

OMB Contract Review

Contract Name	Airline Operating and Use Agreement with Allegiant Air, LLC for the Operation of Scheduled Commercial Air Service at St. Pete-Clearwater International Airport				
File #	19-1297A	Contract #	n/a	Date:	8/19/19

Mark all Applicable Boxes:

Type of Contract									
CIP		Grant		Other	X	Revenue	X	Project	

Contract information:

New Contract (Y/N)	Yes	Original Contract Amount	Expenditure up to \$150,000.00 per year Revenue estimated \$14,286,222.00 for 5-year term
Fund(s)	4001	Amount of Change	0
Cost Center(s)	100200; 421014	Contract Amount	Expenditure up to \$150,000.00 per year Revenue estimated \$14,286,222.00 for 5-year term
Program(s)	2027	Amount Available	Total: Expenditure FY20 \$150,000.00 Revenue FY20 \$2,161,720.00
Account(s)	Various	Included in Applicable Budget? (Y/N)	Yes FY20 Proposed
Fiscal Year(s)	FY20-FY24		

Description & Comments

(What is it, any issues found, is there a financial impact to current/next FY, does this contract vary from previous FY, etc.)

This is an agreement between St. Pete-Clearwater Airport and Allegiant Air, LLC for the airline's operation of scheduled commercial air services at PIE. This Agreement is for a term of five years beginning upon execution and continuing through September 30, 2024. Both parties can agree to a one-year extension.

Allegiant may terminate the agreement at any time without out cause by providing 90 days advanced notice and may terminate for cause with 30 days advanced notice. If Allegiant were to terminate this Agreement, the amount of anticipated revenue would be less than the \$14,286,222.00 stated on the staff report.

The Terminal Service Facility fee is not consistent with the User Fee Schedule presented to the Board in June. The contract was still being negotiated during the FY20 budget development process.

Contract		Proposed User Fee Schedule	
Departures	Fee	Departures	Fee
0- 2,500	\$75	0- 2,500	\$75
2,501-5,000	\$65	2,501-5,000	\$65
5,001-7,500	\$55	5,001-7,500	\$60
> 7,500	\$50	7,501 -10,000	\$55
		> 10,000	\$50

The Passenger Screening Fee increases in FY21 to \$.65, FY23 to \$.70, and FY24 to \$.75. This will require changes to the User Fee Schedule during each of the respective annual budget development processes.

The loading bridge fee increased from \$35 to \$50 and is consistent with User Fee Schedule presented to the Board in June.

The Landing Fees remain unchanged in the new contract at \$.95 per 1,000 pound aircraft. The yearly increase is based on the Master Plan projects increasing flight operations as follows:

FY20 2.5%
FY21 3.1%
FY22 3.5%
FY23 3.1%
FY24 3.1%

The fee for Aircraft Remain Overnight (RON) remains unchanged. The new contract increases the RON to eight per day.

The square foot charge for office space remains unchanged, but there is an increase in the amount of space Allegiant is leasing from the Airport.

The Ticket Counters fee remains unchanged, but the number of Ticket Counters increased to 22 in this contract.

Article 5 of the agreement states that the Airport will provide marketing support to Allegiant for the commencement of new service locations from PIE. The amount is not to exceed \$75,000 per new city, per fiscal year, not to exceed a total of \$150,000 per year. This expenditure is included in FY20 Proposed budget.

Edits to staff report and notes included.

Analyst: Erica Mitchell

Ok to Sign:

Instructions/Checklist

1. Upon receipt of a contract and notification in County Admin Tracking System (CATS) review the Agenda and Contract for language and accuracy. Make sure there are available funds, the dept is not overextending itself, was it planned, etc.
2. Complete the form above using the contract document and the County accounting & budgeting systems.
3. Use the "Description & Comments" section to give a brief summary of the contract and include your thoughts and pertinent information.
4. Print the form, initial, and leave folder on the Director's desk.
5. Login to CATS and click in the cell next to your name. A date will appear and click on the date you completed your review. Choose save and close the CATS system.