with Super Shuttle, approved by the Commission, which did not stay long and left owing money. He asked for consideration of the taxicabs which give better support to the public.

Executive Director Nolan appreciably noted that he has been at PSP for nine years and he thanked the taxi representatives for their fine service and explained how taxis are an important component in the airport's success. He explained how the Commission had already voted in favor of allowing TNCs at the airport and how City Council will make the final determination at a future City Council public meeting.

Chairman Elsner also expressed his thanks to taxicabs for their contribution and support of the airport and community for years.

Commissioner King asked if the location of the TNC pickup area would come back to the Commission.

Executive Director Nolan explained how, if City Council voted in favor of TNC companies operating at Palm Springs International Airport, a Committee would be formed to provide input on operating details.

**6. APPROVAL OF MINUTES:**

The minutes of the Regular Meeting held on April 20, 2016, were presented for approval. **Moved and seconded.**

**AYES:** Berriman, Call, Fabricant, Freymuth, Garcia, Haag, Hampton, Horner, Jones, King, Parks, Suero.

**ABSTAIN:** Bushore, Hoehn, Wachs.

**ABSENT:** Riesen, Stelk, Teal.

**7. INTRODUCTIONS:** None.

**8. PRESENTATIONS:**

For the sake of time, the presentation of the Brown Act which was scheduled for this meeting was postponed until the July meeting.

Executive Director Nolan congratulated Chairman Elsner on this being his last meeting after serving since 2010 for this current term, and presented him with a plaque and a farewell celebration. Mr. Nolan made several personal complimentary remarks directly to Mr. Elsner.

Chairman Elsner spoke of his two six-year terms, as he served under three airport administrations. He spoke of the record traffic growth he had witnessed and expressed optimism that the two million passenger mark would be surpassed this year. He commented on the numerous improvements to the terminal structures which made PSP more customer friendly, the addition of a new regional terminal, the new FAA tower, the new USO which was recently voted best small USO in the country and where he had the pleasure of volunteering, the runways and apron improvement projects, the security projects, and many others. Mr. Elsner also commented on the improvement of the Airport Commission as a body, enabling all Cities of the Valley to participate in decisions concerning the Palm Springs International Airport. Chairman Elsner expressed his pleasure at serving as a Commissioner and Chairman of the Airport Commission for 12 years and thanked all Commissioners and Executive Director Nolan and his staff for their support. He received a heartfelt round of applause.

**9. BUDGET REPORT:**

Director of Finance and Treasury Kiehl reported on the May 2016 Financial Summary report. He pointed out that revenues tend to lag this time of year, which is only a timing issue and delay in recording some of the revenues.

How the 415 Fund – Airport Operations and Maintenance – is projected at under \$18 million or 81% of the budget, as was expected.

Mr. Kiehl explained how the 416 Fund – Capital Projects – Airport Development Fund - stands at a projected \$1.26 million compared to a budgeted \$2.8 million, or 42.16% of the budgeted amount, and how moneys will be carried forward in the next fiscal year.

That under expenditures for the 410 PFC Fund, the PFC debt service is \$1 million under the projected amount, with a payment anticipated at month's end. Mr. Kiehl added that as revenues come in higher, bonds are payed early with extra payments as has been the case for the past couple of fiscal years.

The unrestricted cash balance of \$4.7 million is up slightly from the last report and stands where we want to be and anticipate to end the year with an unrestricted cash balance between \$4.5 to \$5.0 million representing a 20% reserve, which added to the restricted reserve of \$3.3 million represents about \$8 million or a 40% reserve, a healthy situation. Mr. Kiehl explained there is another cash fund of \$2.5 million as a reserve, as per the airline agreement.

Mr. Kiehl explained that on June 1<sup>st</sup>, 2016, City Council adopted the city-wide budget, including the airport budget which was approved without changes.

Mr. Kiehl also thanked Chairman Elsner for his support.

**ACTION:** Accept the financial report. **Moved and seconded, and unanimously carried noting the absence of Commissioners Riesen, Stelk, Teal.**

## **10. DISCUSSION AND ACTION ITEMS:**

### **10.A Airport Master Plan Update**

Accompanied by a PowerPoint presentation, Executive Director Nolan gave a full recapitulation of the Airport Master Plan evolution and current status.

Mr. Nolan summarized key Master Plan milestones including how the Airport Commission approved PSP's annual Airport Capital Improvement Program in December 2015. How this plan included the first Master Plan project of terminal ticketing remodeling.

The following slide showed the 2015 Proposed Five Year Airport Capital Plan with \$2 million assigned for year 2016 towards the design of the terminal ticketing capacity improvement. Mr. Nolan explained how a grant request had been submitted, and the budget itself had been approved by the City Council and funds appropriated for the local grant match.

Mr. Nolan explained how the FAA grant process includes three critical steps which include the FAA ACIP submittal, the Fiscal Year Budget Commission acceptance and the FAA grant award and acceptance.

With the next slide, Mr. Nolan explained the elements that must be included to secure an FAA design grant which are 1) the use of a qualified firm selected from an FAA national competitive solicitation, 2) A scope negotiated/Scope with a defined level of effort/Airport reviewed & negotiated, then gaining FAA approval on scope, 3) Once FAA approved, a third party Independent Fee Estimate must be conducted – and this is currently in progress for the ticketing project, 4) Grant offer then received and approved by governing body, 5) Council approval of the contract, 6) Notice to Proceed on Design/Bid Phase issued. Mr. Nolan explained that PSP has three

scopes in progress: the ticketing area remodel, taxiway J's rehabilitation, and the car rental expansion project.

Commissioner Jones inquired about the timeline for the third party independent fee estimate to be accomplished.

Airport Administration Manager Jucht indicated it would take approximately one week.

Executive Director Nolan then presented a projected schedule if an FAA grant award was received and accepted by City Council by summer 2016, a Notice to Proceed could be issued in the summer of 2016 and design and bid phases can commence and could be completed by Spring 2017 with construction ensuing over the next several months for the ticketing project. How the precise duration and phasing of the project's construction would be determined during the design development phase and be driven by factors like the presence of hazardous materials and removal, structural modification complexity, phasing and airline approvals, and possibly PFC process impediments.

Mr. Nolan then explained how the airlines will be closely involved with the layout of the ticketing area to allow for the integration of check-in kiosks and their operational needs. How the airport would fund this by leveraging the existing PFCs by refinancing the bond issues remaining from the debt of the Bono concourse, approve a new PFC for existing and new bonds. He explained how a bond feasibility is a necessary part of the program to determine precisely what we can afford to avoid overbuilding and overspending.

Mr. Nolan presented the tentative ticketing remodel time schedule reflecting a Notice to Proceed to design in late summer 2016, a construction bid in spring 2017, construction starting in early summer 2017 and completed by late 2017.

The next set of slides addressed the important Master Plan Car Rental Improvements and the enabling elements such as a bonding feasibility analysis, the relocation of the U.S. Customs facility, gaining car rental stakeholder consensus and the issuance of bonds, all elements necessary prior to construction.

Finance and Treasury Director Kiehl explained how financial advisors are preparing bonding options analyses with as short a repayment schedule as possible, balanced with the expected life cycle of the improvements.

Mr. Nolan explained how coordination with U.S. Customs had taken place over the last twelve months regarding the location of the new facility and the proposed site was shown on a photo.

Mr. Nolan explained how a design contract is being developed for the Car Rental Facility expansion project and will be presented to City Council for approval and a notice to proceed will be issued. How the bonding feasibility outcome will establish

the budget for the project and an S.O.Q is being prepared. How the funding will come from the \$12 million CFC Fund for the design of the facility and the balance will be used for leveraging bonding for the construction.

Mr. Nolan then presented the anticipated and tentative schedule for car rental improvements. The award of the design contract for Customs and the car rental facility is scheduled for the second half of 2016, the award of a construction contract for the U.S. Customs facility and possibly the terminal expansion for the summer of 2017 with the relocation of U.S. Customs to their new facility. Then the construction of the car rental parking structure and roads will commence and the project is estimated to be completed by the end of 2018.

The following slides covered an addendum to the Master Plan update. Mr. Nolan showed excerpts from the Master Plan and explained how the need for the program is driven by the level of passenger activity, with a Master Plan forecast for enplanement growth consistent with actual figures, and which suggests the Master Plan program is on schedule.

Commissioner Garcia expressed concern that construction would take place at the height of the season and Mr. Nolan assured him that a construction phasing plan will ensure minimal disturbance to efficient operations and he alluded to that same accomplishment during the recent major runway pavement rehabilitation that was managed with no impact to operations.

Commissioner Fabricant thanked Mr. Nolan for providing the timeline that he and other commissioners had requested.

**Moved and seconded, and unanimously carried noting the absence of Commissioners Riesen, Stelk, Teal.**

#### **10. EXECUTIVE AND STAFF REPORTS:**

Airport Executive Director Nolan reported on the following topics:

Air Canada Rouge is introducing a wide-body B767-300 holding 282 seats on the Vancouver route in winter 2016, the largest scheduled aircraft in the history of Palm Springs International Airport.

The TSA is adding more equipment to the baggage make-up area to enhance the bag screening processes.

The annual Aviation Expo event this October will take place entirely at the airport, without a parade a plane to the Palm Springs convention center. Mr. Nolan explained how it would follow the model of the Oshkosh Air show and the Paris Air show and will attract hundreds of aircraft from all over the country.

Commissioner Suero inquired about Zip Cars using the former cell phone lot.

Airport Administration Manager Jucht explained how they are affiliated with Avis and Budget and how this allows customers to reserve a car, bypass the counter and retrieve the car in that designated area.

Commissioner Haag asked in what phases of the Master Plan would conceptual designs be presented to the Commission.

Mr. Nolan explained that they will involve a designated Commission Committee, and encouraged Commissioner Haag, with his construction background, to serve on it.

**11. COMMISSIONERS REQUESTS AND REPORTS:**

Commissioner Hampton brought up an article which appeared in USA today which stated that rental cars are still going strong in the age of Uber and commented how the rental car market at PSP should not feel threatened because of the availability and affordability of parking around town and other cities of the Valley.

Commissioner King spoke in favor of TNCs and pointed out that taxi drivers are not always as reliable as they portray themselves to be.

Commissioner Haag commented that if 800 TNC cars were present in the Valley for Coachella, TNCs do serve a purpose.

Vice Chairman Hoehn commented that Uber was present at the Indian Wells tennis tournament this past spring and how the operation was organized and successful with TNCs using a separate lot from the taxis lot.

**12. REPORT OF CITY COUNCIL ACTIONS:** None.

**13. CORRESPONDENCE:** None

**14. RECEIVE AND FILE:**

**ACTION:** Receive and file: 15.A May 2016 Activity Report; 15.B June 2016 Airline Schedule. 15.C July 2016 Airline Schedule.

**Moved and seconded, and unanimously carried noting the absence of Commissioners Riesen, Stelk, Teal.**

**ADJOURNMENT:**

Chairman Elsner reminded the Commission that elections for the Chairman and Vice Chairman positions would take place at the July Commission meeting, and that the Palm Springs' City Ordinance requires that the Chairman be from Palm Springs.

Motion to adjourn to July 20, 2016. **Moved and seconded, and unanimously carried noting the absence of Commissioners Riesen, Stelk, Teal.**

The Airport Commission adjourned at 09:45 A.M. to Wednesday, July 20, 2016, at 08:00 A.M., in the airport conference room, 3400 E. Tahquitz Canyon Way, Palm Springs.

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Nadia P. Seery  
Executive Administrative Assistant